CHAPTER 4

THE DEVELOPMENT OF THE THAI GOVERNMENTS’ URBAN POVERTY ALLEVIATION POLICY

This chapter will analyse how the government’s urban poverty alleviation policy developed from the 1960s until 2004. In Thailand, for the past 40 years, governments have announced their economic, and later economic and social development aims, in the form of five–year national plans. From the beginning in these plans there has been reference to urban and rural poverty, and its alleviation. In the most recent times the government has been more ambitious in announcing that it will end poverty. My assessment is that the development of policy in relation to urban poverty should be seen in the context of the government’s stated economic and social priorities.

I achieve this by making an analysis of the policy documents available, and recording current debates I have witnessed on poverty issues. I also note some major political events that interacted with economic forces during the period and comment, from my experience, on the implementation of poverty alleviation policies.

Prior to the Second World War, Thailand’s economy was based entirely on agricultural products, such as rice, tin and rubber. During the Depression of the 1930s, prices of these goods fell drastically, with direct impact on Thailand. Thailand was recognised then as one of the poorest countries in the world. After the Second World War, the Thai Government undertook many development strategies, especially in the manufacturing sector. Various industries were established with the assistance of the World Bank and the United States of America. The economic development policies supported private enterprise through the provision of infrastructure, and promoted stable macro-economic conditions and foreign investment. In 1960, the government established the National Economic Development Board, now the National Economic and Social Development Board (NESDB), to formulate and oversee the implementation of the country’s development plans. Because of the need to change the direction of the Thai economy away from the dependence on agriculture, Thai officials created central economic
policymaking agencies. The NESDB produces five-year plans and is also responsible for ongoing analysis of Thailand’s economy (Unger, 1998:72-73).

The data here is gathered from my English translations of government papers which announced to the National Assembly their intentions during their period of office. I have surveyed these documents in the Library of Parliament and in addition have read all of the National Economic and Social Development Plans from 1961-2006. These documents are available for public reading in the Library of the National Economic and Social Development Office. Other academic libraries in Thailand may also have the National Plans available. Each new government of the fifty-four during the period of my review announced the plans that it intended to carry out and I have therefore read fifty-four of these documents, (see policy documents in Appendix IV). From the First Government of Thailand (1932) until the 28th Government (1958), policies did not mention urban problems. The 29th Government (1959) was the first to acknowledge the slum problem. For more than four decades, each Thai government has approached slum problems in various ways, according to their different views, attitudes and concerns. I shall comment on some of the results of these policies from government reports and other perspectives; those of the NGOs working in the area, academics from the UN, and also from my position as a community development worker and an action researcher in Thailand.


The plan concentrated on rural sectors and the expansion of agricultural production. Many infrastructure facilities were built, including roads, railways and dams. Meanwhile, industrial sectors were also focused on through investment in infrastructure, particularly transportation, power generation, irrigation projects and communications. The export policy was also included in the plan. Since then many hundreds of factories were opened in Bangkok, later this was extended to five nearby provinces. A housing shortage was mentioned. Public housing, comprising 20 buildings for low-income earners housing 1,312 families, were constructed during this plan (Office of The Prime Minister, 1961).
In the early 1960s, the government officials had seen slums as a ‘cancer’, the shame of the city and needing to be eradicated. (Pornchokchai, 1985:13). At this time Thailand was an authoritarian state under the Government of Field Marshal Sarit Thanarat (1959-1963). Even though his policy, delivered to the National Assembly, does not mention urban problems, he had seen many slums around the Bangkok area. He approached the local government to improve the areas. The Central Office for Slums Improvement was established, under the Bangkok Municipality, now the Bangkok Metropolitan Administration (BMA). This agency aimed to be responsible for prevention, improving and demolishing the very poor conditions of housing, building and slums around the Bangkok area (BMA, 1992:2). The first action of the organisation was the clearance of the slum that was located in front of the Department of Highways in order to build a government office. The land belonged to the Bureau of Crown Property. The area is now the government office for the Ministry of Foreign Affairs. Approximately 1,320 families or 10,600 people were evicted (Ibid). Some residents moved to live in new public housing (high-rise flats) provided by the Bangkok Municipality. The majority of residents received some compensation and then moved on, creating new slums elsewhere in the city.

In 1963, there was a shift in policy when the Government of General Thanom Kitikajorn (1963-1973) announced the policy relating to slum problems that stated the government would improve the situation of Bangkok’s housing shortage by increasing the numbers of public housing and building low-income housing for low-income earners (The 31\textsuperscript{st} Government of Thailand, 1969).

In 1964, the Bangkok Municipality established a tentative slum improvement programme as a pilot project for Bonkai slum community which is located on Rama IV Road (just a few minutes away from a five star hotel and the business centre). The programme provided some physical improvement and infrastructures for the dwellers, such as electricity and water supply. The officials repaired and demolished housing and buildings which were of a low standard and had high-risk conditions. Health care projects were
also conducted for the slum dwellers. The programme received contributions from the residents. They donated some money and participated in implementing the projects. The Bangkok Municipality was satisfied with the success of the project (BMA, 1992:2-3).

