



รายงานวิจัยฉบับสมบูรณ์

โครงการ ธรรมชาติบาลเมืองในเขตปริมณฑล
ของประเทศไทย : กรณีศึกษาจังหวัดพระนครศรีอยุธยา

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สนับสนุนโดยสำนักงานคณะกรรมการอุดมศึกษา และสำนักงานกองทุนสนับสนุนการวิจัย

(ความเห็นในรายงานนี้เป็นของผู้วิจัย สกอ. และ สกว. ไม่จำเป็นต้องเห็นด้วยเสมอไป)

EXECUTIVE SUMMARY

Urban Governance in Peri-urban Areas of Thailand: A Case Study of Ayutthaya

Since the mid-1980s, large-scale foreign direct investment (FDI) has been the underlying driver of industrialization in Southeast Asia, including Thailand. Approximately 90 per cent of Thailand's FDI went to the peri-urban areas during the 1990s. The peri-urban area of Ayutthaya has been a major location of Japanese multinational FDI. In particular, it is the Southeast Asian headquarters of Honda, which anchors a major automotive parts cluster in the area. There are close to 200,000 factory workers in Ayutthayai Province, most migrants, and most working in the Ayutthaya Extended Urban Region (EUR). Being a World Heritage Site makes the Ayutthaya EUR unique, Ayutthaya attracts large numbers of tourists (3.5 million in 2006). However, Ayutthaya's economy retains little from these visitors because 85 per cent of tourists are day-trippers. Yet Ayutthaya bears high costs in terms of providing urban services, and in degradation of the environment.

Local and provincial government agencies, as well as local stakeholders, have limited capacity to plan, co-ordinate investment, and manage city-building processes in the Ayutthaya EUR. One problem is that the drivers of urbanization are largely external, often global, e.g., FDI and tourism, therefore subject to volatility, outside the control of local government. Secondly, the local government structure is fragmented, consisting of 20 local governments, which are low in capacity and resources, particularly at the Tambon Administrative Organizations (TAO) level. A third problem is the fact that local governments do not co-ordinate their actions effectively to act in the overall interests of the Ayutthaya EUR, largely because the incentive structure facing these local governments does not encourage such behavior. Local government units face difficulties responding to routine tasks associated with management of this rapidly growing extended urban region, which is also increasingly a bedroom (commuter) community for Bangkok, let alone coping with unpredictable external forces.

This raises the question of how to strengthen the structure of urban governance in peri-urban areas in Thailand to attain legitimacy, efficiency,

effectiveness, accountability and participation. Accordingly, the over-arching research question is: Can a governance system be implemented in peri-urban areas in Thailand, such as Ayutthaya, that is both effective, and politically and administratively acceptable to key stakeholders ranging from the national government (particularly the Ministry of Interior), the provincial Government, and local governments, and the local people. To respond to the question, the Ayutthaya extended urban region, a typical peri-urban region in Thailand is assessed in detail as a case study.

Research objectives:

(a) To analyze the dynamics of urban governance in peri-urban areas in Thailand, utilizing the Ayutthaya EUR as a case study, focusing on significant issues associated with peri-urbanization affecting economic, social and environmental sustainability, such as: (i) rural-urban land conversion, (ii) well-being and development of migrants (taking into account gender issues), (iii) cost effective delivery of key public services such as waste water, water supply, transportation facilities, and open space (iv) co-ordinated planning of local communities and the EUR as a whole.

(b) To propose a paradigm to strengthen the structure of urban governance in peri-urban areas in Thailand, based on the Ayutthaya case study that would enhance co-operation among local jurisdictions to improve performance in key policy areas such as cost-effective provision of priority services, competitiveness, and support to migrants. Mechanisms introduced should enhance legitimacy, efficiency and effectiveness, transparency, accountability, and participation of key stakeholders in local governance.

(c) To evaluate the appropriateness of the proposed new structure for cross-jurisdictional co-operative urban governance in peri-urban areas in Thailand, through local workshops and focus groups, and by comparative analysis of the international experience in peri-urban governance.

Research Methods:

The research method included: (i) literature review of urban and metropolitan governance in peri-urban areas in North America, East Asia and Europe, (ii) analysis of the dynamics of urban governance in peri-urban areas in Thailand, e.g., the Eastern Seaboard, (iii) assessment (through secondary data analysis, stakeholder analysis, field observation) of the performance of local governance in the Ayutthaya EUR with an emphasis on region-wide issues. (iv) The researcher then assessed the appropriateness of different governance structures, based on Thai and international experience, to improve governance in the Ayutthaya peri-urban area. (v) Focus groups and a workshop were held to obtain local feedback in regard to feasibility of alternative models of local governance. (vi) Recommendations were then put forward identifying a preferred governance structure/system, based on expected performance and feasibility of implementation.

Research Findings:

The research revealed that current ineffectiveness of peri-urban governance in the Ayutthaya EUR, e.g., the inability to deliver effective solid waste, water supply services, to adequately provide services in the TAO areas for the large worker population, and to plan the EUR in an effective manner, including minimizing loss of high fertility agricultural land, is rooted in complex causes, very difficult to correct. There are too many local governments, but it would be virtually administratively or politically impossible to annex or unify them to create a metropolitan or unicity form of government. The core city, Ayutthaya Municipality, can play a leadership role to some extent, but cannot co-ordinate development of the EUR – its power would be resented due to a lack of legitimacy to undertake this function. Attempts at voluntary co-operation have been a failure, e.g., there has been no agreement on a new regional landfill (the current one is overflowing polluting local suburban areas) despite five years of trying, or regional water systems (current TAO systems illegally tap groundwater and deliver substandard water through pipes that limit capacity increase), that would be delivered through the Provincial Water Authority (PWA).

Given this situation, the most feasible way forward would be for the Provincial Government and the Provincial Administrative Organization (PAO) to play a co-ordinating role, at the same time shifting the role of the TAOs to one of providing input and “voice” in region-wide development processes. The PAO could play a greater role over time, as it gains capacity, given that it better reflects the aspirations of local people. To the extent that the number of TAOs could be reduced through consolidation, allowable under current Thai law, the probability of effective regional governance would be increased. Consistent with the model proposed, national government agencies, particularly the Bangkok headquarters of these agencies, would play a lesser role over time. Two non-local stakeholders, namely multinational companies and migrant workers, who are important players affecting the dynamics of peri-urbanization in the Ayutthaya EUR, should be better incorporated into the regional governance system. At present both groups have weak linkages/ representation to/in the local governance system.

Abstract

Urban Governance in Peri-urban Areas of Thailand: A Case Study of Ayutthaya

This research examines the dynamics of urban governance in peri-urban areas in Thailand. Peri-urban areas surrounding metropolitan systems in East Asia are the new “factory of the world”. Ninety per cent of Thailand’s manufacturing FDI during the 1990s went to Bangkok’s peri-urban areas, such as the Ayutthaya Extended Urban Region (EUR). But fragmented local governments and stakeholders have limited capacity and/or legitimacy to manage urbanization effectively in these areas, at the nexus of global and local forces. Stress is generated by the (i) unpredictable influx of global capital and migrants, and (ii) rapid dramatic changes in domestic policies, e.g., decentralization, interfacing with essentially rural-oriented local governments. Negative impacts include: (i) poorly functioning waste water and water supply systems, (ii) informal dormitory communities, containing thousand of workers, with minimal community facilities, and (iii) a lack of co-ordinated planning and public investment in the Ayutthaya EUR, resulting, for example, in excessive loss of fertile agricultural land, lack of cost-effectiveness in infrastructure and service provision, etc.

A rational response to the challenge, e.g., creation of a metropolitan or unicity government, is politically impossible, local governments will not voluntarily give up power or co-operate on a significant scale with neighboring governments. “Second best” measures are the best hope to move forward, in particular, strengthening the co-ordination role of provincial scale governance (both the “top down” Provincial Government and “bottom up” Provincial Administrative Organization), while raising the “voice” of fragmented local governments (TAOs) and other key stakeholders, such as the migrants and multinational corporations, e.g., Honda. Reducing the number of TAOs through consolidation, allowable under current Thai law, would improve the effectiveness of the proposed system. If implemented, the proposed paradigm would shift decision-making closer to the people by reducing the role of the

national government. However, the national government could play key supportive roles, e.g., provision of technical assistance, and very important, making fiscal transfers subject to region-wide solutions to problems, such as solid waste, where such a geographic scale is appropriate. This would create incentives for the provincial apparatus to pursue regional-scale solutions to problems, when technically appropriate. At the same time, by shifting co-ordination responsibility to the provincial scale, regional scale co-ordination in planning, investment, and public infrastructure and service delivery would be significantly improved, resulting in increased consistent standard geographic range in delivery of services, human welfare, and cost-effectiveness.

ACKNOWLEDGEMENTS

This research would not have been possible without the generous help and support of a number of institutions and individuals. Douglas Webster, Professor, School of Global Studies & School of Sustainability, Arizona State University, my partner, has been a great source of support and encouragement since the first day when I showed an interest in undertaking this research. I am indebted to him for his helpful guidance, comments, enthusiasm and insightful discussions at the various stages of my research. I am also grateful to Dr. Suwattana Thadaniti, my research mentor, Assistant Professor of the Faculty of Architecture, Chulalongkorn University for her comments and suggestions and kind understanding that have assisted me with my research.

I gratefully acknowledge the Thailand Research Fund and Office of Post Graduate Education Committee for providing me with a two-year research fund for strengthening research capacity for a new lecture, covering my research work, and the presentation of paper on “Dynamics of Urban Governance in Peri-urban Areas of Thailand: Ayutthaya Case Study” at the 7th International Conference on Urban Planning and Environment (UPE 7) on “World Class Cities: Environment Impacts, Planning Opportunities?”, Bangkok, Thailand, January 3-5, 2007. I very much appreciate kind support of the Centre for Asian Studies, Arizona State University during my research visit and an opportunity to give a presentation on “Issues and Governance Response in Peri-urban Bangkok: The Case of Ayutthaya”, Southeast Asian Studies Center, Arizona State University, April 20, 2006. I also appreciate the kind invitation of Chulalongkorn University Social Research Institute (CUSRI) for my presentation on Governance of the Fringe Communities of the Bangkok Region in the workshop on “Environment, Development and Sustainability” with Paris-Lodron University Salzburg, Austria, December 14, 2006.

During the different stages of research, I also wish to acknowledge the encouragement, comments and suggestions of Michael Mattingly, Development Planning Unit, University College London, U.K. and Dr. Hal Colebatch, Visiting Professor, Sydney University, Australia.

I would like to extend my sincere appreciation to the mayors, city clerks, officers, representatives of ministerial, provincial, district and local government agencies, educational institutions, non-governmental and community-based

organizations as well as to the private sector in Ayutthaya peri-urban area for their time and support in supplying the facts needed for my survey and for their influential connections to significant informants and access to data. Special thanks go to Mr. Preumsak Srithongsurapana, Deputy Governor of Phra Nakhon Si Ayutthaya who chaired the focus group discussion on future governance scenario of Ayutthaya peri-urban area and gave significant comments and recommendations.

I also thank Mr. Prasit for his excellent transportation service during my research survey in Ayutthaya peri-urban area. I very much appreciate Ms. Wiranya Hawut for her assistance on my research financial and budget management and other technical support. I also extend my sincere thanks to all my colleagues at Shinawatra University, especially Professor Prida Wilbulswas, President for encouragement, technical and moral support starting from the research proposal stage.

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Appendix C3: International conference paper on “Dynamics of Urban Governance in Peri-urban Areas of Thailand: Ayutthaya Case Study” at the 7th International Conference on Urban Planning and Environment (UPE 7) on “World Class Cities: Environment Impacts, Planning Opportunities?”, Bangkok, Thailand, January 3-5, 2007

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PART I

INTRODUCTION



Chapter 1: Introduction



Chapter 2: Research method

Introduction

Since the mid-1980s large-scale foreign direct investment (FDI) has been the underlying driver of industrialization of Southeast Asia including Thailand. Approximately 90 per cent of Thailand's FDI went to Bangkok's peri-urban areas during the 1990s. The peri-urban area of Ayutthaya has been a major location of Japanese multinational FDI. Honda, the largest firm in the Rojana Industrial Park, is expanding continuously as a key anchor of the vibrant automotive cluster in the extended Bangkok Region (Map 1). (About 30% of Honda's suppliers are within the Ayutthaya area itself.) The area is also attractive to electronics manufacturers. Being a World Heritage Site, Ayutthaya attracts large numbers of tourists annually (2.8 million – 2003). However, Ayutthaya's economy benefits little because 79 per cent of tourists are day-trippers and so spend little locally. Yet Ayutthaya bears high costs in terms of urban services and in terms of degradation of the environment (NESDB & ADB, 2003; Maneepong, 2004). In addition, local and provincial government agencies, as well as local stakeholders, have limited capacity and/or legitimacy to manage the highly dynamic, and significantly externally driven urbanization in peri-urban areas. Therefore local government units (local governance is highly fragmented – there are approximately 20 local government units in the Ayutthaya urban region) face difficulties in undertaking routine tasks, let alone responding to new roles and functions driven both domestically (e.g., through decentralization policies) and by Ayutthaya being at the nexus of global and local forces (NESDB & ADB, 2003; Maneepong, 2004).

The research, utilizing Ayutthaya as a case study, explores the dynamics of urban governance in peri-urban Thailand and raises questions pertaining to means of strengthening urban governance in Thai peri-urban areas. Future governance structures and processes to guide development in fast growing Thai peri-urban areas will need to address the legitimacy, efficiency and effectiveness of urban management in these areas. This raises the question how to strengthen new paradigm/ structure of urban governance in peri-urban areas in Thailand in key policy areas such as legitimacy, efficiency and effectiveness of urban management, transparency, accountability and participation. Due to the rapid rate of change in peri-urban areas, key performance indicators and instrument to

Insert Map 1

monitor and evaluate urban governance that are critical to the successful governance need to be developed.

1.1 Background of the research:

Unlike traditional suburbanization contiguous to the built up city, peri-urbanization emerges in areas where the local government structure that is fundamentally semi-urban, characterized by low capacity and is fragmented. The result is low quality outcomes. In peri-urban areas there is especially a need to focus on horizontal inter-jurisdictional coordination. Peri-urban areas play an increasingly important role in competition between cities (Dekker et al, 2004), while at the same time often being the source of considerable social problems – in some jurisdictions, such as China, including lack of access to basic services such as schooling by migrants. To minimize spatial conflict among lower-level local governments and to increase cost-effectiveness of urban investment and management, Webster et al (2002b) and Dekker et al (2004) highlight co-ordination in the planning and delivery of infrastructure and services such as transportation systems, solid-and toxic-waste facilities, which are often most appropriately provided at the regional, provincial and metropolitan scales.

Major paradigms and approaches to manage and develop peri-urban areas focus on the uses of bureaucratic apparatus such as central government agency (ministries, departments or public enterprises) or local government units. Since the main tasks of the central government agency includes to support, supervise and monitor the implementation of local government agencies, especially via rules and regulations, the central government agency should take a significant role in managing peri-urban areas. Following decentralization policy, local government units are in charge of solving local problems and responding to local needs so they are key actors (Advisory Institute for Enhancing the Efficiency of Bureaucracy, 2004; Ministry of Housing, Spatial Planning and Environment, 2006; Suvanamongkol et al, 2002). Different types of planning, coordinating and implementing bodies such as national committees, regional board and working task force are developed to be mechanisms for managing peri-urban areas among number of government agencies, local government units and others (Ministry of Housing, Spatial Planning and Environment, 2006; Randstad, 2006). Another major paradigm is metropolitan government approach. This approach is favorably selected to shape peri-urban areas because an executing government has authority and resources to govern multiple public sector jurisdictions, often tiered (Metropolis, 2006; Seoul

Metropolitan Government, 2006). With their sufficient resources and executing authority, these paradigms and approaches have potential to efficiently guide the development of peri-urban areas and enhance urban governance (Kim, 2004; NESDB & ADB, 2003; Webster et al, 2002).

1.2 Government-oriented and metropolitan government approach

Major paradigm and approach for managing and developing peri-urban area is government-oriented and metropolitan government approach. It assumes that resources and authority of government agencies combines positively with executing management body. This approach has been effectively adopted in large peri-urban areas, especially in the capital regions. For example, the Randstad Region in the Netherlands, a cluster of cities consists of Amsterdam, Den Haag, Rotterdam, Utrecht, Schiphol airport, and Rotterdam seaport (the world's largest port) (Ministry of Housing, Spatial Planning and Environment, 2006; Randstad, 2006). The Seoul Metropolitan Area (SMA) is a house of about 10 million population, or 47% of South Korea's population — 22.7 million people. The Seoul Metropolitan Government (SMG), which governs the SMA, consists of 25 autonomous district (*ku*) and 522 villages (*dong*) (Seoul Metropolitan Government, 2006). In Thailand, apart from Bangkok Metropolitan Administration, a national committee, the Eastern Seaboard Development Committee was initiated to shape the first Bangkok peri-urban area during the fifth national economic and social development plan (1982-1986) (NESDB, 1998). In addition, a formal type of intergovernmental cooperation in Thai peri-urban areas known as *SAHAKAAN* has been defined in the Municipality Act since 1953. Even, recently the Decentralization Act of 1999 provides the opportunity for every type of local authority to cooperate horizontally with others (DOLA & JICA, 2002).

Many experts on political sciences and international institutes have argued from the legal and institutional perspectives that there are benefits in the uses of bureaucratic apparatus and metropolitan government approach. Key governance indicators are cooperation between the SMG and surrounding jurisdictions in the establishment of the Capital Region Transport Association (which co-ordinates 397 bus routes carrying 8.8 million riders daily in Seoul, Gyeonggi and Incheon.) and a series of SMG reforms such as the citizen evaluation system, online procedures to handle civil service applications (the open system), and the performance based budgeting (Kim, 2004; Metropolis, 2006; Seoul Metropolitan Government, 2006; Webster et al, 2006).

Suvanamongkol et al, (2002) studies on local management cooperation in Thailand based on his case study of eight Thai provinces and highlights three major reasons for cooperation among local authorities, namely the complexity and intensity of local problems such as air pollution, too many small local authorities, and more functions of local authority under the decentralization scheme. Therefore, local management cooperation gives advantages. Firstly, due to limited resources, local authorities can perform more efficiently through joint cooperation in solving complex and intensive local problems. Secondly, through local cooperative management, local authorities will autonomously manage their own resources and implementation to respond to local needs and conditions and play positive roles in intergovernmental cooperation. Lastly, joint investment and operation of services will provide better economies of scale. Thus, fee for those services will be less than the fee that one local authority will solely do.

1.3 Research Questions:

Despite these convincing arguments for the government-oriented and metropolitan government approach, there are still doubts about whether it explains all successful management and development in peri-urban areas (Forsyth, 2005; Leaf, 2002; Kanwanich, 2005; Maneepong, 2004; Suthison, 1990). There are also doubts about whether this approach is applicable to Thai peri-urban areas. There is uncertainty over the legitimacy, efficiency and effectiveness of urban management in peri-urban areas gain from government operations and mechanisms and how stakeholders perceive the different governance structures and processes to guide the development of peri-urban areas (Beall, 2001; Mehta, 1998; Nunan, 2001; Phares, 2004; Shatkin, 2004; Thailand Team, 2004). These doubts give rise to a key research questions, expanded below.

Firstly, the government-oriented and metropolitan government approach has been the centre of many debates. The question for this research is not whether policies supporting the management and development in peri-urban areas are right or wrong, but whether they are applicable, feasible and effective in Thai peri-urban areas. The government-oriented and metropolitan government approach is limited by several assumptions, and furthermore, constrained by central assumptions about the state apparatus (Phares, 2004; Nunan, 2001). The most crucial disadvantage is that it is costly and requires large capital resources. For example, in 2002/03, the Greater London Authority (GLA), a

metropolitan authority, spent about 49.9 million pounds to manage its services for London and its 14 boroughs (Greater London Authority, 2006). In 2005, the Tokyo Metropolitan Government had to declare the dramatic implications of a status quo metropolitan finance simulation. Assuming, optimistically, no population growth, it is estimated that revenues will only grow by 0.2 trillion yen, necessitating a 0.7 trillion reduction in expenditures over the status quo expenditure forecast (Tokyo Metropolitan Government, 2006)

In low and medium income countries like Thailand, the typical local government structure consists mainly of micro, small and medium sized local government units, with relatively few large-scale development projects. According to Suwanmala (2002), total number of local government units in Thailand is about 7,803 units. More than half of municipalities is classified into Class 7, which is the lowest profile of administrative, economic and social resources and about 82 per cent of *Tambon* (sub-district) administration organizations is categorized into Class 5, which is the most needed group for grant allocation. Thus, this government structure favouring small and medium government units may not thrive under the government-oriented and metropolitan government approach.

So far, policy makers have shown little interest in the question of whether the government-oriented and metropolitan government approach is appropriate to promote urban governance in Thai peri-urban areas. Only NESDB & ADB study (2003) has examined the legitimacy, efficiency and effectiveness of urban governance in peri-urban areas and how it differs from other regional areas. Furthermore, little attention has been paid to the different governance approaches of Thai peri-urban areas or to the problems and constraints they face.

Secondly, there has not been a thorough assessment and measurement of Thai government operation and mechanisms aimed at promoting urban governance in peri-urban areas. Previous studies have researched urban governance in relation to peri-urban areas issues, but these have usually been commissioned by, or for, Thai central government agencies. Furthermore, they generally follow the fundamental assumptions of the central government such as the role of government agencies. Moreover, most of the assessment and evaluation reports investigate successes and failures in the peri-urban areas by focusing on local government agencies. These government-commissioned studies and analyses identify the main problems in terms of the leadership, low

capacity and short-term vision of local government units and continuity of political leaders (DOLA & JICA, 2002).

However, some studies have found that the 'local stakeholders led approach', emphasising diverse stakeholders including the social networks of private sector and civil society, has contributed to the legitimacy, efficiency and effectiveness of the development and management of peri-urban areas (Advisory Institute for Enhancing Efficiency of Government Sector, 2005; Beall, 2001; Forsyth, 2005; Kim, 2004; Margerum, 2005; Maneepong, 2004; Webster et al, 2006). Thai studies also highlight the influence of groups of local government agencies, social factors in promoting urban governance, such as transparency and accountability among civil society groups in Phetchaburi (Social Management College, 2005) and strong community networks with and external relationship with other stakeholders and good relationship with local government units in Mahasarakham and Pattani provinces (Bureekul et al, 2004).

These studies still tend to discuss the role and influence of local government agencies and local stakeholders especially non-government sectors and government sector in peri-urban areas separately, yet these two sectors are closely linked because government sector cannot manage peri-urban areas without the support of social connections and institutionalised structures (Phares, 2004; Maneepong, 2004; Webster et al, 2006). Therefore, this research critically examines broader issues including the government and local stakeholders sectors that contribute to and hinder the development and management in peri-urban areas.

To fill this gap, this research considers these issues and focuses on two research areas:

1. An investigation of the current characteristics and dynamics of the urban governance in relation to the applicability of the government-oriented and metropolitan government approach to Thai peri-urban areas;
2. An assessment of the different governance scenario in promoting urban governance in peri-urban areas, partly based on an examination of existing role and function of major actors and discussion with local representatives of stakeholders

The two main research questions of this research are:

1. What approach best explains the dynamics of urban governance in peri-urban areas?

1.1 To what extent does the 'government-oriented and metropolitan government approach' apply to Thai peri-urban areas?

1.2 To what extent does the 'local stakeholders led approach' apply to Thai peri-urban areas?

2. To what extent do the stakeholders in peri-urban areas perceive the legitimacy, efficiency and effectiveness of different governance scenario for future governance structures and processes to guide the development of peri-urban areas?

This research, therefore, sets up three major objectives as follows:

(a) To analyze the dynamics of urban governance in peri-urban areas in Thailand, especially in Ayutthaya Province in the context of significant issues associated with peri-urbanization affecting economic, social and environmental sustainability, such as local and provincial government capacity, performance of and participation in urban management, social responsibility of the private sector, land conversion, migration, gender equality, and the delivery of priority social services and infrastructure e.g., environmental infrastructure and public and community space.

(b) To propose policy guidelines and mechanisms for strengthening the structure of urban governance in peri-urban areas in Thailand, especially in Ayutthaya Province, based on a new paradigm that would enhance co-operation among local jurisdictions to improve performance in key policy areas such as cost-effective provision of priority services, competitiveness, and support to migrants. Mechanisms introduced should enhance legitimacy, efficiency and effectiveness of urban management, transparency, accountability, and participation of key stakeholders.

(c) To develop indicators and instruments to monitor and evaluate the effectiveness of the proposed new structure for cross-jurisdictional co-operative urban governance in peri-urban areas in Thailand, especially in Ayutthaya Province

1.4 Definition of terms:

To avoid ambiguity, it is necessary to define the terms used for governance, urban governance, peri-urban areas and the area of the Ayutthaya peri-urban area being analysed. Governance refers to the process (a means, not

an end) to involve individuals and institutions, public and private, in exercising power and authority, and influencing and enacting policies and decisions concerning public life, and economic and social development. Government refers to the mechanisms of the public sector alone, e.g., political and bureaucratic structures, working within frameworks established by constitutions, legislatures, executive and judiciary structures, etc. (The Governance Working Group of the International Institute of Administrative Science, 1996; Pongsapith et al, 1998; Charoengwongsak, 1998; Office of the Prime Minister, 1999; Dekker et al 2004; Rachaprachasamasai Foundation, 2005; UNDP and TDRI, 2005).

Urban governance refers to the political, economic, social, and administrative influence (power, finance, persuasion, etc.) of all parties in the management of a city's affairs at all levels. It comprises the complex mechanisms, processes, and institutions (whether formal or informal) through which citizens and groups articulate their interests, exercise their legal rights, meet their obligations, and mediate their differences (Charoengwongsak, 1998; UN-Habitat, 2001).

Peri-urban area refers to an area in or around metropolitan areas and the large cities, outside formal urban boundaries and urban jurisdictions, where urbanization has significantly accelerated in physical, economic and social terms, transforming former predominantly rural and agricultural areas. It causes social change in small agricultural communities impacted by high levels of migration, subject to new urban and industrial ways of life. Thus, peri-urban area constitutes the habitat of a diverse of population. However, peri-urban area contains both rural and urban elements because it is transitional process of urbanization and progressively assumes many of the characteristics of urban areas. It cannot be precisely defined spatially as it changes over time. Its system may have distinctive characteristics, rather than just a mixture of urban and rural features (Drechsel et al, Brook et al, 2000; McGee, 1997; Swaziland Government, 1997; Webster, 2002b; Webster & Muller, 2002; Webster, 1995).

Ayutthaya peri-urban area in this research is adopted from the physical and administrative boundary of Phra Nakhon Si Ayutthaya Town and Country Plan, the third revision version. Since it is the core development and conservation area of Ayutthaya peri-urban area into some parts two districts of Phra Nakhon Si Ayutthaya district and Uthai district (Map 2). Significant development and conservation activities include Rojana Industrial Park and its extension in Phase II development, the World Heritage Site of Phra Nakhon Si Ayutthaya, green belt area of the North of Ayutthaya City, along Chao Phraya

Insert Map 2

Insert**Table****1**

River, city center of Phra Nakhon Si Ayutthaya and new government center and new business district in Uthai district. It covers around 143 sq km accommodates the total population of 150,727. It experienced dramatic urbanization during 1993-2003. The growth rate of population was peak at the beginning of 2000s (about 5-7 per annum; Table 1), responding to the high growth rate of provincial industrialization.

1. 5 Scope and structure of the report

A case study approach is used to investigate the dynamics of the urban governance in peri-urban areas and to assess the different governance approaches. Ayutthaya is chosen as a case study. The selection criteria are discussed in Chapter 2. The main technique for collecting the case studies data is to interview representatives of key stakeholders. Representatives of government, private, educational agencies and civil society groups were also interviewed. The detailed research method is presented in Chapter 2.

This research focuses on formal and registered agencies, although it acknowledges that informal and unregistered groups, associations and clubs are also important to urban governance. Nevertheless, there is no reliable source of information about the number of unregistered groups, associations and club. As well, national, provincial and local officers cannot provide the contact address of these agencies. Therefore, due to time and resource constraints, these agencies are excluded here.

The research is organised into four parts. Part 1 is an introduction to the research framework and method. Within this part, Chapter 2 describes the research method. The Part 2 sets out the theoretical framework. Chapter 3 reviews conventional approach of urban governance in peri-urban areas including government-oriented and metropolitan government, and their contribution to legitimacy, efficiency and effectiveness of the development and management of those areas. It provides an assessment framework of urban governance in peri-urban area of Ayutthaya. Chapter 4 discusses the conceptual framework for developing different governance scenario in Thai peri-urban areas. Key indicators and instruments for monitoring and evaluation governance scenario are identified by applying contemporary theories of local stakeholders led approach such as the strong community networks with and external relationship with other stakeholders and good relationship with local government units.

Part 3 links the conceptual framework to the case study. Chapter 5 presents the background of the development of peri-urban areas in Thailand. It discusses the impact of Thailand's approach to development by analysing policy implementation and mechanisms. Chapter 6 introduces the urban setting and analyses urban governance in the case study and assesses the impact of socio-economic-environmental dynamics to urban governance in Ayutthaya peri-urban area.

Part 4 analyses the main research questions concerning whether the government-oriented and metropolitan government approach is applicable to Thai peri-urban areas. The impacts of government implementation and mechanisms are also assessed. The analysis emphasises the dynamics of urban governance in Ayutthaya peri-urban area. Chapter 8 assesses and discuss different governance scenario. Key indicators and mechanisms for monitoring and evaluation of the favourable governance scenario are included. Chapter 9 describes the policy implications of the research and offers recommendations for future research.

The detail of research method is presented in the following chapter. A case study approach highlights the major method of this research. The procedure and sampling of data collection are illustrated. Data analysis and methodological considerations are also discussed.

Chapter 2

Research Method

This chapter explains the main research method used in the research: the use of case study. Aspects of this method include field studies involving survey interviews, focus group with key stakeholders and data analysis. A brief description of data collection is also provided. The appropriateness of the methodology used in this research is demonstrated.

2.1 Introduction:

The research method consists of four phases: first, selecting suitable peri-urban area for a case study; second, an interview with representatives of key stakeholders in a case study area; third, organizing a focus group to discuss about draft policy guidelines and mechanisms; lastly, data analysis.

2.2 Qualitative method:

A case study involves an empirical investigation into specific contemporary cases, and uses multiple sources of evidence such as observation, interviews and field studies (Yin, 1989; Hamel et al, 1993). The qualitative method enhances researchers' and policy planners' understanding of the people they study, and establishes their relationship with practitioners of urban governance and with local people. The criteria for selecting a case study are also discussed.

2.2.1 Case study method

The advantage of the case study method is that it gives the researcher a comprehensive understanding of a single unit by collecting extensive data from numerous empirical materials (Babbie, 1973; Hamel et al, 1993; Stake, 1995; Cohen et al, 2000). In particular, Yin (1994) has emphasised that the case study method is the most appropriate for responding to some of the 'how' and 'why' research questions. Cohen et al (1985) and Yin (1994) also advocate this

method as the best way to examine intensively a particular complex unit. In economic studies,

Performing interviews and collecting data are significant features of the case study method. Cohen et al (1989) and Seidman (1998) show how personal interviews allow respondents to reveal aspects of themselves — especially their experience, knowledge and information networks, their attitudes and beliefs, feelings, judgments, preferences and problems. Other advantages of the interview method in field surveys have been well elaborated. They include its ability to gather a range of people's views and to clarify survey and research questions. It also affords opportunities to observe the reactions of respondents, and gives researchers access to the physical and social surroundings related to the research topic (Babbie, 1973; Powney et al, 1987; Cohen et al, 1989).

In particular, the case study method is well equipped to analyse the dynamics of urban governance in peri-urban areas and the complexity of their stakeholders, by using multiple sources of evidence. Urban governance in peri-urban areas cannot be properly assessed from the sole perspective of government sector issues, since other stakeholders, e.g. local government agencies and non-government sector issues also play a significant role. Webster et al (2002) finds that the personal perceptions and attitudes of key stakeholders influence the cooperative management in China peri-urban areas. The case study method enables the best opportunities for an in-depth analysis of the diversity of respondents' views.

2.2.2 Criteria for selecting a case study

Since the mid-1980s peri-urbanization in East Asia, especially in China of late, has been mainly driven by industrialization, with FDI playing a key role (McGee, 1997; Webster, 2002b; Webster & Muller, 2002; Webster, 1995). The researcher compared the industrialization of Bangkok Metropolitan Region in central region over a decade during 1991-2003 as shown in Table 2. Phra Nakhon Si Ayutthaya province attracted significant industries with the growth rate of 21.66 per cent annum, high value of capital investment with the growth rate of 27.52 per cent annum and high employment rate of 17 per cent per annum. Even though Nonthaburi province also has strong characteristics of industrialization, the researcher did not select it because no magnet of

Insert Table 2

industrialization, e.g. industrial parks/estate, plays a role of key driver of peri-urban area.

2.3 Methods of data collection and analysis:

This research relies on three types of data collection, including interviews with representatives of key stakeholders with a field survey and secondary data from statistics and government reports, a focus group with representatives of key stakeholders and data analysis.

2.3.1 A field survey

A field survey was conducted in Ayutthaya peri-urban area from August 2005 to January 2007. Key formal and registered stakeholders are targeted along with reachable informal and non-registered stakeholder groups. The field survey involves interviews with representatives of key stakeholders, and collecting secondary documents and information related to the institutions and urban governance of the case study areas.

(a) Sampling of representatives of key stakeholders:

Fifty-six organizations were contacted and representatives were interviewed. Table 3 shows the total number of interviewees and distribution of interviews by four sectors surveyed. Non-probability or purposive sampling is the main sampling method.