Subsequent to this period there has been a focus on analysing the reasons for the emergence of slums. These documents reflect the interests of the professional commentators, who ranged from politicians to academics and NGOs through city planners and other government officials. The policy makers tended to focus their explanation on the macro level with respect to the change in urban land-use pattern and housing shortages. Some, for example, pointed out that slum emergence happens because the authorities leave their land properties available to be occupied by the homeless and the poor. On the other hand, the front-line workers believed that slum emergence derived from rural poverty and failure of the government’s rural development policy (Sakornpan, Poopetch and Thongplew, 1985:12). According to Rabibhadana (1999), slums emerged as an indirect consequence of the government’s economic development policy, which involved developing and building infrastructure, promoting international trade and tourism, and the industrial sector. Thus, the urban demand for cheap labour was created, resulting in the influx of migrant labourers from rural areas. There were insufficient facilities, public services and lack of housing provision for low-income earners. The migrants had to settle on vacant land that belonged to government agencies, private individuals or land speculators. Without government initiative or support, they either rented the land and built houses on it with their own hands or just squatted on those lands. The housing was usually crowded on the land, used low-quality or not very permanent materials and was generally in a bad environment.


This plan continues the First Plan’s emphasis on economic growth and the provision of infrastructure to facilitate this. It was estimated that, on average, GDP had grown about
eight per cent per year. At this time, the numbers of rural immigrants were also rapidly increasing in Bangkok areas (Office of The Prime Minister, 1967).

According to the UNCHS (2002) it was estimated that in the period 1955 to 1960, approximately 150,000 immigrants moved to the city. In 1958, the population of Bangkok was estimated to be two million. In the period 1965 to 1970, new migrants exceeded 300,000, with women exceeding the number of men. These migrants were from four regions of the country. The highest rate of migrants came from the Northeast region. Most of the migrants lived in slums and squatter settlements. Since that time, slums appeared throughout Bangkok areas, on public and private land, beside railway tracks, roads, canals, on swamp areas, under bridges and so on.

The BMA estimated that ‘The registered population in Bangkok increased from 1.6 million in 1958 to 5.4 million in 1986 and 5.6 million in 1999. The population of Bangkok is now close to 7 million by registered record or about 10 million of (the) daytime population’ (BMA, 2003:1).

In 1970, the Faculty of Social Administration, which was established to train social workers at Thammasat University in Bangkok in 1954, conducted research in an area of Bangkok. ‘Klong Toey, A Social Work Survey of a Squatter Slum’ found that Klong Toey was the largest squatter slum in the Bangkok Metropolitan Region. 4,500 families or 25,365 people lived in the area, which was bounded by the railway tracks. Eighty per cent of household heads were born outside Bangkok. Seventy–eight per cent of household heads owned the house they lived in. Fifteen per cent of household heads were working for the Port Authority of Thailand (PAT) as employees and workers to move the cargo or goods, and as truck drivers. The majority of household heads worked as bus and taxi drivers, building road workers, factory workers and street vendors around the area. The slum was a symbol of the high concentration of social, health, educational and housing problem, which was located in the land belonging to the PAT until the present time (Faculty of Social Administration, 1971).
4.3 The Third National Economic Plan (1972-1976): slum problem have to be dealt with by politicians.

The plan involved actively focusing on both import–substituting industrialisation and export–oriented industrialisation. Large numbers of rural migrants to cities increased rapidly at the end of the Second National Economic Plan, and the number of slums increased (Office of The Prime Minister, 1972). The urban slum problem was one of the concerns of the Third National Economic Plan. In 1973, the National Housing Authority (NHA) was established, a state enterprise under the Ministry of Interior which provided low–income housing with infrastructure and services for low–income earners and was also responsible for slum improvement. The Central Office for Slums Improvement was transferred from the Bangkok Municipality to this organisation, the NHA (NHA, 1981:17).

On 19 March 1975, Prime Minister Keugrit Pramoch declared a policy to the National Assembly. The policy emphasised poverty alleviation in rural and urban areas by job and income promotion. The government wanted to eradicate urban poverty in every region in the country. Public housing needed to be increased to 20,000 units per year to respond to the needs of the urban poor. However, he left the position one year later (The 36th Government of Thailand, 1975).

During this period, the government subsidised housing development projects for low–income and middle–income earners across the country through NHA. The government also encouraged and supported the private sector with joint ventures in housing projects by providing low interest rate loans. High–rise flats were built and about 5,067 units for 30,000 families had been built by the end of this plan.

By the end of the 1960s the continued economic growth also had political consequences. In this case it was the rich and middle–class Thais who were now in the universities and demanding alternatives to the military governments that had dominated Thailand. In October 1973 there was a massacre of student protestors for democracy and in the same
month, in 1976, at Thammasat University ‘…armed thugs, with the backing of the police and paramilitary elements, shot, battered, mutilated and hung unarmed students’ (Kelly Connors, 2003:60-62). Here we see authoritarian elements in the government using the poor (armed thugs) against demands for political change by the elite groups.

It was in this environment, in 1975, that the Bangkok Municipality established the Division of Social Work, under the Department of Social Welfare, aimed at developing the quality of life of the slum dwellers. Case work, family work, community development and community organisation approaches were first conducted in urban slums by this office. Many projects were created, such as improving the environment and physical conditions of slums, income-generation activities, recreation activities for youth, educating the slum dwellers about family planning, drug prevention. There was a search for community leaders and community committees were also set up. The Bangkok Municipality created a ‘community developer’ position in each district office to implement the community development projects in slums in 1979 (BMA, 1992:4). This was a move to establish community development in the urban areas which, as I discussed in Chapter Two, had already been established in rural Thailand in 1962.

4.4 The Fourth National Economic and Social Development Plan (1977-1981): social is added to the title, but urban problems are increasing.

There was more focus now on export-oriented industries through foreign investment. Thailand became one of the most dynamic economies in the region. However, by the end of the Third National Economic Plan it was found that the number of migrants to the city had dramatically increased and about 60 per cent of the urban population was living in Bangkok. There were seven million people living in urban areas in the whole country, four million lived in Bangkok whereas three million lived in urban areas around the country. The numbers of slums in Bangkok increased to 300, about 133,000 families or 800,000 persons. Many social problems emerged in the country during this period (Office of The Prime Minister, 1977).
The Government emphasised the importance of social development in the development process. This addition to the title, and the widening of the focus of the plan came during the period Dichter (2003:62) describes internationally as the ‘Golden Age of Development’. He writes of the period 1965-1980 as one in which capital formation or physical infrastructure development were continued but the ends of growth were being questioned and poverty had been rediscovered (Ibid:63). In Thailand the ‘Social Development Plan’ was created in the Fourth National Plan. Slums were recognised as a social problem. Approaches to the solution of slum problems focused on housing development policy for low-income and middle-income earners.

In 1977, the National Housing Authority (NHA) established the Office of Slums Upgrading. This office had direct responsibility for planning and improving slums in both Bangkok and other regions (NHA, 1981:18).

An important outside influence on policy was undoubtedly the establishment, in October 1978, of the United Nations Human Settlement Programme. This agency was created after a meeting in Vancouver known as Habitat I, under the United Nations. It is responsible for housing and urban development by undertaking research, making policies, providing training, carrying out development projects and advising governments and the civil society (UN-HABITAT, 2004).

Slum upgrading became official policy and the NHA created a master plan for slums upgrading (1979-1982). The purpose of this plan was to improve the living condition of residents of certain slums rather than demolishing the slums. The activities were physical and environmental improvements, such as building walkways, providing electricity, and water supply, making sewage disposal and drainage systems. Income—generation activity, vocational training, basic health and social services were also supported to increase the standard of living of the slum dwellers. The slum upgrading approach needed the approval from owners of both public and private land. By the end of the plan 62 slums and 26,150 families, received benefits from the project. The NHA stated that slums in general have a lack of social services, such as childcare centres, schools, drug prevention and family planning services, electricity and water supply. Without
government provision, the slum dwellers needed to provide these essential services by themselves. Thus, the costs for electricity and clean water were very high. The slum upgrading programme thus helped the households reduce their expenditure. Previously they were having to spend up to three times the cost to other households of such utilities. This was because, to obtain these services from secondary sources, they had to deal with those who made profits from their need. Household industries in the slums were developed to increase the income of slum dwellers. The residents felt these tangible improvements to their living conditions meant that the government was paying more attention to them (NHA, 1981:54).

By the end of the plan, the slum upgrading approach had gained more recognition because, compared to the housing development policy, it involved a low cost of investment. The evaluation by the NHA reported that the slum dwellers were satisfied and received more benefits, compared with other approaches. The NHA also made the important observation that projects they promoted supported the stabilisation of the government (Ibid).

The Government of General Prem Tinsulanonda (1980-1988) declared that the government would support the slum-upgrading project. In addition, the housing development project would be subsidised to respond to the needs of the urban poor by increasing the number of low-income housing units in Bangkok and the other regions by at least 10,000 units per year (The 42nd Government of Thailand, 1980).

In 1980, the Bang Plee New Town Project was established by the NHA to solve a housing shortage. This was supported by loans from the Asian Development Bank, USAID and government subsidy. The project was the first and largest New Town. It was located in Samutpakarn Province, a suburb of Bangkok, around 40 kilometers from the City centre. It provided different kinds of housing, such as apartments, townhouses or detached housing, for 5,095 families, a primary school, secondary school, health care centre, business centre and government offices. The industrial estate, which comprised 127 factories, was also created nearby the project. There were about 11,052 people living in the project in 1985. Two decades later I found (Senanuch and Kongman, 2002:599-
654) that there were over 50,000 people living in the New Town. The majority of the population are factory workers who migrated from rural areas and rented rooms or houses in the place. The area faced many problems such as; overcrowding, pollution from factories (smoke and bad odours), lack of utilities (clean water, drainage system, waste management), health problems, drugs, high rates of crime and traffic accidents. The New Town Project, in fact, created slums in this area.

4.5 The Fifth National Economic and Social Development Plan (1982-1986): rural poverty alleviation becomes part of the Government’s agenda; a name change is given to urban slums.

This plan increasingly emphasised the reduction of rural poverty and the maintenance of balance between development and conservation. The government, for the first time, explicitly discussed poverty alleviation. The National Rural Poverty Alleviation Plan was drawn up separately to develop poor areas, with intensive development programmes and various projects. People were encouraged to organise themselves for income-generating activities, to identify and solve their problems, and to participate in development activities. Meanwhile, for the urban areas, the plan still emphasised housing development policy and slum improvement. 42,500 housing units would be built for low-income earners and 30,000 slum housing units would be upgraded (Office of The Prime Minister, 1982).