The regional and provincial government representatives include head or assigned officers of regional and provincial offices of key ministerial agencies. Representatives of local government units include mayor, city clerk, directors of operational unit/department or assigned officers of the provincial administration organization, municipalities and *Tambon* (sub-district) administration organizations. Local and multinational firms include multinational firms in Rojana Industrial Park and firms outside of the Park, located in the city of Phra Nakhon Si Ayutthaya and Uthai. The group of local civil society organizations, individuals, workers and community representatives consists of industrial, agricultural, service-oriented workers, and representatives of community, social and academic institutes. The policy and planning agencies of the national government includes representatives of the Office of the National Economic and Social Development

Board, Ministry of Interior, Department of Local Administration and Department of Public Works and Town and Country Planning.

Table 3 Distribution by sectors surveyed, 2005-07

Sectors	Individual samples (units)	Distribution of samples (%)
(i) Regional and provincial government representatives	10	17.86
(ii) Local government units	17	30.36
(iii) Local and multinational firms	8	14.28
(iv) Local civil society organizations, individuals, workers and community representatives	16	28.57
(v) Policy and planning agencies of the national government	5	8.93
Total	56	100

Source: Maneepong, 2007

(b) Procedure and processes of field survey

The objective of interviews with representatives of local stakeholders is to find out the current urban governance in the Ayutthaya peri-urban area, and to ascertain the needs to promote urban governance and their recommendation. The interviews seek to understand the characteristics and dynamics of urban governance in case study of peri-urban area. They also attempt to identify the different governance scenarios for policy guidelines and mechanisms. In addition apart from, some questions are designed to cross-check the respondents' opinions and details of their practices and problems on urban governance.

Interviews with representatives of the stakeholders are conducted in person at his/her agency or at agreeable place via the interview guidelines in

Appendix A reproduced in both Thai and English. All interviews are conducted in Thai. The interview results thus gain 'inside' information concerning the practices of the organizations/business on urban development and urban governance, the local status of their relationships with other stakeholders and some of its problems. The request letter for an appointment including an interview guideline was sent to each agency in advance in order to inform about the research background and the needs for an interview, and then ask for an appointment.

2.3.2 Focus group

Focus group method, a small group selected from a wider population and sampled, as by open discussion, for its members' opinions about or emotional response to a particular subject or area, is selected to discuss about different governance approaches for Ayutthaya peri-urban area. Since stakeholders are implementing agencies and recipient of negative and positive impacts including ongoing and immediate problems, they deserve to express their view and opinion about their favorable future governance approaches (Ho, 1999). The method of focus group gives numerous advantages. When participants are stimulated and engaged to discuss, the group dynamics can produce new ideas about a topic which will consequently generate more in-depth discussion. Due to the dynamic environment the moderator can prepare and adjust the topics to make the topic more suitable for the purpose of the focus group. The researcher can observe expression, attitude and reaction of individual, the intensity of the conversation etc. and modify the moderator's decision and also can be added up in the research result (Focus Groups, 2007; Social Research Update, 1997).

The researcher organized the focus group in order to present the preliminary research result, especially the dynamics of urban governance and proposed policy guidelines and mechanisms. The focus group specifically aims to increase participation of local stakeholders in sharing view and opinion about their preferred future governance approach. The topic of the focus group was entitled as Structure/system and Mechanisms of Cooperative Management of Stakeholders in Ayutthaya Peri-urban Area. To facilitate the participation, a half-day focus group was arranged at local venue, Business Professional Training Center of Phra Nakhon Si Ayutthaya University on Friday, March 16, 2007 and invited about 60 agencies. Most invited participants were representatives of

interviewed respondents for the field survey into 4 sub-groups and other participants such as local media, local university and other related university students. The total participants were 40. Assistant Professor Dr. Suwattana Thadaniti, Research Mentor was selected to be a moderator because of her knowledge about the topic and understanding about Ayutthaya peri-urban area. It was an honor that Deputy Governor of Phra Nakhon Si Ayutthaya, Mr. Peumsak Srithongsurapana chaired the focus group. The discussed agenda and summary of focus group including list of participants was shown in Appendix B and discussed in Chapter 7 and 8.

2.3.3 Data analysis

Once the extensive data are collected from the representative of stakeholder's interviews, quantitative and qualitative issues are selected for data analysis. For an overview of stakeholder interviews, a quantitative analysis is made by coding and tabulation. Analysing the interview data includes three levels of measurement: a nominal level, an ordinal level and an interval/ratio level. Descriptive statistics are selected because they summaries the patterns of the sample interviewees' responses (de Vaus, 1991). Descriptive analysis is used to examine selected stakeholders' views. This kind of analysis presents each case as a unique, holistic entity (Lincoln et al, 1985; Patton, 1990). The aims of descriptive analysis are to examine to what extent these particular stakeholders were involved in the key research issues of urban governance in peri-urban area, to establish their values and views, and to investigate how they manage these issues and cooperate with others. This analysis is presented in Chapters 7 and 8.

2.4 Methodological considerations:

As is the case with all studies, it is important to articulate the difficulties that emerged during data collection and analysis. For this research, a major difficulty is local knowledge of representative of stakeholder groups. Due to routine rotation of government officers, some assigned officers have limited local knowledge because he/she was just taken his/her position in that local government agency. The field survey took some measures to counteract these difficulties. The researcher requested for additional officers who has local

knowledge to give an interview. In some cases, the researcher requested another one more appointment to meet with mayors or officer who has local knowledge later.

Secondly, since the date of a focus group was set up in advance, unfortunately on that day the Governor called many provincial and local government agencies for a whole day meeting in other matter. Thus, some invited stakeholders could not join the focus group and some turned up for a first few hours. The researcher suggested them to send their comment and recommendation after the focus group.

Thirdly, an interview with non-local groups, namely multinational firms in Rojana Industrial Park and migrant workers could not achieve targeted numbers. There is no worker's organization because Japanese firms discourage such organization in order to avoid over-demand of workers and unacceptable labor protest. Representatives of multinational firms in decision-making positions who could give a face-to-face interview were busy. The researcher interviewed with workers who are working in the Rojana Industrial Park and contacted more representatives of multinational firms.

Lastly, due to long duration of the research (two years), the researcher found difficulties to deal with rotation of government officers, especially provincial agencies including three governors. Thus, the researcher tried to disseminate research document to and involve as many as possible local and provincial stakeholders and did not depend upon a specific government agency or any particular officer.

2.5 Summary

The primary research method used by this research is the case study approach. The techniques include a field survey with 56 interviews, and purposive sampling. This chapter has demonstrated the appropriateness of the selected method as well as the rigour associated with data collection.

The next part of the theoretical framework discusses significant issues and critiques of conventional and contemporary theories on urban governance in peri-urban area. The applicability of these two theories to Thai peri-urban development is also analysed to outline the conceptual framework for examining the research questions.

PART II

THEORETICAL FRAMEWORK



Chapter 3

Urban governance in peri-urban area



Chapter 4

A Conceptual framework

Chapter 3

Urban governance in peri-urban area

Chapter 1 outlined arguments about the validity of the government-oriented and metropolitan government approach to peri-urban area development. This chapter describes the theoretical background to this approach and investigates its implications for peri-urban development. Critiques of that approach are examined for any weakness in its application. Significant issues arising from that approach are then discussed. Previous studies of Thai peri-urban area development are also described. The last section discusses how these theories apply to Thai peri-urban area development.

3.1 Introduction

Peri-urbanization has significantly accelerated the urbanization rate in the outskirts of established cities, in physical, economic and social terms, especially in predominantly agricultural areas. It causes social change in small agricultural communities driven by high levels of migration to rapidly adjust to an urban or industrial way of life. The residential and industrial peri-urban areas can be observed in both eastern and western cities (Webster, 2002b; Webster & Muller, 2002). Traditionally, many extended metropolitan areas such as Jakarta extended urban region were promoted to primarily accommodate rapidly expanding residential demand. Since the mid-1980s most peri-urban areas, especially in China have been mainly developed to generate the urban and regional industrialization (McGee, 1997; Webster, 2002b; Webster & Muller, 2002; Webster, 1995).

It is essential to investigate the current characteristics and dynamics of the urban governance in relation to the applicability of the government-oriented and metropolitan government approach to Thai peri-urban areas. Relevant issues to consider include an assessment of the different governance scenario in promoting urban governance in peri-urban areas, partly based on an examination of existing role and function of other major actors and discussion with local representatives of stakeholders. In the following sections, the rationale and

assumptions underlying the government-oriented and metropolitan government approach are examined for possible weaknesses and missing elements. In particular the applicability of this approach to Thai peri-urban development is considered.

3.2 Conventional approach of government-oriented and metropolitan government

The rationale for pursuing the government-oriented and metropolitan government approach and promoting peri-urban area development for government policy depends on certain implicit assumptions, which in turn rely on conventional approach of urban public administration and metropolitan management.

The focus of the government-oriented and metropolitan government is the myriad of government initiatives undertaken within specific jurisdictions in a metropolitan region. In particular, the North American metropolitan government is *Special District (or Regional District)*, a specific unit/agency of an inability to amalgamate local government units. For example, the Greater Vancouver Regional District (GVRD) is universally regarded as an example of one the world best performing metropolitan governance systems. The new functions and local government of the GVRD have been added over the years, and innovative measures have been brought in, e.g. establishment of bi-lateral arrangements with adjacent, still primarily rural, peri-urban jurisdictions, and advancing thematic cross-functional agendas, such as the Liveable Region Strategic Plan initiative, established in 1996 (Webster et al, 2006).

The first function of North American metropolitan government is related to a basic infrastructure need e.g. garbage disposal, wastewater treatment, and other services are added. In Europe, physical and spatial issues, e.g. protecting scarce green areas are its focus for metropolitan development. Recently the involvement of the supra-national European Union (EU) in support metropolitan region is highlighted. Thus regenerating areas undergoing severe economic stress, e.g. the Ruhr region in Germany, as well as Glasgow are examples. Thus the national governments, national agencies (such as railroads), and planning levers are key actors of the success of metropolitan government. Like

European metropolitan region, East Asia metropolitan governments, i.e. Tokyo and Seoul Metropolitan Government were initiated by the national government, through the Prime Minister's Office in co-ordination of planning and service delivery that involves cooperation between metropolitan government and the surrounding local governments that constitute the metropolitan region. Civil society organizations only represent the interests of disadvantaged groups in metropolitan areas (Webster et al, 2006).

(a) Implications of government-oriented and metropolitan government approach

The government-oriented and metropolitan government approach requires significant resources and authority of government agencies and executing management body. Thus the national government agencies need making national funding to governments, agencies, and regional districts in metropolitan areas conditional on planning, environmental protection. For example, the US federal government allocated transportation matching-funding to the Atlanta metropolitan area and could force the Atlanta Metropolitan Region to develop a regional plan to shape the region's development (Webster et al, 2006).

Most metropolitan governments/regions and special districts form autonomous and executing body for their strategic planning, coordination and management among government agencies and other stakeholders. For example, the Greater Vancouver Regional Districts (GVRD)'s Board of Directors is the primary decision-making body and collective voice in regard to regional development issues. Mayors and councilors from the member municipalities are members of the Board of Directors. In addition, metropolitan governments/regions and special districts often set up high profile planning and management unit for key functions/tasks. For example, the Greater London Authority (GLA) developed the London Development Agency (LDA) to be an implementing unit in charge of economic and business development. Its success is in positioning London as a premier global location for high-end services, especially financial (Webster et al, 2006).

(b) Critiquing the government-oriented and metropolitan government approach in relation to peri-urban area development

Despite such successful applications, Phares, 2004 has identified inadequate involvement, especially in planning and management of other stakeholders in the conventional approach thus he states that governance means not government. This weakness is thought to cause failure of metropolitan reform and financial burden. Metropolitan governments do not generate enough benefit for local government agencies and resident. Since the area of metropolitan is too large for the government to provide accessibility to them and economic and social disparity among municipalities cause conflict of interest. A referendum on the City of Toronto was voted down even though the amalgamation of the municipalities of the City of Toronto would result in saving of CDN\$ 150 million (Reddy, 2002; Webster et al, 2006).

Importantly, planning and management by metropolitan government depends upon enormous resources, especially financial resources. For example, in 2002/03, the Greater London Authority (GLA), required about 49.9 million pounds to provide its services for London and its 14 boroughs (Greater London Authority, 2006). In 2005, the Tokyo Metropolitan Government found out that no population growth will dramatically cause a status quo metropolitan finance simulation because it is estimated that revenues will only grow by 0.2 trillion yen, necessitating a 0.7 trillion reduction in expenditures over the status quo expenditure forecast (Tokyo Metropolitan Government, 2006)

(c) Issues for further study

This analysis of the government-oriented and metropolitan government approach suggests that two key issues for further study of peri-urban area development can be identified: structure/system of urban governance; and mechanisms for planning/management of metropolitan area/region or peri-urban areas.

(i) Structure/system of urban governance:

As a significant component of urban governance, the government-oriented and metropolitan government approach highlights several structure/system. For example, the regional development agency, e.g.

Randstad region of the Netherlands was established to develop a cluster of cities and transportation facilities. Or strong metropolitan government such as Seoul Metropolitan Government (SMG), governs the SMA, consists of 25 autonomous district (*ku*) and 522 villages (*dong*) (Seoul Metropolitan Government, 2006). The role of national, federal and regional government is also crucial for providing resources, especially capital resources (Webster et al, 2006).

(ii) Mechanisms for planning and management

Many studies have analysed mechanisms for planning and management by such structure/system of urban governance in measuring the success or failure of metropolitan and peri-urban areas. For example, Kim (2004) and Metropolis (2006) highlight the major role of the executing agency in providing matching funding, strategic guidance on spatial development, and establishing and enforcing development standard. Successful examples cited are the Seoul Metropolitan Government (SMG). The SMG and surrounding jurisdictions efficiently established the Capital Region Transport Association (which co-ordinates 397 bus routes carrying 8.8 million riders daily in Seoul, Gyeonggi and Incheon.) and set up a series of SMG reforms such as the citizen evaluation system, online procedures to handle civil service applications (the open system), and the performance based budgeting.

(iii) Key attributes of urban governance

Due to significant financial input and rigorous rule and regulation from central and regional government agencies, cost-effectiveness of government-oriented and metropolitan government approach is obviously noted. Similarly, another key attribute of urban governance promoted by the government-oriented and metropolitan government approach is rule of law because national government agencies are regulators, monitors and evaluators of significant rules and regulations. For example, the Committee for the Management of the Han River Water Quality of the Seoul Metropolitan Government allocates zero costs to the two further upstream jurisdictions (Gangwon, Chungcheong), whereas downstream communities share the vast majority of costs, aided by a matching grant from the Korea Water Resources Cooperation (Webster et al, 2006).

Final key attributes of urban governance supported by the government-oriented and metropolitan government approach is responsibilities because all government agencies have actual targets, allocated budget, rigid administration system, formal procedures for operations, management, monitoring and evaluation including punishment and legal prosecution for failure cases. For example, the Atlanta Metropolitan Regional was cut off transportation matching funding from the US federal government until it could manage sprawling metropolitan region along the I-94 expressway to comply with a regional plan (Webster et al, 2006).

3.3 Previous studies on urban governance in Thai peri-urban areas

Several assessment and evaluation reports have studied peri-urban areas and metropolitan management, usually by or for Thai central government agencies. They tend to accept the fundamental assumptions of central government policy, generally adopting the government-oriented and metropolitan government approach. They typically portray the local government agencies and local stakeholders mainly responsible for performance of urban governance. The following problems have been identified by these reports:

(a) Low leadership and rotation of political leaders of local government agencies

Due to term in office, political leaders of local government agencies tend to work for short-term outcomes. When political leaders finish their term in office, significant policies and projects tend to be changed. It is difficult to establish sustainable intergovernmental cooperation (DOLA & JICA, 2002; Woraratchaipan et al, 2002).

(b) Conflict of interest among local councillors and political leaders of local government agencies

DOLA & JICA (2002) found some cases that political leaders could not convince local councillors for cooperative planning and management with neighbouring jurisdiction agencies due to conflict of interest so unfortunately, it causes termination of those initiatives.

(c) Lack of local financial resources and continual cooperation with other local stakeholders

DOLA & JICA (2002) and Advisory Institute for Enhancing Efficiency of Government Sector (2004) identify lack of local financial resources as one major problem for inter-government cooperation due to high cost of capital investment of infrastructure and low revenue of local government agencies. Bureekul et al (2004) find out from her three case studies in Thailand that continual cooperation with other local stakeholders is a key factor in raising resources for local communities and government agencies.

(d) Negative role of local government agencies and local stakeholders

With limited participation, local government agencies and local stakeholders cannot get full information and understanding about development projects. Thus, they may get fearful and over-react to social and environmental impact of development projects and turn against the cooperation with other agencies (Woraratchaipan et al, 2002).

3.4 Applicability of conventional approach to peri-urban areas in Thailand

A major research question for this research is: what theory best explains the dynamics of urban governance in peri-urban areas? Conventional theories underlying the government support of urban governance in peri-urban areas have several weaknesses in their assumptions and implications. The government-oriented and metropolitan government approach may not be the best approach for understanding urban governance in peri-urban areas.