In 1982, the NHA identified 410 slum areas for upgrading and rehabilitation, affecting 55,000 people, or about 12 per cent of the total slum population. They also estimated that about 30 per cent of people lived in slums and squatter settlements at that time. However, the majority of these were paying rent for the land. Only five per cent of those in slums and squatter settlements were on government land. Thus, the incidence of squatters and renters in slums on private lands is high in Bangkok (NHA, 1981:15).

In 1982, the Cabinet approved using the term ‘Crowded Community’ (chum-chon-air-at) instead of ‘slum’ to overcome negative meanings (Rabibhadana, 1999:336). This name change had been suggested by the National Housing Authority when the slum
upgrading concept began. It is still the preferred official term used by government officials.

In 1983, the Cabinet approved the housing development policy, which was proposed by the National Economic and Social Development Board. It noted that slum upgrading in both old slum areas and new slum areas was the responsibility of local government. The National Housing Authority was to be the facilitator and co-ordinator with the local government and other involving organisations with regard to slum upgrading in Bangkok (Kaothien, 1996:210).

In 1986, the Cabinet approved the Bangkok Metropolitan Administration to implement slum improvement projects, instead of the National Housing Authority. This was effected from 1988 (BMA, 1992:9). This legislation made the BMA the key player in slum upgrading in Bangkok. Even though the NHA had been successful in the slum upgrading project, evictions by government or private land owners extended to these slums. During the economic boom land was a very valuable asset. The NHA evaluated the resulting losses and gains made under the project as it had invested a large budget in the project. Then in 1986, it decided to stop the upgrading project altogether and transferred the slum improvement in Bangkok to the local government (BMA). This was part of a general policy change to decentralise services to the local context.


The plan stated that during the period of the Fifth Plan, Thailand had to confront economic problems that had been building up for a long time, such as problems of income distribution and poverty problems. The Sixth Plan focused on economic development. The Government provided incentives to promote large-scale industries. There was promotion of rural industries and cottage industries to create employment on the agenda as part of rural poverty eradication in the development plan. Social development was also part of the plan to improve the quality of life of the population in
both rural and urban areas. It was stated that the national identity, culture and system of values were to be maintained. For the slum problem, the plan stated that the government was able to alleviate part of this problem. The urban poor who were living in slums lacked essential services. However, the Sixth Plan continued to emphasise housing policy by providing housing of more than 22,000 units for low-income earners. Slum improvement concepts were expanded to solve problems by providing water, electric supply and basic infrastructure for 20,000 slum housing units. The national urbanisation development institution would be established to solve the problem (Office of The Prime Minister, 1987).

In 1987, The Cabinet approved the National Housing Authority co-ordinating the implementation of slum upgrading within Bangkok and five nearby provinces (Nakhonpatom, Samutprakan, Samutsakon, Nonthaburi and Patumthani). This started from 1988.

In 1987, the Government of General Prem Tinasulanonda provided a budget amounting to 119 million Baht (3.97 million Australian dollars) as a revolving fund for the urban poor who were affected by emergency housing problems such as eviction and fire victims. However, the fund did not directly benefit the poor (UCDO, 1999:43).

Also in 1987, The United Nations announced the International Year of Shelter for the Homeless, and the Habitat Forum was held in Berlin, Germany. As mentioned at the conference, Thailand was one of the seven countries which had the most serious problem of insecurity of housing. Two hundred slums, or 40,000 families faced eviction in that year (NHA, 1987:55). Due to Thailand’s rapid economic development in this period, the needs for land for development and commercial purposes had increased. ‘The strong economic growth has provided employment opportunities for all, including the poor, has also resulted in eviction pressures on slum and squatter communities’ (Kaothien, 1996:208). Thus, slum evictions had expanded throughout Bangkok and its vicinities.

I had experience with slum eviction when I worked with the slum near Wat Latproa Temple in 1988. This slum is located in the inner city, within easy commuting distance to
workplaces around the area. The land belonged to a private individual. The dwellers rented the land and had built their houses on the land over twenty years previously. Some families squatted on the public land that is joined to the private land. In 1988, the landowner sold the land to a housing group company, which wanted to build housing for rich people. The new land owner used law enforcement for the slum clearance. I helped the residents to find ways out of the problem. I was using my social capital to support these people by providing them with access to legal aid, useful information and resources, as well as special training on housing problem issues. A savings group was chosen as the way to solve their problems and this was extended to a housing cooperative. I helped them to negotiate with the land owner to postpone the eviction. In their desire to get rid of the slum as soon as possible, they had tried to move the residents out by setting fire to the slum, but the residents controlled the fire. This method is called fire-raising and is a frequent act by landowners to remove squatters. The residents set up their own security guards to protect their communities. The slum’s leaders had their lives threatened by members of organised criminal groups who were paid by the land owner. I lobbied politicians and government officials to provide some budget for residents. However, using law enforcement, the city’s policemen were sent to demolish all houses in the slum. The women and children tried to protect their homes but they could not resist. About one hundred houses were pulled down in just a few hours. The residents lost their home, property and valued possessions in the event and became homeless people. The slum dwellers moved to temporary shelters on their new land in a suburb of Bangkok, very far from the city and workplace and without transportation. Many children dropped out from school to follow their parents to the new place. They faced many difficulties and problems following their settlement in this new area. The new land had been bought with the money which they saved with the housing cooperative, and compensation and loans from the National Housing Authority. Some of them moved to live in other slums near the place in which they had lived for twenty years. It is one of the few cases where some success was achieved in dealing with slum eviction by the people themselves, though accessing the limited available resources.
However, even though some of these people had secure housing after four or five years, they had many social disadvantages and were still living in poverty. For example, the relocation involved long journeys to the city and there were problems finding work nearer to their dwellings or they had to send the children on long journeys to school. Low pay in unskilled and insecure jobs were still ensuring they were in poverty. In addition they now had mortgages to pay to the NHA. As a result, 10 families sold their houses and returned to slums in the city, near their workplaces.

At the same time, the NHA initiated a new approach called the land relocation project. The project aimed to assist the slum dwellers on land where they were being evicted by private land owners, also when there was eviction because of the government’s expropriation projects, and loss of housing by fire or natural disaster. The slums were removed from the original site to new land. The NHA supplied empty land and provided basic services such as roads, electricity, water supply and drainage systems. In some projects, housing may be built for rental or leasing according to the needs of each resident. Other projects involved the NHA arranging for the people to negotiate a land sharing arrangement between the land owners and residents. Then, the NHA would demolish the slums and rebuild and provide facilities for the slums. The majority of relocation projects were located in a suburb of Bangkok which was very far from the city and their workplace. The project did not provide good transportation for them. It took two to three hours in the by now frequently grid−locked traffic to commute to their workplace. Many slum dwellers were not interested in the project. According to Kaothien (1996: 206), he estimated that 30 per cent of the relocated people sold their land and houses provided by the NHA and became renters or squatters in slums. He concluded that selling the property usually resulted from the need for income rather than the ownership of land or housing, although in some cases this behaviour reflected the location of the newly provided land.

The Government of General Chatchai Shoonhawan (1988-1990) made an announcement that would emphasise the development of the quality of life of the slum dwellers (The 45th Government of Thailand, 1988). Slum upgrading was also provided for existing slums which previously had not received this. In 1990, his Government approved the
special budget to loan 250 million Baht (approximately 8.3 million Australian dollars) to implement an emergency housing project for the urban poor who were affected by the eviction (UDCO, 1999:44). At this time, about 300 slums were under threat of eviction and this was not sufficient funding to help the poor. Problems of accessing such revolving funds by mostly disorganised slum dwellers prevented the benefits from reaching the target group. Additionally, the measures implemented focused on housing developments for low-income groups, particularly in the regions. The belief here was that providing such housing would directly benefit the poor in slums, but in reality such housing was beyond their reach.

Having previously created a Division of Social Work in 1975 in 1989, the BMA established the Division of Community Development in the Department of Social Welfare, which aimed to act as a central agency to deal with slum problems (BMA, 2001:9).

In December 1990, the Government was taken over by a military leaders group. Anan Panyarashoon was appointed as Prime Minister (1991-1992). He had a reputation of being free from corruption and was respected internationally. He played a significant role in the political conflict resolution among different power groups in Thai society and also drew up the Constitution of 1991.

During the 1980s civil society in Thailand had strengthened. A number of NGOs and community–based organisations (CBOs) without funding from governments in the 1980s sought funding from international donors (Unger, 1998:41). This was in an environment described in 1984 at an UN conference on NGOs as “dev biz”. According to Dichter (2003:98) this term was used to distinguish between the past when development was an altruistic occupation and the present when the same work had become more of an industry. Certainly Thailand was a recipient of the results of the growth of this industry, with the donors coming mainly from Europe, Japan and the US. The result was NGOs dealing with many aspects of need including education, health, housing, human rights and economic improvement. They used their overseas funding bases to lobby Thai governments, when they were sympathetic, about the needs of the people who were being
taken care of by international donors. The NGO with which I worked, for example, the People’s Organisation for Participation, focused on raising the awareness of human rights, funded by the Asian Committee for People’s Organisation and a number of European charities, including ‘Bread for the World’. They used the openness of the Anan government to be vocal about the needs of the urban poor beyond housing. Anan’s Government did not refer to policy related to slum problems in his policy announcement. However, his Government approved 1,250 million Baht (approximately 41.67 million Australian dollars) for the Urban Community Development Fund. The Urban Community Development Office was created at this time. After the Constitution (1991) was effected, a new election was conducted.

After the Constitution of 1991 there was an election and General Sujinda Kraprayoon, who was a former military leader, but was not a Member of Parliament, was invited by the political parties who had the majority vote to be the Prime Minister, in April 1992.

Against this event there was a democracy demonstration in May that indicated the growing importance of civil society. This consisted of students and other middle-class groups, joined by poor people including those living in many slums in Bangkok. They were brutally put down by the police and military, close to Thammasat University. However, after the televised intervention of The King, General Sujinda was forced to resign from the position by these pressure groups. Two months later, King Bhumibol appointed Anan Panyarashoon to be the temporary Prime Minister (June–September 1992). His key role was preparing for the new national election. Chaun Leekpai won the majority votes and became the next Prime Minister.

4.7 The Seventh National Economic and Social Development Plan (1992-1996): emphasis on civil society: urban poverty seen as requiring community development focusing on self-reliance, along with political decentralisation.