A related research question for this research is: how appropriate is the government-oriented and metropolitan government approach to peri-urban areas development in Thailand, considered specifically as a developing country in Southeast Asia? The government-oriented and metropolitan government approach emphasises the dominance of national, regional government agencies usually developed within metropolitan regions. However, Thai regional, provincial, local government agencies in peri-urban areas have characteristics

that are different from those of other metropolitan areas in Thailand where the structure of governance and administration matches more closely the assumption of the government-oriented and metropolitan government approach because they have more capital resources and executing authority for planning and management. This kind of government-oriented and metropolitan government areas is found in the Bangkok Metropolitan Administration and the Eastern Board Area (ESB). The ESB area of 13,440 sq km houses a population of 3 million (NESDB, 1998; Maneepong, 2004; Webster, 2002b).

The Eastern Seaboard Development (ESB) Committee, chaired by the Prime Minister, was founded to coordinate the investment and management of the Eastern Seaboard Development Program during the fifth National Economic and Social Development plan (1982-1986). The national committee members are representatives from major infrastructure ministries and public corporations such as the Ministry of Transport, the Industrial Estate Authority of Thailand, the Port Authority of Thailand, plus the three provinces that constitute the area. The Secretariat is the office of the National Economic and Social Development Board (NESDB) in the Office of the Prime Minister (NESDB, 1998). The ESB Committee is based on a top-down structure, led by a national committee that limits participation of local and private stakeholders (OECD, 1999). The model may not be applicable to other peri-urban areas of Thailand because:

(a) Following the introduction of the decentralization policy in 1999, local government agencies including Tambon Administration Organizations (TAOs) (sub-district organizations), have been mandated urban development functions although they have limited resources and capacity to respond to rapid peri-urbanization and the associated demand for major infrastructure investment. In addition, decentralization reforms have made it legally more difficult for the national government to subsidize investment projects in peri-urban areas, unless national benefits can be justified.

(b) The top-down model of the ESB Committee was introduced when civil society was weaker in Thailand (Labor and Welfare Development Department and Community Development Department, 1998) and the economic environment for peri-urban manufacturing was better (China has since emerged as the “factory of the world”), making higher cost government structures more feasible, and

In addition, among 7,803 local government units in Thailand, Suwanmala (2002) found that more than half of them are classified into the lowest profile of administrative, economic and social resources. In addition, about 82 per cent of *Tambon* (sub-district) administration organizations fall into Class 5, which is the most needed group for grant allocation. Thus, this government structure predominantly small and medium-sized government units may not thrive under the government-oriented and metropolitan government approach.

Even though a formal type of intergovernmental cooperation in Thai peri-urban areas known as *SAHAKAAN* has been defined in the Municipality Act since 1953, no intergovernmental cooperation has been set up. Even, recently, the Decentralization Act of 1999 provides the opportunity for every type of local authority to cooperate horizontally with others. In practice, intergovernmental cooperation has been informally set up to do certain activities. The cooperation between the Provincial Administration Organization (PAO) and Tambon Administration Organization (TAO) in the same province is a common practice. This type of intergovernmental cooperation is mostly on the basis of personal acquaintances or goodwill between the PAO's and TAO's executive boards. Therefore, it is questionable for sustainability (DOLA & JICA, 2002).

In some successful case is identified by key factors of strong informal partnership and financial and technical support from the central government. For example, the Banbu garbage disposal scheme in Songkhla province, which was a partnership of 2 municipalities and 3 Tambon Administration Organizations was successfully established in the form of an operational committee to manage the task of garbage disposal in these areas. With significant external input, the Ministry of Science and Technology provided funding to purchase the appropriate technology for the Banbu garbage disposal committee (DOLA & JICA, 2002). The trial-error experience is only in few specific development sector, not in the overall planning and investments. It is also on the ad-hoc basis, not formal institution basis thus, the sustainability and long-term benefit is uncertain.

In peri-urban areas, other stakeholders e.g. private sector and civil society play a significant role in urban governance. Maneepong et al (2007) and Webster (2002a) highlight high opportunities for local government agencies to get cooperation with multinational companies in the areas of technical and

experiences on environmental and safety and office management because many multinational companies have already achieved international standard, especially ISO 140001. Civil organizations are most important as agents of metropolitan governance in the US. For example, New York Metropolitan Region, an independent, not-for-profit regional planning organization is highly influential in planning both the region and its component jurisdictions (Webster et al, 2006)

It is not feasible to assess the future governance approach of peri-urban areas by examining only the impacts of government roles and policy measures. Yet the role of the private sector, and especially that of the local private sector, has been largely ignored, considered to have little potential as an agent of urban governance.

Peri-urban area development cannot be assessed solely from the perspective of metropolitan administration rationality. The perspectives and practices of other stakeholder such as cooperation among local entrepreneurs must be taken into account. In the Thai situation, the 'local stakeholders led' seems particularly appropriate since it focuses on small and medium sized local government units and also takes into consideration other stakeholders that contribute to peri-urban area development.

Nonetheless, significant issues associated with the government-oriented and metropolitan government approach have been taken into account in this research. These include structure/system of urban governance, mechanisms to promote urban governance and the relationships between national/regional agencies and local government units and factors contributing to effectiveness, efficiency and legitimacy of urban governance.

3.5 Conclusion

Most metropolitan and peri-urban areas adopt the government-oriented and metropolitan government approach. This Approach emphasises the role of national/regional government intervention, investment and executing authority. Scholars of metropolitan and peri-urban areas acknowledge this approach as important and successful (Regt, 2000; Suvanamongkol et al, 2002). However, it has been shown that in certain circumstances this approach has been

inappropriately applied, causing an inaccessibility of some group of residents and local government units, encouraging unsustainable financial resource due to high cost investment, and overshadowing other local stakeholders (Reddy, 2002; Tokyo Metropolitan Government, 2006; Webster et al, 2006).

The conventional approach seems to have little relevance to urban governance in Thai peri-urban areas. Most Thai local government agencies in these areas are small and medium-sized with limited resources and capacity (Suwanmala, 2002; Worachairatpan et al, 2002). This research examines other approaches that might explain more clearly the dynamics of urban governance in Thai peri-urban areas. Secondly, this research questions the extent to do the stakeholders in peri-urban areas perceive the legitimacy, efficiency and effectiveness of different governance scenario for future governance structures and processes to guide the development of peri-urban areas. The next chapter examines the local stakeholders led approach and discusses its applicability to urban governance in peri-urban areas.

Conceptual framework

This chapter develops a conceptual framework for examining the dynamics of urban governance in Thai peri-urban areas. It examines the local stakeholders led approach and determines how this approach can be applied to the research area. The last section outlines significant elements of the conceptual framework.

4.1 Introduction

The major objective of promoting governance is to enable constructive interaction among parties. Good governance increases public participation and collaboration, accountability, responsiveness, political legitimacy, and rule of law based on broad consensus (but not 100% in most cases) in society over the allocation of development resources in an effective, efficient, and just way. Thus governance is a broader concept than government (Bureekul et al, 2002; Charoengwongsak, 1998; Phares 2004; Nunan et al, 2001; Rachaprasachamasai Foundation, 2005; Thailand Team; The Governance Working Group of the International Institute of Administrative Science, 1996). Due to awareness on public participation and modern communication technology, these local government, private and civil society organizations can develop partnership and interaction efficiently by using their professional expertise and experiences related to urban development and management (Alfsen-Norodom, 2004; Chicago Metropolis 2020, 2006). These organizations can respond to needs and conditions of metropolitan and peri-urban areas because they develop capacities in local-oriented perspectives of the urban development and management by focusing on local demand (Phares, 2004; Nunan et al, 2001). Ho (1999) highlights that local government agencies and communities are receipts of positive and negative ongoing activities and longer-term impact of any development in their local areas. Thus, he associates a lack of local participation with the failure to promote urban governance.

These issues vary according to country, sector, organization and area conditions. Nevertheless, Phares (2004) argues that the importance of local government agencies and non-government organizations lies in their vital capacity to invigorate local urban development and management. In particular, local communities and organizations represent the emergence of governance in local area. They have been credited with establishing governance for urban growth and management that is considered to be one of the main elements of peri-urbanization (Dekker et al, 2004; Jacquier, 2005; Leaf, 2002; Maneepong et al, 2007; Nunan, 2001; Webster et al, 2006).

This research thus investigates the dynamics of urban governance in peri-urban areas by adopting the theory that focuses on the role of local stakeholders, e.g. local government agencies, private sector and civil society. This approach is called the local stakeholders led approach, and it is examined in this chapter in order to develop the conceptual framework for this research.

4.2 Contemporary approaches to local stakeholders led approach

Unlike conventional approach of government-oriented and metropolitan government, the local stakeholders led approach focuses on function and role of local government agencies and non-government agencies. It provides a different rationale and new perspectives on structure/system, mechanisms and strategies, with special emphasis on the impacts of partnership, social networks among stakeholders, and local government-citizen interactions. This section analyses the implications of peri-urban area and metropolitan area in this approach. It also considers its weaknesses, and significant issues for future studies.

Heriard-Dubreuil (2001) and Dekker et al (2004) emphasize that conventional top-down and command-and-control models of governance are inappropriate in the dynamic, complicated and diverse society in which we live. With increased uncertainty, resilience is becoming as important as competitiveness. Resiliency requires governance, not government, based approaches. Governance on the basis of self-organizing networks and bottom-up initiatives interacting with top-down leadership often proves effective in providing substantial governing capacity.

Dekker et al (2004) and Charoengwongsak (1998) identify major actors in urban governance: (i) government sector, (ii) private sector, (iii) development government agencies, (iv) non-government agencies, (v) media, (vi) academic and educational institutes and (vii) civil society. These actors are involved in partnerships and other kinds of networks that are independent and based on mutual interests, exchange of resources and commitment while the relationships among actors do not have to be balanced (Dekker et al, 2004). Major attributes of urban governance include accountability, responsiveness, management innovation, public-private partnership, local government-citizen interaction, decentralized management, networking and human resource development. Equally important, governance mobilizes resources, financial and human, without which urban development is impossible. Governments themselves control only a small proportion of the financial resources available and needed for urban development (Dekker et al, 2004; Mehta, 1998).

(a) Implication of local stakeholders led approach

Unlike government-oriented and metropolitan government approach, the local stakeholders led approach does not use an executing agency for planning, decision-making and management. Committee consisting of representatives of key stakeholders is established to take those functions and roles. Different from directors and mayors of regional board and metropolitan government, the committee chairperson and/or secretary have as equal right and legitimacy as other committee member. Issues of major concern to the committee are derived from local needs and conditions, not government initiatives.

For example, *Chicago Metropolis 2020* by forming six committees to rethink the metropolitan region's future includes representatives of business, labor, civic and government organizations. The committees regularly consult with experts and meet with regional community, civic and government representatives. Examples of major concern to the *Chicago Metropolis 2020* committee are low-density sprawl, concentration of poor minorities, the spatial mismatch between jobs, affordable housing and transportation, and disparate degrees of access to quality education (Chicago Metropolis 2020; Grimond, 2006). With an advocacy role and civic leadership, one of the Commercial Club (a former organization), Daniel Burnham draw up a plan for Chicago that shapes

Chicago's metropolitan structure to this day. By 2006, the Metropolis Project's efforts of the *Chicago Metropolis* resulted in the establishment, by the Illinois State General Assembly, of the Regional Planning Board with broad, bipartisan support (Chicago Metropolis 2020).

Similarly, informal federation of local governments in the US metropolitan areas or councils of local government in Australia was initiated in order to allow local governments work together while local jurisdictions retained close to full autonomy without amalgamation of local authorities. These bodies are voluntary so they do not require local governments to cede power, unacceptable to most local governments but encourage co-operation in co-ordination of metropolitan government.

Mechanisms of the local stakeholders led approach mainly include networking with other key stakeholders, partnership/alliance and education awareness including advocacy on major issues of concern. These mechanisms assist private sector and civil society to pool resources, gain support from different interest groups and share similar interest with other stakeholders.

For example, the Regional Planning Association (RPA) that is considered as a no "official" regional planning organization for New York metropolitan regional has used collaborative planning in vogue in both governmental and academic circles since 1922. The RPA has developed strong links with leading US professional groups such as the American Institute of Architects (AIA), the American Institute of Planners (AIP), and the American Society for Public Administration (ASPA). For example, the RPA facilitated Civic Alliance to Rebuild Downtown New York used the Princeton facility for "before and after" planning and design simulations. In addition, the RPA has long worked closely with the powerful Port Authority of New York and New Jersey, using the Authority as a change agent to shape the Region (Alfsen-Norodom, 2004; Civic Alliance, 2006; Regional Planning Association, 2006).

Key attributes of urban governance promoted by the local stakeholders led approach are accountability, participation and morality. Obviously, participation among stakeholders is well renowned because the planning and management rely on consensus seeking among participants. Often collaborative processes are the most effective because they involve real deal making among stakeholders rather than illusionary consensus that comes from traditional

participatory meetings. Such processes are the most effective in dealing with complex settings like metropolitan regions and peri-urban areas and become significant in implementing joint projects and coordination among local governments with common interests (Margerum, 2005).

Accountability is a significant result of networks and participation because each stakeholder makes contribution and has equal status so he/she has equal access to information and check-balance system. With strong participation, each stakeholder is committed to comply with agreement, agreed rule and regulation with his/her ethics and morale (Nunan et al, 2001; UN-Habitat, 2001). In addition, each participating agency represents his/her professional institution so the ethics and morality of each profession is strong such as the educational and professional stakeholders of the RPA (Regional Planning Association, 2006).

(b) *Weaknesses of the local stakeholders led approach*

Since the local stakeholders led approach depends on the advantage of professional expertise, e.g. planning and business management. However, due to fast growing of peri-urbanization and limited number of human resources, it is pitfall for small peri-urban areas and it is difficult for local government agencies and communities to efficiently allocate resources and expertise (Woraratchaipan et al 2002; Webster, 2002a). In addition, without legal and formal institution status, the committee, initiated voluntarily by local government agencies, private sector and civil organization may face difficulties to undertake their plans and advocate their ideas without strong support from other formal and government agencies. Bureekul et al (2002) identifies that in one of her case study in Southern Thailand, local community has heavy burden to seek cooperation from other organizations, especially government agencies to have participation in its activities. On the other hand, another community council in the Northeast Thailand can pursuit their initiatives successfully because the Council has strong network and external relationship.

4.3 Research areas and significant urban governance issues for further Study

Significant issues for investigating the contemporary dynamics of urban governance in peri-urban areas are suggested by both the government-oriented and metropolitan government approach and the local stakeholders led approach. Table 4.1 lists the main governance issues derived from these two approaches. The government-oriented and metropolitan government approach suggests that major structure/system of management of executing agency consisting of government representatives, significant mechanisms of matching funding and providing strategic guidance, establishing government rules and regulation and efficiency, rule of law and responsibility as key attributes of urban governance (Section 3.2, Chapter 3). On the other hand, the local stakeholders led approach underlines the networking, partnership and alliance of key stakeholders as the key mechanisms because their planning and managing efficiently responds to local needs and conditions. Major structure/system is unofficial committee. Key attributes of urban governance promoted by the local stakeholders led approach include participation, transparency, and morals (outlined in Section 4.2).

4.4 A conceptual framework for examining the dynamics of urban governance in peri-urban areas

Urban governance in metropolitan and peri-urban areas is driven not only by government sector but also by non-government sectors (Phares, 2004; Webster et al, 2006). Non-government sectors can have a significant influence on urban governance of the development of peri-urban areas. The role of non-government sector must not be underestimated. Kim (2004), Papadopoulos (2000) and Pinson (2002) highlight the connections between government and non-government sectors, arguing that it is impossible to promote any urban governance without the support of a web of political connections and institutionalised structures. Cooperative planning, management, monitoring and evaluation of both sectors are key factors of efficient and effective urban governance because both sectors have complementary resources and strengths.

Table 4.1: Significant issues identified by the government-oriented and metropolitan government approach and the local stakeholders led approach

Significant Issues	Government-oriented and metropolitan government Approach	Local stakeholders led Approach
(a) Structure/ system	• Executing agency for planning, decision-making and management • Major representatives of ministerial, regional and government implementing agencies • Examples are Special Districts in US, regional development agencies in Europe, metropolitan governments in East Asia	• Unofficial and semi-official committee • Major representatives of non-government stakeholders and local government units • Examples are Federation and Councils of local governments and business councils.
(b) Mechanisms	• Matching funding • Providing strategic guidance • Establishing government rule and regulations	• Local resources and funding • Partnerships with key implementing agencies • Public awareness and advocacy
(c) Key attributes of urban governance	• Cost-effectiveness • Rule of law • Responsibility	• Participation • Accountability • Morality

Source : Maneepong, 2007

uss the role and function of government and non-government sectors separately (Beall, 2001; DOLA & JICA, 2002). Obviously, in real life these two sectors are related (Phares, 2004; Webster et al, 2006). Some interesting issues, awaiting further research, arise from the dynamics of urban governance, such as how these non-government sectors influence other stakeholders for promoting urban governance or reinforce participatory advantages for legitimacy of urban governance, and how they may increase efficiency of urban governance.