This plan aimed to reduce income inequality, upgrading the quality of life and preserving the environment and increasing the infrastructure in support of economic development.
The plan was also to promote decentralised development to the regions and local communities. The plan reported that ‘the problems of urban poverty and urban slums have become serious’ (Office of The Prime Minister, 1992:3). There was a large proportion of migrant workers moving to Bangkok and its vicinity towns. These people did not have job security and could not earn enough to support an adequate basic living standard in the capital, resulting in greater urban slum problems. There was an estimated urban slum population of close to two million. The approaches to help the urban poor were through the provision of low-income housing, occupational and skills development, the setting up of a fund for them to borrow from and improvements in living conditions by providing infrastructure services.

In 1992, The Urban Community Development Office (UCDO) was established, under the National Housing Authority of Thailand. The purpose of this office was to launch the Urban Community Development Fund which was approved as a revolving fund in the Anan Government, amounting to 1,250 million Baht (approximately 41.67 million Australian dollars). At the national level, the UCDO had chosen the provision of credit and loan as a key tool to eradicate the poverty in urban slum communities throughout the Kingdom. The UCDO realised that the real problem of the urban poor in slums was that they lacked adequate income and financial resources. The methods of attacking urban poverty were to improve the ability of the poor to increase their income through small business and the community savings groups by providing low-interest loans to community savings groups activities and strengthening the capacity of the savings groups and the urban poor communities (Kaothien, 1996:215).

Boonyabancha (2001:9) argued that community savings and loan schemes brought people together, helping them learn how to develop and manage their own resources. This reduced individual vulnerability by immediate access to loans. Social capital is developed here through stronger communities that can tackle key issues in relation to land and infrastructure. Savings groups can learn from each other through community exchange, and networks develop among the urban poor who then have more power to negotiate with the outside world. Collaboration with government can increase when such networks
demonstrate cheaper, more effective ways of addressing housing problems. This is a vehicle for the poor to be included in political and financial institutions by their own savings group activities functioning to bridge the gap between their way of life and formal provisions. The urban poor can, by these means, obtain, without large subsidies, good—enough housing with basic services.

In 1992 in Bangkok, the BMA established the Community Development Department (formerly the Division of Community Development under the Department of Social Welfare), with responsibilities for slum and housing improvements, encouraging income—generation activities and promoting the people’s organisations in slum communities in Bangkok (BMA, 2001:10).

The Government of Chuan Leekpai (1992-1995), declared that the policy related to slums was to promote the private sector to jointly operate with the government housing development projects for low—income earners. Basic infrastructures were extended to the existing slum communities, particularly electricity, water supply and physical improvements to increase the living standards of the people (The 50th Government of Thailand, 1992).

In 1996, the United Nations held a second conference on cities, Habitat II, in Istanbul, Turkey to assess two decades of the progress of Habitat I, held in Vancouver, 1978. Fresh goals were set for the new millennium. Adopted by 171 countries, the political document that came out of this City Summit was known as the Habitat Agenda (Istanbul Declaration on Human Settlements) and contains over 100 commitments and 600 recommendations on human settlements in both rural and urban areas (UN-HABITAT, 2004). The Government of Thailand committed to the Habitat Agenda (UCDO, 1997:77-79).

In 1988 I worked as a community worker in Latproa Soi 45 community. The slum is located about 200 metres along a canal, where the land belonged to the Irrigation Department. There were about 250 families living in the area. There were rumours that the Irrigation Department wanted to get rid of the slum to build a dam for the flood
protection system. The unofficial news had threatened their security of life. The majority of household heads worked as workers or labourers in construction sites with very low pay and high–risk conditions. Many women were factory workers and street vendors or hawkers, selling foods and goods around the area. Before I started working with them I needed to explore their problems and needs. I conducted a community study of the residents over a period of about four months in order to understand their problems. My target group was women and their children. I found that women played the key role in control of the family’s financial affairs as well as taking care of their children. Almost all of the women who worked as street vendors lacked the finances to run their business. As a result, they borrowed money from local money–lenders with very high interest rates.

I organised a first meeting with about thirty women to discuss and analyse their problems. Some people suggested that if they had a revolving fund, it would be useful for their occupations. I met with the group many times when they finished their work, usually at night time. Finally, fifteen women established a community savings group. They created the regulations for their group, elected a leader to collect money from the members every month and save in the Government Savings Bank. My organisation provided the revolving fund to the group. A few months later, the members decided together who could borrow the money, how much money they needed to repay and the interest. After that the members allocated the loan money from the savings group with very low interest to those members who produced a satisfactory loan application. The number of the members grew to about seventy people in one year. Everyone received benefits from the savings group. From my view at that time, the savings group was a significant creator of social capital in this community.

However, it was very difficult to establish and manage the community savings group because the people came from different places. They did not trust either each other or outsiders. The outsider needed therefore to have various skills to facilitate the savings group and also needed to work hard and closely with them to gain some measure of trust. At the same time, I implemented education and development programmes for children in the community. Many children could go to school with financial support from my
project. A few years later, after I had changed my job, I learnt that the community savings group had collapsed. There had been conflict among the members. The leaders had escaped from the community with the money.

On my field trip to collect the research data in Thailand in 2002, I had an opportunity to discuss the problems with the former leaders and members of the group. They said they had learnt that failure in savings group management, lack of members’ participation, leadership problems and corruption among the committee of savings groups were the main factors that caused the savings group to collapse. Since then, they have never wanted to set up the community savings group again, although the government has tried to encourage them.

The difficulties of sustaining improvement in poor peoples’ lives was brought home to me on my visiting the slum. I met Somjai, whom I had supported to go to school over the last ten years. She was born in the slum, along with three other siblings. Her father, who had never attended school, worked as a labourer on a construction site with very low pay and was often unemployed. Her mother earned a little income from selling food on the street. Her two older sisters dropped out of school because the family did not have enough finances to support them. Somjai was intelligent and did well at school but her mother wanted her to leave. I discussed the problem with her family and provided financial support for Somjai from a sponsor until she finished compulsory education. On my last trip I met Somjai, now aged 24 with three small children and a husband in jail for drug dealing. She was unable to work and seemed to be in a similar state of poverty to that experienced by her parents.


The plan aimed to deal effectively with the challenges of social change and unbalanced patterns of development, characterised by economic success combined with social problems and threats to sustainable growth. This was in order to realise the long–term
vision of Thailand becoming a fully developed country by the year 2020 (Office of The Prime Minister, 1997b). The plan shifted from the emphasis on an economic growth orientation to people–centred development through decentralisation of government, public participation in the Government’s decision–making process, increased transparency and improved governance. The plan was to give more attention to the development of human resources through health care, education and promoting the capacities of community–based organisations and self–reliance in rural and urban communities. The secretary general of the NESDB managed to achieve a much broader participation of Thai groups in making the plan than previously. Business leaders, politicians and NGOs participated (Unger, 1998:178). This was extended to the consultation involved in the drafting of the 1997 New Constitution. This was drafted with very significant public participation. The Constitution provides for increased citizen participation, enhanced transparency, decentralisation, gender equality, environmental preservation, local resource management, community empowerment and basic rights in education and health. The Constitution also established new independent institutions to act as checks and balances on the action of administrators, politicians and to strengthen the individual and community in dealing with the state. These institutions were the National Counter Corruption Commission, the National Human Rights Commission, the Constitutional Court, the Ombudsman, and the Administrative Court which will consider the cases against government bodies. Unfortunately, after the Constitution and the Eighth Plan had been announced for just a few months, Thailand’s economy collapsed, in July 1997. The Government reviewed the plan in the light of the need to recover from the economic crisis with the newer emphasis on Thai self–sufficiency.

The Social Investment Fund (SIF) was launched in September 1998 for a five–year period after the economic crisis in late 1997, with assistance from the World Bank. The Royal Thai Government implemented the Social Investment Project as one measure for recovery. The general objective was to use and transform the crisis into an opportunity by supporting reforms toward better governance, community empowerment and formation
of broad development partnerships among key elements of civil society (World Bank, 1999b:21).

In July 2000, the Cabinet approved the establishment of the Community Organisations Development Institute (CODI), aiming to promote the development of community organisations and co–ordinate civil society efforts to achieve self–sufficiency throughout rural and urban areas (CODI, 2001:1-4).

The Government of Thaksin Shinawatra (2001–to present) delivered its policy to the National Assembly on 26 February 2001, stating that poverty alleviation was one of its targeted priorities. He set up urgent policies for poor people such as Debt Suspension for Farmers, granting a grace period for both interest and principal payments for three years for individual small farmers to relieve the debt burden. One Tambon–One Product Project, aimed to enable each community to develop and market its own local products, based on traditional indigenous expertise and local know–how. Each sub–district has one product they can specialise in. A Universal Health Assurance Programme was announced to reduce the overall cost to the country and the people in acquiring health care, capping each hospital visit at 30 Baht. All Thai people will be guaranteed that equal access to a nationally acceptable standard of health care (The 54th Government of Thailand, 2001).

Drug prevention and suppression is also stated as being the Government’s concern. According to the 2002 International Narcotics Control Board (INCB) Report, ‘3 million (Thai) people, or about 5 per cent of the population, regularly abuse methamphetamine, which would make (Thailand) the world’s largest per–capita consumer of the substance’. The spread of methamphetamine has seriously affected all sectors of the Thai society, particularly children and youth, who are the future of the country. In 2001, the Royal Thai Government declared a ‘war against narcotic drugs’. A national strategy called ‘The Concerted Effort of the Nation to Overcome Narcotic Drugs’ was formulated in order to address the problem in a more effective manner. In January 2003, Prime Minister Thaksin Shinawatra issued an additional anti–drugs guideline, Order No. 29/2546 on the Fight to Overcome Narcotic Drugs, to enhance the integration of the implementation of
the national drugs control policy. The Order led to the establishment of the National Command Centre for Combating Narcotic Drugs under the chairmanship of the Deputy Prime Minister, General Chavalit Yongjaiyuth. (Government of Thailand, 2004).

The campaign was launched in February 2003 to eradicate methamphetamine within three months and had four main parts. Firstly, punishment policy was changed so users would be considered patients in need of treatment. Secondly, dealers were targeted. Thirdly, each province was given targets for the number of arrests and seizures. Senior officials (governor, police chief) were threatened that they would lose their job if targets were not met. Fourthly, police and other officials were rewarded with a cash compensation per arrest, with a percentage on assets seized. Over the next seven weeks, press reports indicated that around 2,700 people were killed. Most seem to have been shot at close range by hand−guns (Phongpaichit, 2004a:2-3). In the slums drugs are a constant problem and slum dwellers, like the rest of the Thai community generally welcomed such anti−drug measures.