Most recent studies tend to focus on either the establishment and management of structure/system in peri-urban areas, or on the mechanisms for planning and management followed by these structure/system, in order to highlight the key attributes of enhancing urban governance for peri-urban areas (DOLA & JICA, 2002; Randstad, 2006). The dynamics of urban governance can't be drawn from analysing just one element of management in isolation. It is important to integrate the two significant elements of establishment, management and governance in order to understand all the dynamics of urban governance. Such findings will assist planners and scholars to support all stakeholders in promoting of urban governance in many existing peri-urban areas.

Policy guidelines and mechanisms for strengthening the structure of urban governance in peri-urban areas can be developed from good practices and strengths and advantages of both approaches. An analytical framework for developing the favourable future governance structure/system and mechanisms of the Ayutthaya case study also include key elements of urban governance. These key policy guidelines and mechanisms and urban governance are used as a set of assessment criteria for proposed structures/system, mechanisms and indicators for monitoring and evaluation is developed.

4.4.1 Framework for assessing proposed future governance structure/systems and developing indicators for monitoring and evaluation

A set of assessment criteria of favourable future governance structure/system and mechanisms and indicators for monitoring and evaluation is mainly derived from analytical issues of each structure/system for peri-urbanization and metropolitan development and management by comparative

analysis of international case studies and literature review on urban governance in developing countries such as China, Indonesia and the Philippine. The favorable future governance structure/system and mechanisms should enhance, initiate and promote the following six key elements so they will increase sustainability and competitiveness of peri-urbanization, finally resulting to higher quality of life for all stakeholders.

(a) Efficiency on service delivery

Webster et al (2002c) explores the characteristics of China, Philippine and Thailand peri-urban areas and points to the need for an integrated approach of urban management because local governments and key stakeholders need to coordinate peri-urban development, e.g., aligning residential development with public transportation. The most cost-effective management for delivery of many services in peri-urban areas is at regional, provincial and metropolitan levels, but local governments have an important role to play in informing senior governments of local needs and delivery of those services best delivered at a smaller spatial scale. More senior governments should play a major role in economic development, particularly in terms of investing in catalytic infrastructure, and marketing, but in the context of local knowledge. Thus the incentive framework put in place by national agencies should motivate local governments to cooperate. Inter-jurisdictional cooperation for an integrated urban management investment and funding should be handled at the regional scale not at the local level. However, municipal governments are usually inappropriate to lead such efforts because of their unequal relationship with surrounding jurisdictions, e.g., *tambons* (sub-district), provinces, at least in theory, would be more appropriate (Webster et al, 2002b; NESDB & ADB, 2003).

(b) Viable infrastructure investment and management

Due to limited capacity and resources of government agencies, successful partnership on infrastructure provision such as waste management in the Philippine and India results from the collaboration between investors and citizen groups without overt interference from local governments (Forsyth, 2005). However, in the Philippines these efforts have been constrained by lack of coordinating frameworks at higher levels, e.g., metropolitan, regional. Therefore,

Faculty of Political Sciences, Thammasat University (2006) points the importance of feasibility study on infrastructure investment and management. Webster et al (2006) proposes the pro-active infrastructure development such as national bond system to finance infrastructure development catering to smaller credit-worthy metropolitan regions, lending by multilaterals such as the World Bank.

(c) Increase quality of life and economic competitiveness

Leaf (1996) and Webster et al (2002b) highlight regulatory infrastructure and cost-recovery basis of service provision as key mechanisms to improve ecological sustainability and social costs. Improving the environmental quality of urban areas will increase livability, public health and economic performance.

The agreed strategic plan significantly guided the direction for related implementing agencies in order to achieve competitiveness of metropolitan regions. Other agencies, the private sector and residents also used the plan to understand and contribute to metropolitan vision for its future development. For example, according to the Randstad Development Plan, the *Regio Randstad Bureau*, composed of the provinces and the lead cities, works closely with the European Regions Research and Innovation Network (ERRIN) and the Network of European Regions and Areas (METREX) to position the Randstad to be the key logistics center of Europe by linking the Region closer to Europe, competing successfully against other European urban system (Webster et al, 2006).

(d) Shaping urban systems and addressing environmental, social and security issues

Land use is an important issue in peri-urban areas, yet land use planning is often neglected. As noted, basic information is often missing to support such activity. Measures should be taken to promote land use patterns that are economically efficient, environmental and energy conserving, and are associated with reasonable levels of amenity. Amenity is increasingly associated with urban economic development as peri-urban areas move up the value chain. The use of growth boundaries between built-up and non-built-up land needs to be carefully considered in order preserve fertile peri-urban agricultural zones. Since peri-urban areas attract large numbers of migrants with limited financial resources, accessible land needs to be made available at affordable prices for housing and

associated community services for these migrants. And, governments need to ensure that land is banked for future large-scale economic infrastructure (Leaf, 1996; Webster et al, 2002b)

For example, the national Thai Government made a mistake in not banking more land for public infrastructure near the Laem Chabang port in the Eastern Seaboard. Although there is much open space in peri-urban areas, accessible scenic land should be reserved for recreational uses. Guided peri-urban landscape development will decrease the scattered pattern of economic and settlement activities that made it difficult and costly to develop public transportation systems and other utilities to new community areas (Leaf, 1996; Webster et al, 2002b; Webster et al, 2002c).

(e) Reducing fiscal disparities and enhancing revenue and building capacity for stakeholders

The studies from China, Philippine, Thailand identify the big fiscal disparities among local governments in revenues and source of revenues including central government budget allocation. This makes inter-jurisdictional cooperation among local governments difficult. Fiscal and financial mechanisms such as cost sharing of key infrastructure and joint investment in some economic activities need to be devised (Webster et al, 2002c; NESDB & ADB, 2003). Transfers to poorer local governments by the national government are usually more feasible than transfers at the extended urban region level (Seoul Metropolitan Government, 2006).

Chaicharoenwattana (2003), NESDB & ADB (2003) and Leaf (2002) emphasize the importance of staff skills and knowledge and technology support to develop, monitor and evaluate urban governance. Due to rapid land-use conversion in peri-urban areas, urban databases should be set up to monitor rapid change, as well as enabling assessment of comparative performance of urban governments, on a variety of measures, to enable benchmarking (Webster et al, 2002b; Webster et al, 2002c). Chetsadawan (2004) identifies three main mechanisms: strong law enforcement by the government sector, competency of government officers and practicability of indicators. A specific committee on monitoring and evaluation should be established. Since very few such monitoring

systems work, even in developed countries, they must be designed with sustainability in mind, being lean rather than comprehensive.

(f) Enhancing innovation—process/substance

The Regional Planning Association (RPA) recognizes the importance of research and technical support from educational institute and has been received strong support. For example, the New Jersey Mayor's Institute on Community Design held at Princeton University supports the community design planning and development through models, drawings, "before and after simulations" (making it possible to test the physical capacity of the region's centers and to understand the impacts of new structures on the visual and natural environment.). The Civic Alliance to Rebuild Downtown New York has also used the Princeton's planning and design workshop (Regional Planning Association, 2006).

4.4.2 Framework for developing assessment criteria of urban governance and indicators for monitoring and evaluation

A set of assessment criteria for promoting urban governance and indicators for monitoring and evaluation is adapted from the definition of governance and urban governance and the Thai Act on Criteria and Management Styles to Enhance Good Governance, 2003. Six key elements of urban governance include rule of law, efficiency, responsibility, participation, transparency and morale.

(a) Rule of law

Composition of element of rule of law includes (a) precise function and authority of each implementing agency, (b) protection of right and freedom of officers and staff and the public, (c) compliance to law and other regulations, righteousness of rules and regulations, (d) freedom of decision-making, punishment rule and regulations following to the law and (e) no conflict of rule and regulation with superior law (King Prajadhipok's Institute, 2005).

In the planning and management of peri-urban areas, the responsible agencies should have ability and degree of freedom to promote the rule of law. For example, the study of Leaf (2002) based on case studies of China and Vietnam identifies the negotiated relationship between local and higher level

structures in undertaking urban expansion. Other policy and implementation issues include technology assessment/choice, capacity for enforcement and conflict solution.

(b) Cost-effectiveness

Key features of element of efficiency include being economical, maximizing management resources and human resources and having competitive abilities through planning, performance and evaluation.

For example, the Regional Planning Association (RPA) has successfully formulated and used the plan since the First Regional Plan. In 1929, the RPA drafted the first plan to identify transportation and open space networks to shape the New York Region growth. The Second Regional Plan in 1968 was the strong instrument in restoring deteriorated mass transit system, preserving natural resources and revitalizing urban centers. The Third Plan, in 1996, *A Region at Risk*, responded to the Region's extreme fiscal problems and the redevelopment of the World Trade Center site after September 11 (Regional Planning Association, 2006).

(c) Responsibility

Six characteristics of responsibility element are building ownership of the plan, project and task through agreement, setting up specific goal and objectives, increasing management efficiency by team working and efficient communication, establishing monitoring and evaluation, punishing any agency/worker that is irresponsible and formulating back-up plan.

To assure commitment of implementing agencies in urban governance and intergovernmental cooperation, local/regional organizations and government agencies require public awareness, understanding and support. For example, the RPA set up Civic Alliance to be a public forum to share information, to provide their knowledge and expertise to address issues, and participate in policy development by working with working groups and committee (Regional Planning Association, 2006).

(d) Participation

Key features of participation element include (a) dissemination of information to the public, (b) hearing the public's opinion, (c) channeling people's participation in planning and decision-making processes, and (d) building capacity and skill on people participation.

To accommodate community's needs and problems effectively and efficiently, regional/local government agency or organization requires being flexible, efficient and responsive. For example, the RPA has long-term offices in each target region: New York City, New Brunswick, New Jersey, and Stamford, Connecticut, and a representative on Long Island. Each spring, RPA holds its regional assembly, at which over 500 private and public sector leaders attend to participate in workshops. For the specific issues, the RPA held the forum of "Listening to the City", July 20-22, 2002 about options for redeveloping the World Trade Center site and other related issues by combining technology with face-to-face dialogue (Regional Planning Association, 2006).

(e) Accountability

Accountability element has four key features; (a) accountability within organization through auditing, accounting and public participation, (b) accountability in rewarding system, (c) accountability in punishment and accountability in disclosure of information to the public.

Social Management College (2005) concludes high accountability of Bang Kun Sai civil society in Phetchaburi province as a key success factor of its implementation and less conflict of interest among local stakeholders.

(f) Morality

Key attributes of morality element include free from corruption, free from unlawful behavior, free from unethical practices and profession and neutral position of management team.

The Seoul Metropolitan Government (SMG) set up a number of morale mechanisms. For example, the SMG Reform Commission of renowned experts and representatives of civic organization and private sector charged them with the responsibility to formulate meaningful reforms with little control over

personnel management of SMG. Individual citizen can assess the SMG administration and send their opinion including complaints directly through the successful OPEN system, the first-ever-on-line system for the receiving and handling of civil service applications in Korea. The citizen evaluation system and anti-corruption index were recognized as “the best reform practices” by the Presidential Commission on Governmental Innovation in Korea (Seoul Metropolitan Government, 2006 & Kim, 2004).

4.5 Conclusion and research propositions

Unlike the conventional government-oriented and metropolitan government approach, contemporary approach focuses on the role and function of local stakeholders. The local stakeholders led approach provides a more appropriate framework for examining the dynamics of urban governance in peri-urban areas. It emphasises the cooperation of the small and medium-sized local government agencies and local stakeholder groups that constitute urban governance in many peri-urban areas of Thailand. Partly because of their limited resources, the social networks of local stakeholders play a significant role in peri-urbanization planning and management.

The conceptual framework developed in this research for examining the dynamics of urban governance in peri-urban areas focuses on two key issues: the key policy guidelines to promote favourable governance structure/system and mechanisms; and the key elements of urban governance in peri-urban areas. These issues are used to be assessment criteria for proposed governance structure/system and mechanisms and indicators for monitoring and evaluation.

For policy guidelines and assessment criteria for proposed governance structure/system and mechanisms, there are six significant issues as follows:

- (a) Efficiency on service delivery
- (b) Viable infrastructure investment and management
- (c) Increase quality of life and economic competitiveness
- (d) Shaping urban systems and addressing environmental, social and security issues
- (e) Reducing fiscal disparities and enhancing revenue and building capacity for stakeholders
- (f) Enhancing innovation—process/substance

For issue of urban governance, six attributes are rule of law, cost-effectiveness, responsibility, participation, accountability and morality.

Like small and medium-sized local government agencies and local stakeholders in other developing countries, small and medium-sized government agencies in Thailand's peri-urban areas have to deal with constraints such as a lack of technological development, a lack of modern management capacity, and financial limitations (DOLA & JICA, 2002; Woraratchaipan et al, 2002). Thus, four broad propositions are advanced as the working hypotheses for examining the two main research questions of this research:¹

1. Following the decentralization policy, the role and function of the ministerial agencies is marginal but the provincial government agencies have a significant role and function in promoting urban governance in peri-urban areas.
2. The cooperation and partnership between government and non-government agencies is a vital element in promoting urban governance in Thai peri-urban areas because most government agencies have expertise and resources on urban planning and management, while most non-government agencies are recipients.
3. Due to limited resources and expertise of local government agencies and other local stakeholders, their involvement in urban governance in peri-urban areas is relatively low. However, when examined in detail, some key stakeholders play a strong role and take some initiatives for promoting urban governance.
4. Non-local stakeholders, e.g. multinational firms in industrial parks and migrant workers who play unofficial roles in promoting urban governance in peri-urbanization are underrepresented.

These propositions are examined in the following chapters. In Part III, the analysis of Thai peri-urban areas highlights the implicit government policies for promoting peri-urbanization and problems confronting peri-urban areas. The socio-economic-environmental backgrounds and dynamics of the case study are also discussed.

¹ The two research questions are: (i) what approach best explains the dynamics of urban governance in peri-urban areas? (ii) To what extent do the stakeholders in perceive the legitimacy, efficiency and effectiveness of different governance scenario for future governance structures and processes to guide the development of peri-urban areas?

PART III

CONTEXT



Chapter 5

Peri-urban areas in Thailand



Chapter 6

Ayutthaya peri-urban area

Ayutthaya peri-urban area

This chapter describes the overall socio-economic conditions and the urban governance of Ayutthaya case study. The socio-economic background of Ayutthaya indicates their strengths and weaknesses, and their governance is examined for its characteristics, structure and development pattern.

6.1 Introduction

Peri-urbanisation is a transitional *process* occurring beyond the built up edge of large cities whereby rural areas acquire urban economic functions that are intermixed with more traditional rural functions, such as agriculture. The landscape that results is often a patchwork of rural and urban land uses, with inadequate infrastructure to cope with the new functions, often driven by global capitalism. Social change is often jarring, both to long-term residents who are accustomed to a more traditional lifestyle, and the new migrants who staff the factories and construct the new landscapes. Peri-urbanisation has previously occurred in other parts of the world, e.g., the industrial belts of Europe or North America, but is especially strong in East Asia now because industrialisation is the dominant driver of peri-urbanisation, and East Asia is the new 'factory of the world' (Leaf, 2002; Webster, 2002b; Webster et al, 2002).

Since the mid-1980s peri-urbanisation has dominated the landscapes around metropolitan areas in East Asia, especially in China of late (McGee, 1997; Webster, 2002b; Webster et al, 2002). It is important to distinguish peri-urbanisation from suburbanisation, the latter a residentially driven phenomenon characterised by households moving outwards within metropolitan regions, and edge cities, found especially in North American metropolises, which are driven by a mix of service functions (business, professional, hospitality, and retail services), combined with residential development.

The Ayutthaya peri-urban area industrialised relatively recently, provinces closer to core Bangkok, such as Pathumthani, industrialised earlier. In Ayutthaya Province industrial employment in 2004 totalled 181,000 workers, contributing

about 67 per cent of the gross provincial product (NESDB, 2006; Provincial Office of Statistics of Phra Nakhon Si Ayutthaya, 2006)). The total official provincial population in 2006 was 738,658 with a population density of 294 people per sq km. At least 200,000 registered and unregistered people, including migrants attracted to the peri-urban economy, were living in Ayutthaya peri-urban area by 2004 (Faculty of Architecture, Silapaprok University and Rangsit University, 2006; Provincial Office of Statistics of Phra Nakhon Si Ayutthaya, 2006).

The similarities and differences in socio-economic-environmental background of the Ayutthaya peri-urban areas with other peri-urban areas are also discussed in the following sections. The assessment of dynamics of socio-economic-environmental development of Ayutthaya peri-urban areas is also examined to identify their influence and impacts on urban governance.

6.2 The socio-economic-environmental background of the Ayutthaya peri-urban area

The purpose of this section is to identify the socio-economic-environmental background of Ayutthaya area that emerges peri-urbanization as follows.

(a) Land-use structure

Because the core historical area is in the core city (the Municipality), Ayutthaya municipality has limited land available for urbanisation and new economic functions (Map 1 in Chapter 1). Accordingly, Ayutthaya municipality has lower population growth (3.61 percent annum) than surrounding peri-urban jurisdictions (see Table 3), even though the Municipality's urban population growth rate is very high for Thailand (Provincial Office of Statistics of Phra Nakhon Si Ayutthaya, 2006), the Southeast Asian country with the lowest urbanisation growth rate, due to low aggregate population growth and national policies which regard urbanisation as, at best, a mixed blessing.