In 2001, the Village and Urban Community Fund was established as a revolving fund for the poor in both rural and urban areas. The programme is managed by The Village and Urban Community Fund Office, under the Office of The Prime Minister. The fund aims to provide a revolving fund as a loan to individuals and households of each rural village and urban community to borrow for local investment and supplementary vocations. The scheme is also a part of poverty alleviation to stimulate small business and increase income at household level. One million Baht are provided for poor people in each village or community. There were 70,865 rural villages and 8,889 urban communities that received the benefit (Office of The Prime Minister, 2001:4).
4.9 The Ninth National Economic and Social Development Plan (2002-2006): the Prime Minister announces that this period will see the end of slums.

The plan adopts the philosophy of a sufficiency economy bestowed by His Majesty the King to his subjects as the guiding principle of national development and management. The philosophy of a sufficiency economy, based on adherence to the middle path, is advocated to overcome the economic crisis that was brought about by unexpected changes under the conditions of rapid globalisation and to achieve sustainable development. The plan retains the commitment to people-centred development and repeats many of the same aspirations of the Eighth Plan and is also more concentrated on recovering economic growth after the worst economic crisis in 1997 (Office of The Prime Minister, 2002).

Prime Minister Thaksin has a regular weekend radio programme. On 11 January, 2003, he declared a policy related to urban poverty alleviation, saying that he wanted to get rid of slum communities in Bangkok and major towns in the regions within five years, with a multi-billion Baht projects. One million housing units for low-income people would be built by the NHA in Bangkok and around the country. The Nakhonnayok New Town, located 100 kilometres north of Bangkok, in a similar scheme to the previous one at Bang Plee New Town, would also be built. He set the housing project in train after visiting Russia in late 2002 and finding that Moscow has built a million residential units for the poor every year. He would encourage increasing income to raise the quality of life of urban poor people through provision of a community revolving fund and income-generation activities such as job creation. ‘If the project proceeds for five years, I think slums in Bangkok and major towns will disappear. The government is giving hope and opportunities to poor people. When they have jobs, they can buy homes’ (Bangkok Post: 12 January 2003:1).

In early January, 2004, the Thai Government launched a nationwide poverty registration programme. Each poor person is invited to register themselves at the District Office, under the Ministry of Interior. The person fills out a form stating the major reasons for
her/his poverty. The Office passes on the roster of the poor to the villages or urban communities where they live. Then the village or urban community committee reviews the roster and assesses whether the registrations are genuine. The revised rosters would be sent to the government for assistance in alleviating the identified problems. The process continued for three months until the end of March. ‘Thousands of impoverished city residents registered under the poverty eradication scheme. Like their peers upcountry, the urban poor listed housing, debts and land as the three major problems needing to be tackled’ (Bangkok Post: 6 January 2004). According to the World Bank (2004:9), there were 7,897,852 persons registered under the anti–poverty programme. These comprised different problems: agricultural land 3,922,371 persons, homelessness 5,375 persons, illegal occupations 5,199 persons, students not having income from proper occupations (or unemployment) 179,309 persons, victims of fraud 81,029 persons, personal debt 4,814,424 persons, housing for the poor 1,852,011 persons and other problems 1,237,406 persons. Prime Minister Thaksin said that ‘the registration was a way of finding how many people needed help and of what kind. We want to know if people who want land do not have any, or have land but not title deeds, so we can know how best to help them’ (Bangkok Post: 6 January 2004). He also said that ‘I am not worried about the economy today or the outlook for the next four to five years’. He was confident that Thailand would not have a financial problem, because in the past few months, the tax revenue had exceeded expectations by more than 10 billion Baht. So he believed that he can solve poverty. This is part of a scheme to turn about 30 million inactive people into a force to develop the nation. He said about nine million people were poor and more than 20 million others were farmers who were not poor but were still not in “the comfort zone” (Ibid). Poverty alleviation is also one of the key objectives of the National Plan.

Pasuk (2004b:1-5) argues that the welfare intentions of the Thaksin Government are part of an approach to economics that focuses on free trade, maintenance of domestic capitalism and inclusion of more of the society in the benefits of growth. In this, schemes such as universal health, reducing the cost of debt servicing, and debt relief for farmers are designed to enable householders to increase their spending and thereby stimulate the economy. These schemes are welfare–type policies but not, as the Prime Minister has
made clear, a way towards Thailand becoming a welfare state. The measures are designed to increase consumption and people’s ability to earn income through credit provisions. In this it is important to note that for Mr Thaksin economic growth is his central concern. Democracy is less important than giving people a good lifestyle, happiness and national progress (Phongpaichit and Baker 2004:171).

This thesis is, in part, an investigation of the cumulative results of all of these Eight Plans. Unger (1998, 174-177) noted that Thailand’s economic success story has been remarkable. However alongside this has been inadequate public policy–making. This can be seen in the effects of pollution, traffic chaos, health crises as well as failed educational policies. I have noted that the effects of the economic policy have also resulted in urban slums. It is the poorest who are at the sharpest receiving end of these failures. Perhaps the current plan, with its aims of self–sufficiency, in my experience, is the most difficult to achieve for those people like Somjai, whom I have known for more than eighteen years, living her life in poverty similar to her parents and unable to access the policy initiatives of successive governments. Her children may not be able to move out of a poverty cycle. Experiences of people in similar situations will be reported on in the next Chapter.