(b) Ayutthaya Peri-urbanization

Increased economic activity has resulted in expansion of private industrial estates, especially the flagship Rojana Industrial Park, and creation of new industrial estates resulting in the formation of new urban /industrial nodes,

Insert Table 3

beyond Ayutthaya's Municipal boundary in nearby sub-districts, especially TAOs in Uthai District (Thanu and Kan Ham TAOs) to the east of the core Municipal area. The result is that a true, and rapidly expanding, extended urban area has been created. Accordingly, the amount of urbanized land in Uthai District increased by 40% from 1993-2001 to 27.9 square kilometers. However, in 2001 urbanized land constituted only 15% of the total land area of the District, meaning that future policies in regard to land conversion can have great effect (Phra Nakhon Si Ayutthaya Provincial Public Works and Town and Country Planning Office, 2006).

6.3 An assessment of socio-economic-environment dynamics in Ayutthaya peri-urban area

This section identifies the impact of national policies on industrialization and decentralization on the dynamics of Ayutthaya peri-urban area. Secondary data and empirical data from the researcher's field study (2005 and 2006) of socio-economic-environmental dynamics in the Ayutthaya extended urban region indicate the following:

(a) Foreign Direct Investment (FDI) Drivers and Domestic Migrant Workers

The locational investment incentives promotion measure significantly influenced industrial dispersion away from Bangkok Metropolitan Area. Since 1991 (1991-2003), Pathumthani and Ayutthaya Provinces have become new industrial centers (Their combined industrial output growth rate over the period is 22 % per annum while the growth rate of Samut Prakarn, an old regional center, is only 13% per annum (Department of Industrial Works, 2004). Under the Board of Investment (BOI) locational incentives program, Ayutthaya is classified as Zone 2.¹ . Compared with Pathumthani Province, more factories, capital, and labor have been generated in Ayutthaya Province (27.52% per annum growth of

¹ Under the Investment Promotion Law, the Board of Investment (BOI) has granted promotion zone privileges to domestic and international investors who invest in regional cities with the three-zone classification based on economic factors such as the level of income and the availability of infrastructure in each province. For example, Ayutthaya is classified as Zone 2 with medium income and good infrastructure. Thus, investors receive half investment privileges including 50 per cent reduction of import duty on machinery, corporate income tax exemption for 3 years and exemption of import duty on raw or essential materials (BOI, 2003).

capital investment and 17.78% per annum growth of employment from 1991-2003, Source: Department of Industrial Works, 2005). It is clear that industrialisation is moving northward, from suburban Pathumthani to peri-urban Ayutthaya (Table 2 in Chapter 2).

Ayutthaya's industrial structure in Ayutthaya Province is anchored by the automobile and electronics clusters. A variety of supplier firms have located in the Province. The industrial structure of Ayutthaya contrasts with the predominantly low-end labor-intensive industries found in Pathumthani and Samut Prakarn, nearer core Bangkok, many of which have closed, or at risk with the 2007 rise in the value of the Thai Baht. Government local content requirements for promoted industries, especially automotive industries, also explains the development of the Ayutthaya industrial cluster, especially original equipment manufacturing and replacement equipment manufacturing types (Labor Development Center of Phra Nakhon Si Ayutthaya et al, 2004). In sum, not only is industry moving northward, the quality of the industrial structure is improving as it expands into the peri-urban area.

A third dynamic is in play. From 2000, an increase in the number of large sized factories (employing > 1,000 workers. Source: Department of Industrial Works, 2005) has changed the provincial industrial pattern. Honda is based in Ayutthaya peri-urban area and continues to expand (Honda accounts for about 13% of Thailand's vehicle market). Electronics firms such as Nikon, Sanyo semiconductor, and Pioneer have been established in Rojana Industrial Park. One hundred and forty foreign firms had invested about 38 billion Baht (US\$ 938 million) and employed 31,153 workers by 2003 (NESDB & ADB, 2003; Phra Nakhon Si Ayutthaya Office of Public Works and Town and Country Planning, 2005).

The provincial industrial structure in Ayutthaya is dominated by electrical and machinery because these products are intermediate suppliers for electronics and automobile industries in industrial estates (about 27 per cent of total provincial factories, Table 4) compared to the predominantly low-end labor-intensive industries found in Pathum Thani, Samut Prakarn. The government requirement of local contents of raw material for promoted industries, especially automotive industries also explains the development of this industrial cluster, especially original equipment manufacturing and replacement equipment

Insert table 4

manufacturing types (Labor Development Center of Phra Nakhon Si Ayutthaya et al, 2004).

Industrial growth in the Ayutthaya peri-urban area is a significant generator of local employment. About 54% of the total non-agricultural labor force (or about 170,000 people) was employed in the manufacturing sector by 2004. Only 11 percent of total labour force is in the agricultural sector. Labor demand by industrial employers exceeds the amount of available labor (Provincial Office of Statistics of Phra Nakhon Si Ayutthaya, 2006), thus the area experiences significant in-migration of domestic workers. The official estimates of unregistered population (migrants) in the Ayutthaya peri-urban area range from 60,000 to 100,000 people (NESDB & ADB, 2003, Faculty of Architecture, Silpakorn University and Rangsit University, 2005).

(b) Environmental Degradation:

The increasing economic activity generated by the Rojana Industrial Park has resulted in the development of new urban nodes along Highway No. 309 to the southeast of Ayutthaya city in three sub-districts, namely Kan Ham, Thanu and Hun Ta. However, these areas of urban sprawl are not subject to current official spatial planning for Ayutthaya, however, a plan has been prepared that includes the foregoing areas; it is under review by the national Town and Country Planning Committee. In other words, the current Ayutthaya urban plan (Map 2 in Chapter 1) did not cover a large enough area – enabling new urban nodes to emerge in a unplanned manner. Many low cost residential developments, retail services, restaurants and numerous worker dormitories have been constructed without being subject to land use and building controls / standards. Thus many do not comply with building codes, e.g., in terms of fire escapes, sanitation etc. Public infrastructure in these areas is equally inadequate, e.g., water supply, feeder roads, traffic lights, even though these sub-districts have relatively high revenues from local taxes and fees generated by factories and households. Over 50,000 workers living in these areas are unregistered and non-local, so that local government cannot request higher subsidies from the central government (because transfer formulae include population criteria) even though the need for basic infrastructure and utilities has been increasing rapidly (NESDB & ADB,

2003; Faculty of Architecture, Silpakorn University and Rangsit University, 2005).

For example, over the 6 years from 1996 to 2002, a 25% increase in the water capacity of Ayothaya Municipality (a neighboring municipality of Ayutthaya Municipality) was realised, but the number of users increased by 43% (Provincial Office of Statistics of Ayutthaya Province, 2003). In other municipalities, both factories and households obtain their water supply mostly from surface sources. Revenues from water supply service by sub-districts have been increasing. In particular, the proportion of revenues from water supply in Lum Plee and Klong Sa Bua sub-districts constitute 18-20 per cent of total revenues (Provincial Office of Statistics of Ayutthaya Province, 2003). In 2008, the Municipality will need to increase water supply more than 6.57 mill. cu m per year in order to meet the demand (Faculty of Architecture, Silpakorn University and Rangsit University, 2005). However, these sub-districts have below standard distribution networks. In addition, underground water sources are unsustainable. Because local governments are dependent on revenues from sub-standard systems, it will make later upgrading by competent agencies, particularly the Provincial Water Authority, difficult (NESDB & ADB, 2003).

(c) Social changes and social incohesion

Since the majority of Multi-National Corporation (MNC) employees are non-local, a lack of social cohesion results. Most non-local workers are unregistered so they play a marginal role in local development and have limited connection with local communities (Maneepong, 2004). The needs and conditions of these non-local workers, such as safety returning home after working late at night, are often different from local people. As part of the push to lower the cost of production, companies have taken measures to reduce labor costs, especially at operations levels. For example, firms are hiring more part-time (casual) workers or using less labor per unit of output.

(d) Low social welfare and educational opportunities for industrial workers

As part of the push to lower the cost of production, companies have begun downsizing personnel, especially at operation level. All companies have adopted these similar measures. Due to high labor cost and social welfare,

companies hardly hire full-time staff and keep high requirements of new staff. Applicants for unskilled labor job must be in the age of 18-25 years old, finish at least Year 9 and have to pass written and interview exam. Only 37 per cent of total Ayutthaya labor force finished at least secondary school (Provincial Office of Statistics of Phra Nakhon Si Ayutthaya, 2003). Many local workers suffer from fatigue and the rigid and fast paced work, resulting in high turnover. This high turn-over rate of employees, especially in electronic industries increases companies' transaction costs. At present, at least 30 per cent of total workers are sub-contracting workers sourced from unregistered head-hunting companies who do not receive social welfare (Maneepong, 2004).

The Ayutthaya statistics (2003) confirm about half of total workers work long hours per week (more than 50 hours per week) and woman workers in the manufacturing sector (54 per cent of total workers) work more than man workers. Even though approximately 25,000 post-secondary students in Ayutthaya peri-urban area have finished from six major technical colleges annually, it is insufficient to supply the skilled labor required by the local economy especially the manufacturing sector. There are no universities in Ayutthaya therefore industrial development depends on research and technology including training of Bangkok universities. Overall, Ayutthaya is a net importer of skilled labor, primarily from Bangkok and unskilled labor from the northeast region. In addition, these electronic industries prefer to employ female workers to work with tiny components. It causes high rate of male unemployment leading to drug problem in local communities.

Phra Nakhon Si Ayutthaya Automotive Industrial College, established by the former manager of Honda Manufacturing (Thailand) Co. Ltd. and the Department of Vocational Education in 2001 has provided dual study programs that offer approximately one year on-the-job training in the auto industry for diploma students. They significantly supply the qualified technicians for the automotive industries in Ayutthaya peri-urban area (Phra Nakhon Si Ayutthaya Automotive Industrial College, 2004). However, this college can supply only 4.60% of total highly trained graduates, needed by industries. Only 40 per cent of total students in the college are local Ayutthaya students.

National universities and training institutions have developed technological knowledge and research with some industries through several joint

projects and cooperation activities. Due to high investment costs of high technology (electronic machinery, etc.), none of local educational institutions have sufficient capacity and resources to cooperate with research and development in companies in Ayutthaya peri-urban area. Even their curriculum may not be efficiently align to meet rapid changes in technology and global business practices. For example, a technician for automotive industries is in high demand but none of the local colleges supplies this specific type of technician because of high cost of technology (Labor Development Center of Phra Nakhon Si Ayutthaya et al, 2004).

(e) Less local benefit from tourism

The Planning for Sustainable Urbanization Project of NESDB and ADB (2003) highlights the limited revenue to Ayutthaya Province accruing from tourism because 85 percent of tourists are day-trippers who only spend an average of US\$ 36.34² per day in 2005/06 (Tourism Authority of Thailand Central Region Office: Region 6). In addition, even overnight tourists spent only one-third as much in Ayutthaya Province as in other Thai tourist destinations (the average international tourist in Phuket spent US\$ 110 per day in 2005) because of the marginal quality of hotels, conference venues, and lack of nighttime tourism activities (Tourism Authority of Thailand, 2006). Tourism statistics (Tourism Authority of Thailand, Office of Central Region, 2003) indicate that the growth rate of day-trippers, especially Thai tourists was high (14% per annum), however, the growth rate of overnight tourists was stagnate from 2005 to 2006.

On the other hand, the urban environment is deteriorating. Traffic flow, especially of six-wheel (and larger) vehicles has dramatically increased along Highway No. 309 at U-thong Interchange - 205% and 134% respectively for 2001 and 2002 (Provincial Office of Statistics of Phra Nakhon Si Ayutthaya, 2003). Due to weak law enforcement, about 3,000 buses (carrying workers) pass through the historical city every day on their way to Rojana Industrial Park (NESDB & ADB, 2003). The accident growth rate was about 9 per cent per annum from 2000 to 2005 Provincial Office of Statistics of Phra Nakhon Si Ayutthaya (2006). Tourist vehicles significantly increase traffic volume around the historical city, contributing to accidents and deterioration of historical sites.

² 1 US\$ = approximately 35 Thai Baht (Mid 2007)

(f) *Low development of handicraft and SMEs:*

Local handicrafts are mainly produced in Ayutthaya city district. Examples are wooden crafting, clayware crafting, traditional hat and fish mobile. The government's *One Tambon One Product* (OTOP) strategy has increased the demand for cottage industrial products for local consumption and exports. Due to limited local markets and limited linkages with provincial tourism, high-profile of handicraft and small and medium enterprises (SMEs) in Ayutthaya are not visible. In addition, in the case of the select champion product program of OTOP producers are required to meet both high quality standards and high local content of raw materials (Provincial Office of Community Development of Phra Nakhon Si Ayutthaya, 2004). The chairpersons of community groups acknowledge government support and wider marketing and increasing volume of sales under the OTOP promotion have stimulated them to upgrade their products in order to be considered as champion OTOP products. Nevertheless, they need to change their cottage production to commercial production that requires improvements in business management skills and further investments in capital, technology and skills of craftsmen. However, as micro and small-scale industries, it is difficult for them to seek such resources without some form of government assistance.

6.5 Conclusion

Peri-urbanization has significantly accelerated the urbanization rate in the outskirts of established cities, in physical, economic and social terms, transforming former predominantly agricultural areas. It causes social change in small agricultural communities impacted by high levels of migration, subject to new urban and industrial ways of life. Peri-urbanization can be observed in both eastern and western cities but is especially strong in East Asian and Southeast Asia because industrialization is a dominant driver of peri-urbanization (Webster, 2002b; Webster & Muller, 2002). Since the mid-1980s peri-urbanization in East Asia, especially in China of late, has been mainly driven by industrialization, with FDI playing a key role (McGee, 1997; Webster, 2002b; Webster & Muller, 2002; Webster, 1995). The socio-economic-environmental characteristics of Ayutthaya peri-urbanization share similarities with other Asian peri-urbanization, especially

in China. The dynamics of urban governance in Ayutthaya peri-urban area influenced by these characteristics is discussed in the following chapter.

PART IV

EMPIRICAL DATA AND ANALYSIS



Chapter 7

Dynamics of urban governance in Ayutthaya peri-urban area



Chapter 8

Assessment and scenario model of future urban governance in Ayutthaya peri-urban area



Chapter 9



Policy and research implications

Chapter 7

Dynamics of urban governance in Ayutthaya peri-urban area

This chapter describes the overall socio-economic conditions and the urban governance of Ayutthaya case study. The socio-economic background of Ayutthaya indicates their strengths and weaknesses, and their governance is examined for its characteristics, structure and development pattern.

7.1 Introduction

Unlike traditional suburbanization (a process underway for over a century in North America and Europe, originally induced by tram and subway technology) contiguous to the built up city, and edge city development, peri-urbanization emerges in areas where the local government structure is fundamentally rural-oriented, characterized by low capacity and fragmentation. The result is often low quality outcomes in physical, environmental, and social terms. In peri-urban areas there is especially a need to focus on horizontal inter-jurisdictional coordination. Peri-urban areas play an increasingly important role in competition between cities (Dekker et al, 2004), while at the same time are often the locale of considerable social problems – in some jurisdictions, such as China, including lack of access to basic services such as schooling by migrants. To minimize spatial conflict among lower-level local governments and to increase cost-effectiveness of urban investment and management, (Webster et al 2002b) and (Dekker et al 2004) highlight the importance of coordination in the planning and delivery of infrastructure and services such as transportation systems, solid-and toxic-waste facilities, which are often most appropriately provided at the regional, provincial and metropolitan scales, rather than individually by small local government units. The following sections, thus, analyze the dynamics of urban governance in Ayutthaya peri-urban area in order to identify its governance structure and performance including strengths and weaknesses.

7.2 Urban Governance Structure, Processes (Dynamics), And Performance In The Ayutthaya Peri-Urban Area

Local and provincial government agencies as well as local stakeholders have limited capacity and participation to plan and manage the dynamics of urbanization of Ayutthaya peri-urban area. The urban governance situation is as involves:

7.2.1 No Structure or Process for Metropolitan Management in The Ayutthaya Peri-Urban Area Exists

In keeping with the decentralisation process, the national government agencies have shifted their role from that of actors to facilitators and supporters while local government agencies have been expected to take on more direct delivery of services. This process has not happened as quickly as expected, given that the Constitution of 1997 and the Decentralization Act of 1999, advocated rapid decentralization. Nevertheless, there is a trend toward greater power and delivery of services at the local level. With this in mind, the primary policy aim of the national government has been to devolve power and financial responsibility to local government agencies including local finance, environmental planning and management, public health, housing, and urban development. Projects and programs such as training, database development, technical support, and regulation amendments have been undertaken to support and strengthen the capacity of local government agencies. Since 2003, the amendment of the acts governing every level of local government, namely PAOs, municipalities, and TAOs has empowered these units in line with decentralization policy (Ministry of Interior, 2003).

New institutional arrangements at the provincial level are expected to improve spatial coordination at the provincial level. Within this system, provincial offices will function as strategic government units and the provincial governors will serve as chief executive officers (CEOs). It is hoped that this initiative will more efficiently synchronise the national agenda with local needs at the provincial level (Ministry of Interior, 2003). Additionally, there is potential, under this system, for much improved urban region inter-jurisdictional cooperation, especially in peri-urban areas.

However, planning coordination among government agencies at the provincial level is on an ad-hoc basis, not systematic, in the Ayutthaya peri-urban area. In addition, coordination and management among local government agencies is minimal. There are positive signs, but progress is slow. For example, the Ayutthaya PAO initiated and conducted a study for the direly needed provincial landfill project in 2003 and aims to achieve intergovernmental cooperation with municipalities and TAOs. However, to date (2007) there has been no implementation. Similarly, the Ayutthaya Provincial Office of Public Work and Town and Country Planning has finished a comprehensive land use plan, which encompasses most of the extended urban region. Until now there have been no clear guidelines for effective metropolitan management and inter-jurisdictional cooperation. Unfortunately, the new plan has not been officially approved, nor have mechanisms been identified to implement it.

7.2.2 Limited Voluntary Intergovernmental Cooperation Involving A Few Number Of Local Government Units In Each Case

Since there is no formal institution for intergovernmental cooperation in the Ayutthaya peri-urban area, in contrast to the Eastern Seaboard, and to a limited extent in Songkhla Province, local government agencies in the Ayutthaya extended urban region have taken initial steps in terms of voluntary intergovernmental cooperation. For example, Ayutthaya Municipality agreed with Ayothaya Municipality in Ayutthaya District and some areas of Thanu TAO in Uthai District to provide water supply service and garbage collection at reasonable cost. An interview with other TAOs in Ayutthaya and Uthai Districts indicate that they would like to receive similar services from Ayutthaya Municipality, but they have not yet made a formal request. Since the water supply system was not designed to accommodate areas beyond Ayutthaya Municipality, its capacity is not sufficient to service additional surrounding jurisdictions. In addition some TAOs are reluctant to make a request for water supply because they do not know the executives of the Municipality (interviews with officers, 2006). Formal channels to make such a request do not exist.

Some highly urbanised areas e.g., Thanu and Kan Ham TAOs in Uthai District realise their limited capacity to deliver a wide range of services, and are under pressure for higher and better quality of services, especially from medium-to-high income residents who would like to see service delivery by provincial

implementing agencies e.g., the Ayutthaya Provincial Office of the Provincial Water Authority. These medium-to-high income communities in Thanu and Kan Ham TAOs are frustrated with substandard water quality from groundwater supplies of local government agencies and are willing to pay higher price for better quality of water supply from the Provincial Water Authority (interviews with TAO officers, 2006).

However, since industry generally has a protected supply of water, and self-organises other services such as solid waste, waste-water management, and electricity (they are essentially protected systems) manufacturing firms exert little pressure on local governments to improve services through horizontal cooperation, or other means. This is a vicious cycle, international firms do not want to rely on local governments, they need to meet ISO 14001 environmental requirements, which is easier to do through internal systems.

7.2.3 Preliminary Initiatives On Environmental Management In Uthai District In The Form Of A Semi-Formal District Association Led By Local Teachers

At the beginning of 2006, a semi-formal District Association led by local teachers in Uthai District was initiated in order to raise public awareness regarding environmental protection, and promote intergovernmental cooperation among provincial and local government agencies. Executives and mayors of every TAO, the Head of Uthai District, and representatives of two private companies in the Rojana Industrial Park attended every meeting and identified urban environmental problems, e.g., water supply and particularly garbage disposal, as high priority issues (Environmental Conservation Club of Uthai District, 2006). Local government agencies showed strong interest in making financial and in-kind contributions for future Association activities. Similar to the Regional Planning Association's role in facilitating planning in the New York Metropolitan Region, this bottom-up initiative by a professional group seems promising. The approach reflects local needs and problems, and is attempting to mobilise local resources to solve environmental problems. To create impact at a significant scale, it needs more technical support from appropriate educational and professional institutions. Unfortunately, this Association only represents Uthai District, about half of the extended urban region; it does not include Ayutthaya District that shares the extended urban region.

7.3 Challenges for urban governance:

Realizing such an outcome will be even though a number of challenges for urban governance should be taken into account.

7.3.1 Economic and fiscal disparities among local government agencies

Among 20 local government units, only Phra Nakhon Si Ayutthaya Municipality and Provincial Administration Organization have annual revenue over 15 million USD. Other 18 local government units have annual budget around 300,000-500,000 USD (Table 5). It indicates their small capital for each government unit's investment and the majority of these local government units have relatively low revenue. Due to the centralized fiscal system, most local government units in the Ayutthaya peri-urban area depend on subsidies and transferred revenue from the Ministry of Finance, Ministry of Interior and other central government agencies. For example, in 2001-02 about 70 per cent of Phra Nakhon Si Ayutthaya Municipality revenues were from special subsidy from the central government agencies. In addition, the growth rate of local tax and other sources of revenue have been minimal. On the other hand, the proportion allocated for personnel is extremely high (about 30-60 per cent of local government budget; Phra Nakhon Si Ayutthaya Municipality, 2003), especially for sub-districts and has generally increased over the years. Therefore, these local government units face difficulties in managing their existing work and responding to increasing mandates and functions. In essence, they spend so much on personnel, although often personnel without the right skill sets, that they have very limited resources for capital investments and innovative new initiatives.

The difference in revenues among similar type of local government units is marked (the horizontal equity issue). For example, Phra Nakhon Si Ayutthaya

Table 5 : Revenue and Expenditure of Local Government Agencies, from Year 2000 to 2003

Local Government Agency	Revenue Side			Total revenue	Expenditure Side			Total expenditure
	Tax locally collected	Local revenue	Subsidy		Central expenditure	Administration expenditure	Expenditure for investment	
(a) Provincial Administration Agency								
2000	4,630,917.01	1,904,405.34	439,926.53	6,975,248.87	219,710.67	1,552,568.95	6,957,042.09	8,729,321.71
2001	6,493,637.54	1,549,251.54	1,287,798.29	9,330,687.37	294,424.47	1,676,022.68	9,027,937.73	10,998,384.88
2002	10,753,827.47	1,306,851.12	1,627,366.44	13,688,045.02	132,416.41	2,450,635.77	8,579,793.70	11,162,845.88
2003	12,829,620.37	1,100,272.73	1,589,728.67	15,519,621.77	63,560.01	1,293,952.11	2,330,277.21	3,687,789.34
2004	11,575,861.64	1,227,771.98	1,959,305.28	14,762,938.91	561,398.06	5,649,744.68	12,441,420.66	18,652,563.40
2005	11,105,523.90	1,484,158.04	2,483,489.50	15,073,171.44	NA	NA	NA	NA
Growth rate annum (%)	23.30	-3.68	77.42	19.35	31.10	52.78	8.82	10.64
Proportion in 2000 or 2001 (%)	66.39	27.30	6.31	100.00	2.52	17.79	79.70	100.00
Proportion in 2005 or 2004 (%)	73.68	9.85	16.48	100.00	3.01	30.29	66.70	100.00
(b) Phra Nakhon Si Ayutthaya Municipality								
2000	2,105,484.23	850,647.99	1,981,803.63	4,937,935.85	21,887.89	358,736.75	260,340.14	640,964.78
2001	2,256,157.35	252,336.51	250,042.26	2,758,536.13	251,706.73	2,251,381.41	12,952,206.98	9,321,510.66
2002	2,295,470.18	943,624.56	12,238,691.21	15,477,785.95	167,908.74	2,488,146.35	6,665,455.57	9,321,510.66
2003	3,090,198.28	1,031,381.91	5,814,452.35	9,936,032.54	295,765.38	2,816,519.44	6,562,903.12	9,675,187.94
2004	3,701,078.22	1,049,995.27	6,437,791.22	11,188,864.72	682,328.59	5,444,826.97	4,725,446.00	10,852,601.55
2005	4,651,856.54	1,076,632.58	5,193,606.88	10,922,096.00	NA	NA	NA	NA
Growth rate annum (%)	20.16	4.43	27.01	20.20	603.48	283.56	343.02	318.63
Proportion in 2000 (%)	42.64	17.23	40.13	100.00	3.41	55.97	40.62	100.00
Proportion in 2005 or 2004 (%)	42.59	9.86	47.55	100.00	6.29	50.17	43.54	100.00
(c) Ayotthaya Municipality								
2000	198,671.03	242,155.46	150,283.82	591,110.32	21,887.90	358,736.75	260,340.14	640,964.78
2001	431,986.09	252,336.51	250,042.26	934,364.87	40,997.22	364,272.48	378,238.76	783,508.47
2002	641,358.06	285,750.16	451,696.68	1,378,804.90	NA	NA	NA	NA
2003	1,021,538.40	285,750.16	451,696.68	1,758,985.24	6,478.67	513,157.72	497,883.18	1,017,519.56
2004	1,260,990.20	373,970.86	557,189.56	2,192,150.61	NA	1,040,509.47	1,825,698.00	2,866,207.48
2005	1,497,927.71	303,224.55	623,742.24	2,424,894.49	NA	NA	NA	NA
Growth rate annum (%)	109.00	4.20	52.51	51.70	-23.47	47.51	150.32	86.79
Proportion in 2000 (%)	33.61	40.97	25.42	100.00	3.41	55.97	40.62	100.00
Proportion in 2005 or 2004 (%)	61.77	12.50	25.72	100.00	0.64	50.43	48.93	100.00
(d) Ko Rien TAO								
2000	1,225.96	2,353.87	34,814.71	38,394.54	NA	47,335.55	12,470.59	NA
2001	59,411.74	11,992.76	NA	NA	719.12	55,715.06	52,633.97	109,068.15
2002	56,337.84	11,180.93	52,606.21	120,124.99	855.56	49,686.49	70,734.23	121,286.27
2003	82,904.27	11,274.70	42,082.94	136,261.92	5,519.74	152,964.69	68,789.15	227,273.57
2004	214,851.42	36,296.63	113,486.59	364,634.64	4,211.50	188,477.10	136,680.12	329,368.72
2005	441,236.72	49,769.77	185,396.26	676,402.76	NA	NA	NA	NA
Growth rate annum (%)	5,981.84	335.73	72.09	276.95	121.41	59.57	39.92	50.50
Proportion in 2000 (%)	3.19	6.13	90.68	100.00	0.66	51.08	48.26	100.00
Proportion in 2005 or 2004 (%)	65.23	7.36	27.41	100.00	1.28	57.22	41.50	100.00
(e) Klong Sa Bua TAO								
2000	955.27	2,244.13	34,914.71	38,114.11	964.65	64,659.35	19,692.08	85,316.07
2001	56,551.57	30,641.26	63,994.12	151,186.94	2,449.94	78,560.52	9,097.18	90,107.63
2002	56,607.94	33,946.21	108,041.25	198,595.40	2,142.12	61,032.04	205,375.36	268,549.51

Growth rate annum (%)	2003	92,629.61	31,731.36	105,795.95	230,156.92	NA	3,405.53	100,218.98	71,910.93	175,535.44	
	2004	131,176.85	31,731.36	105,795.95	268,704.16		5,102.35	93,216.88	37,835.26	136,154.49	
	2005	168,239.79	29,171.16	65,911.35	263,322.30		NA	NA	NA	NA	
	Proportion in 2000 (%)	2,918.62	199.98	14.80	98.48		107.23	11.04	23.03	14.90	
	Proportion in 2005 or 2004 (%)	2.51	5.89	91.61	100.00		1.13	75.79	23.08	100.00	
(f) Klong Suan Pu TAO	2000	292.38	1,535.62	35,226.47	37,054.47	NA	1,881.56	44,649.68	26,394.12	72,925.35	
	2001	50,670.15	15,096.48	23,508.82	89,275.45		1,587.40	56,430.38	36,223.53	94,241.31	
	2002	74,302.88	22,306.76	43,142.33	139,751.97		1,335.59	94,582.78	33,894.08	129,812.45	
	2003	179,932.35	34,874.66	28,191.56	242,998.57		NA	NA	5,814,452.35	5,814,452.35	
	2004	NA	NA	NA	NA		NA	NA	NA	NA	
Growth rate annum (%)	2005	15,359.96	542.76	-4.99	138.95	NA	-9.67	37.28	9.47	26.00	
	Proportion in 2000 (%)	0.79	4.14	95.07	100.00		2.58	61.23	36.19	100.00	
	Proportion in 2003 (%)	74.05	14.35	11.60	100.00		1.03	72.86	26.11	100.00	
(g) Bang Ko TAO	2000	7,191.16	15,109.15	37,776.47	60,076.78	NA	483.71	49,394.07	76,526.47	126,404.25	
	2001	85,505.76	16,584.27	34,405.88	136,495.91		861.82	57,249.21	58,296.65	116,407.68	
	2002	91,234.24	15,920.17	47,019.93	154,174.33		1,030.32	70,024.23	47,870.49	118,925.04	
	2003	141,449.36	15,876.17	48,097.24	205,422.77		3,405.53	100,218.98	71,910.93	175,535.44	
	2004	228,434.79	20,641.55	62,414.47	311,490.80		7,391.00	138,526.89	53,689.80	199,607.69	
Growth rate annum (%)	2005	278,575.03	28,629.08	65,612.94	372,817.05	NA	285.60	36.09	-5.97	11.58	
	Proportion in 2000 (%)	628.98	14.91	12.28	86.76		0.38	39.08	60.54	100.00	
	Proportion in 2000 (%)	11.97	25.15	62.88	100.00		3.70	69.40	26.90	100.00	
	Proportion in 2005 (%)	74.72	7.68	17.60	100.00						
(h) Bang Mai TAO	2000	3,793.38	5,791.50	33,123.53	42,708.41	NA	476.03	57,024.00	14,791.32	72,291.36	
	2001	71,303.92	2,841.25	36,220.59	110,365.75		2,735.53	78,500.77	64,321.58	91,965.46	
	2002	98,287.15	19,787.46	48,215.01	166,289.62		NA	76,587.10	12,642.82	NA	
	2003	106,627.28	31,731.36	42,927.47	181,286.11		NA	NA	NA	NA	
	2004	164,757.60	19,635.00	104,438.26	288,830.87		4,116.74	145,651.09	52,255.06	202,022.88	
Growth rate annum (%)	2005	202,762.79	21,255.43	157,555.53	381,573.75	NA	254.94	38.86	63.32	44.86	
	Proportion in 2000 (%)	874.20	44.50	62.61	132.24		0.66	78.88	20.46	100.00	
	Proportion in 2000 (%)	8.88	13.56	77.56	100.00		2.04	72.10	25.87	100.00	
	Proportion in 2005 (%)	53.14	5.57	41.29	100.00						
(j) Lumpee TAO	2000	1,508.19	21,805.01	38,126.47	61,439.67	NA	476.03	57,024.00	14,791.32	72,291.36	
	2001	73,976.24	29,094.91	34,441.18	137,512.32		1,107.74	80,249.49	61,329.08	142,686.30	
	2002	73,283.62	23,848.83	77,506.24	174,638.69		1,462.15	112,719.06	50,147.21	164,328.41	
	2003	190,005.14	33,757.63	39,011.21	262,773.97		1,253.97	84,675.18	84,722.31	170,651.46	
	2004	166,235.53	34,724.85	101,015.26	301,975.64		6,388.57	141,291.53	67,885.40	215,565.50	
Growth rate annum (%)	2005	222,069.65	36,309.38	62,176.65	320,555.67	NA	248.41	29.56	71.79	39.64	
	Proportion in 2000 (%)	2,437.38	11.09	10.51	70.29		0.66	78.88	20.46	100.00	
	Proportion in 2000 (%)	2.45	35.49	62.06	100.00		2.96	65.54	31.49	100.00	
	Proportion in 2005 (%)	69.28	11.33	19.40	100.00						
(l) Suan Prik TAO	2000	2,412.34	7,163.72	37,370.59	46,946.65	NA	417.35	66,320.30	20,563.65	87,301.30	
	2001	67,485.50	21,820.06	45,187.06	134,492.62		1,416.41	87,926.29	33,451.51	122,794.22	

(o) Pak Kran TAO	2000	3,936.86	7,992.52	49,231.36	61,160.75	570.73	77,448.16	83,982.94	162,001.83
	2001	104,135.34	18,946.79	39,994.12	163,076.25	1,480.68	91,530.23	62,878.21	155,889.12
	2002	141,112.39	31,687.00	51,710.52	224,509.91	1,154.65	123,504.48	123,504.48	218,188.93
	2003	253,724.86	34,874.66	28,191.56	316,791.08	2,331.03	166,984.72	151,075.24	320,390.99
	2004	199,648.86	31,668.47	58,909.76	290,227.09	11,398.12	149,812.07	155,447.38	316,657.57
Growth rate annum (%)	2005	235,517.31	32,534.48	86,762.62	354,814.41	NA	NA	NA	NA
		980.39	51.18	12.71	80.02	379.42	18.69	17.02	
	Proportion in 2000 (%)	6.44	13.07	80.50	100.00	0.35	47.81	51.84	100.00
	Proportion in 2005 (%)	66.38	9.17	24.45	100.00	3.60	47.31	49.09	100.00
(p) Soapao Lum TAO	2000	503.25	1,858.12	31,176.47	33,537.84	685.00	73,698.19	14,381.18	88,764.36
	2001	81,298.27	24,435.44	37,982.35	143,716.06	1,422.64	99,146.05	6,802.94	107,371.63
	2002	84,686.49	22,278.23	43,601.55	150,566.27	1,223.86	82,188.66	106,631.47	190,043.99
	2003	134,927.45	45,045.61	54,385.97	234,359.03	1,393.44	117,539.14	63,685.21	182,617.78
	2004	220,579.04	40,760.49	114,444.85	375,784.38	6,760.44	172,094.02	216,172.08	395,026.53
Growth rate annum (%)	2005	239,852.91	52,838.85	109,429.06	402,120.82	NA	NA	NA	NA
		7,926.74	457.28	41.83	183.17	0.00	26.70	280.63	
	Proportion in 2000 (%)	1.50	5.54	92.96	100.00	0.77	83.03	16.20	100.00
	Proportion in 2005 (%)	59.65	13.14	27.21	100.00	1.71	43.57	54.72	100.00
(q) Uthai Municipality	2000	57,230.38	33,551.80	89,108.82	179,891.00	1,972.49	80,541.22	181,390.47	263,904.18
	2001	154,851.73	31,038.57	133,532.10	319,422.40	5,753.45	120,350.33	213,782.43	339,886.21
	2002	173,651.98	21,164.79	214,475.77	409,292.54	15,153.58	129,385.25	NA	NA
	2003	410,522.62	25,597.73	208,966.65	645,087.00	12,523.64	152,431.07	228,458.15	393,412.86
	2004	259,028.26	33,844.20	244,555.38	537,427.84	21,896.29	224,413.98	488,224.94	734,535.21
Growth rate annum (%)	2005	389,593.93	44,659.19	295,766.32	730,019.44	NA	NA	NA	NA
		96.79	5.52	38.65	50.97	202.02	35.73	42.29	
	Proportion in 2000 (%)	31.81	18.65	49.53	100.00	0.75	30.52	68.73	100.00
	Proportion in 2005 (%)	53.37	6.12	40.51	100.00	2.98	30.55	66.47	100.00
(r) Kan Ham TAO	2000	2,494.98	3,779.61	36,373.53	42,648.11	45,858.24	138,832.71	262,784.61	447,475.55
	2001	245,098.79	399,612.42	20,844.12	665,555.33	35,049.85	209,201.83	557,702.62	801,954.30
	2002	172,195.15	418,999.71	43,872.74	635,067.60	223,287.03	226,835.64	327,176.82	777,299.49
	2003	221,056.52	496,536.99	142,906.75	860,500.25	10,646.54	384,464.34	389,774.08	784,884.96
	2004	396,701.94	636,943.35	75,704.04	1,109,349.34	164,570.41	554,800.66	543,631.19	1,263,002.26
Growth rate annum (%)	2005	617,830.93	669,456.07	120,794.44	1,408,081.43	NA	NA	NA	NA
		4,110.50	2,935.39	38.68	533.60	51.77	59.92	21.37	
	Proportion in 2000 (%)	5.85	8.86	85.29	100.00	10.25	31.03	58.73	100.00
	Proportion in 2005 (%)	43.88	47.54	8.58	100.00	13.03	43.93	43.04	100.00
(s) Thanu TAO	2000	3,932.95	5,550.63	39,558.82	49,042.41	4,947.68	164,288.57	9,426.01	178,662.26
	2001	164,682.49	282,639.24	22,664.71	469,986.44	7,840.76	205,190.68	192,822.70	405,854.15
	2002	201,517.28	304,261.68	35,067.80	540,846.75	7,046.62	275,671.08	500,783.82	783,501.52
	2003	274,982.08	349,419.52	156,357.11	780,758.71	8,300.38	279,068.52	389,934.57	677,303.47
	2004	459,310.88	354,957.43	79,086.06	893,354.37	14,309.24	415,542.82	938,275.25	1,368,127.31
Growth rate annum (%)	2005	569,036.25	428,026.66	74,837.50	1,071,900.41	NA	NA	NA	NA
		2,394.74	1,268.55	14.86	347.61	37.84	30.59	1,970.82	133.15
	Proportion in 2000 (%)	8.02	11.32	80.66	100.00	2.77	91.95	5.28	100.00
	Proportion in 2005 (%)	53.09	39.93	6.98	100.00	1.05	30.37	68.58	100.00

(s) Ban Kao Mao TAO		2000	NA.	NA.	NA.	40,900.00	0.00				
	2001	77,592.24	5,508.26	NA.	NA.	40,900.00	124,000.50	235.29	52,930.00	90,224.74	143,390.03
	2002	71,218.31	17,468.38			51,903.91	140,590.60	2,220.50	94,166.76	42,385.03	138,772.29
	2003	97,278.79	30,698.88			55,880.29	183,857.96	9,382.35	83,270.00	55,776.85	148,429.21
	2004	134,052.00	3,456.37			102,460.09	239,968.46	1,586.26	127,167.62	53,014.71	181,768.59
	2005	202,030.60	22,322.81			120,804.74	345,158.14	3,069.41	161,076.73	100,344.12	264,490.26
	Growth rate annum (%)	32.07	61.05			39.07	35.67	NA	NA	NA	NA
	Proportion in 2000 or 2001(%)	62.57	4.44			32.98	100.00	240.90	40.86	2.24	16.89
	Proportion in 2005 (%)	58.53	6.47			35.00	100.00	0.16	36.91	62.92	100.00
								1.16	60.90	37.94	100.00

Note: 1 US = 34 Baht

Source: Department of Local Administration, 2006

municipality has double the higher revenue of Ayotthaya municipality. Highly industrialized areas, Thanu and Kan Ham sub-districts generate about US\$ 510,000-920,000 annually (Provincial Office of Statistics of Phra Nakhon Si Ayutthaya, 2003). The proportion of local tax and fee charges of these sub-districts is up to 80 per cent of their total revenue. On the other hand, the revenue of other sub-districts was only US\$ 100,000-180,000 (Provincial Office of Statistics of Phra Nakhon Si Ayutthaya, 2003). The fiscal inequality among local governments creates a difficult situation for efficient cooperation and financial sharing for large-scale investment such as landfill garbage disposal.

7.3.2 Low capacity local government agencies; disparities in capacity

In many local government units, due to poor working cultures and limited authority, existing local officers and staff are inadequate in quantity and quality. In particular, Phra Nakhon Si Ayutthaya Provincial Administration Organization (PAO) seriously lacks staff, half of the personnel positions allocated, especially in the office of city clerk and social welfare divisions have not been filled (Table 6). As the decentralization process proceeds and a holistic system is developed, the Phra Nakhon Si Ayutthaya PAO and the provincial agencies (that are representatives of ministerial agencies) will have the authority to act as provincial coordinators. However, specialized areas of urban and community development such as planning, financial and social welfare are severely lacking. Local government units generally employ temporary staff to fill the gap (Phra Nakhon Si Ayutthaya Provincial Administration Organization, 2003). In addition, the recent incentives and restructuring program to transfer officers from the central government agencies to local government units seems to have had limited impact.

7.3.3 Generic framework for intergovernmental cooperation

The management system of provincial and local government agencies is based on the concept of horizontal management based on the *area-function-participation* (AFP) approach. This aims to promote partnership between related agencies at the provincial level and create networking systems. This system design is results-based with high performance output and outcomes being the

Table 6: Personnel Plan during 2003-2005, classified by job of divisions

Job of divisions Local government agencies	City clerk and deputy city clerk	Administrative officers and staff	Policy, planning and legal officers	Budget, financial, accounting officers and staff	civil engineering officers and staff	Water supply officers and staff	Natural disaster prevention and mitigation and security promotion	day care service, social development officers and staff	education, recreation and cultural promotion officers	sanitation, wi disposal management officers
Phra Nakhon Si Ayutthaya District										
(I) Phra Nakhon Si Ayutthaya Provincial Administration Organization	2+1	58+1	22+4	57-16+10	57+4	0	0	20+7	0+25	0
(ii) Phra Nakhon Si Ayutthaya Municipality	3+1	13	6+2	20+1	16+4	32+11	36+1	3+1	16	3+1
(iii) Ayotthaya Municipality	2	10+2	2+1	7+6	5+8	0	6	0	1+4	2+2
(iv) Hunta TAO	1	2+2	+1	1+2	3+2	3	0	0	0	0
(v) Wat Toom TAO	1	1+2	+1	2+2	1+1	+1	0	2+1	0	0
(vi) Ban Kao TAO	1	1+2	+2	2+2-1	2+2	0	0	0	0	0
(vii) Kao Rien TAO	1	2+1	1	2+1	1+1	0	0	0	0	0
(viii) Klong Suan Pui TAO	1	5+1	0	3+2	2+2	1	0	0	0	0
(ix) Ban Mai TAO	1	3+1	+1	3+2	1	+3	0	1+2	0	0
(x) Phukao Thong TAO	1	4+2	0	3+1	2+1	1	0	0	0	0
(xi) Suan Prik TAO	1	2+1	+2	3	1+2	1+1	0	2+1	0	0
(xii) Lumpee TAO	1	2	1	3+1	2	2	0	2	0	0
(xiii) Klong Sabua TAO	1	1	0	3	2+2	2	0	2	0	0
Uthai District										
(I) Uthai Municipality	1	3+6	+2	3+4	1+3	+2	4		1+1	1+3
(ii) Thanu TAO	2	6+1	1+1	5+1	6+6	1	2+4	1+3	+1	11+1

desired result. The management system is inspired by the context of the national constitution, based on current government restructuring and good governance principles, and is supported by sufficient management resources.

At provincial level, the Chief Executive Officer (CEO) Governor is established to empower the provincial authority in integrating provincial financial and human resources and coordinating planning and implementation in the vertical dimension between provincial implementing agencies and local government agencies and in the horizontal dimension among local government agencies to support the implementation of AFP approach (Ministry of Interior, 2003). However, the Phra Nakhon Si Ayutthaya Provincial Office, a secretariat office of the CEO Government, realizes its new role but faces a number of difficulty e.g. limited time to integrate overwhelming number of investment plans of provincial and local government agencies, low capacity of local government officers in planning and negative responses of provincial and local government offices to new system.

Phra Nakhon Si Ayutthaya Provincial Public Works and Town and Country Planning finished the drafting the master spatial plan covering peri-urban areas in the mid of 2006. In addition, it formulated the town and country plan of *Ban San Plan* for new peri-urban areas nearby Rojana Industrial Park (Phra Nakhon Si Ayutthaya Provincial Public Works and Town and Country Planning Office, 2006). These plans are spatial framework for intergovernmental cooperation in peri-urban areas. However, without building control measures and incentives, the implementation may be doubtful.

The Provincial Office for Local Administration, which is the representative office of the Ministry of Interior, was assigned to promote the intergovernmental cooperation especially in the emergency situation such as fire, flooding and other natural disaster. The framework of intergovernmental cooperation is pooling and sharing equipments and other resources among local government agencies. Phra Nakhon Si Ayutthaya Provincial Office for Local Administration set up meetings with local government agencies to classify a cluster area of intergovernmental cooperation (Phra Nakhon Si Ayutthaya Provincial Office for Local Administration, 2006). The agreed cluster area was on the basis of district boundary, not by peri-urbanization area. It reflects limited interest and

awareness on intergovernmental cooperation by peri-urbanization area that is spatially guided by comprehensive plan concept and town and country plans.

Responding to a new role as a coordinator for urbanization and peri-urbanization, at present, Phra Nakhon Si Ayutthaya PAO has taken an initiative to undertake a provincial study on integrated solid waste planning and management system including 2 land-fill sites development, finishing by the end of 2006 (Phra Nakorn Si Ayutthaya Provincial Administration Organization, 2006). Thus it is premature to assess a new role of Ayutthaya PAO. The Phra Nakhon Si Ayutthaya PAO has been cooperating with TAOs by funding a number of small infrastructure projects. However, these projects have strategically generated marginal development effect at provincial level.

7.3.4 Limited private sector involvement, especially from Multinational Companies (MNCs)

Different from local private representatives such as provincial industrial federation and chamber of commerce, non-local private representatives from FDI industries have limited involvement in planning and managing the Ayutthaya peri-urban, especially in the formal forum such as monthly meeting. Thai personnel managers of multinational companies have formed its own group of Ayutthaya Personnel Management Group (APM) since 1992. The purposes of APM include to be an information center and view/ ideas exchanges among members, to strengthen members' capacity on personnel management, to make contribution to the public. The total number of member is about 60. (APM, 2006). From the interview with the AMP President in 2006, the Ayutthaya Federation of Industry and other provincial offices, especially in labour development and welfare acknowledge its AMP role and function and invited the AMP representatives to sit in their committees. However, at local level, the potential contribution of these multinational companies (MNCs) in solving local problems, and possibly contributing financially to community initiatives, is not being realized (Maneepong, 2004).

(e) Negative relationship experiences and attitudes issues

Due to limited capacity of local government agencies and resources, some private sector representatives have negative relationship experiences and attitudes. For example, solid disposal and collection service is poor, delay and cause malodor around neighborhood areas. Many complaints from private sector were not responded well. Local government agencies set up largely different rate of land tax, solid collection charges and other charges. On the other hand, individuals and community representatives suspect the wastewater discharge from factories but scientific test was not proven. Local government agencies in Ayutthaya complain about upstream wastewater discharge running downstream to their administration boundary. They blame local government agencies in Uthai district for poor environmental management. These negative relationship experiences and attitudes issues have not been addressed in constructive and cooperative way. They cause untrustworthy situation and impede effort and encouragement for urban governance in peri-urban area of Ayutthaya (Interviews with the private sector in 2006)

Apart from negative relationship experiences and attitudes issues, urban governance in Ayutthay peri-urban area also suffered from blur condition of “no knowing each other” and “who is doing what”. Many private sector representatives are uncertain about PAO’s role and function. The representatives of PAO accept those perceptions and are thinking to correct it because better understanding may convince many multinational companies in Rojana Industrial Park to select to pay some trading taxes at Ayutthaya provinces rather than in Bangkok and generate more economic multiplier effect in this province. Some local government agencies understand that they need to have capacity building but they have never thought that many multinational companies could provide some basic training or advise such as safety measures and office management. Many local government agencies only request donation and participation from multinational companies for social activities of schools and communities. Similarly, many local government agencies realize their limited capacity to deal with urban environmental problems and acknowledge technical competency and experience of Ayutthaya Municipal. However, they discourage to request for any assistance because they don’t have any connection or

networking with Ayutthaya Municipal's executives and directors. Thus it is harder to create collective resources for higher urban governance (Interviews with local stakeholders in 2006).

7.4 Needs and recommendations of local stakeholders

An interview with 56 stakeholders in Ayutthaya peri-urbanization area indicates priorities and needs for urban governance. High priority areas and favorable model to promote urban governance are also recommended.

7.4.1 Identification of priorities and need for urban governance in the Ayutthaya peri-urban area

Large-scale and medium-sized local government agencies i.e Phra Nakhon Si Ayutthaya Municipality, Ayotthaya Municipality and Thanu TAO have some resources and capacity for joint investments and technical knowledge and experiences. On the other hand, small-sized local government agencies acknowledge their needs for higher cost-effectiveness in joint investments of infrastructure development and better quality of services for their clients.

Provincial government agencies also acknowledge benefits and advantages to promote urban governance in the Ayutthaya peri-urban area. Coordination of plans, projects and budget is ranked the most benefits and advantages. Local civil society organizations, individuals and community representatives identify resources sharing and accountability as the most advantages to promote urban governance. Most representatives of local private sector and multinational companies consider urban governance as a mechanism to share information and express their views and opinions.

7.4.2 High priority areas to promote urban governance in the Ayutthaya peri-urban area

High priority areas for cooperation among stakeholders include water supply, garbage disposal, tourism development linkage between inner city to Ayutthaya peri-urban area including employment creation, drug and crime suppression including civic safety and administration dealing with domestic and

international migrants. Every representative group totally agrees that garbage disposal and water supply are the highest priority areas for cooperation. Low economic profile and private sector representatives also mark tourism development and employment creation such as handicraft, other businesses as their priority areas for cooperation. Representatives of private sector and local and provincial government agencies consider another important area of cooperation on drug and crime suppression including civic safety and administration dealing with domestic and international migrants.

7.4.3 Recommendations on favorable future governance scenario in the Ayutthaya peri-urban area

(a) Newly established institution and mechanisms

Every TAO and municipality recommends the establishment of a formal structure/mechanism in order to institutionalize their intergovernmental cooperation and to decrease the dependence on personal relationship and voluntary basis. The formal structure/mechanism will also increase urban governance i.e. transparency, effectiveness, efficiency and participation. Existing mechanisms of district and provincial committees always manage local issues by command and control of ministerial policy and agenda. There is no room to address and discuss local and provincial issues and agenda.

Most of local government agencies, especially in Ayutthaya District prefer PAO led governance model because PAO has large fiscal resources and has neutral political status. A few TAOs suggest Ayutthaya Municipal to be a leader of newly established institution because they appreciate high capacity, experiences and support of Ayutthaya Municipal in providing services of garbage disposal and water supply.

Many local government agencies, in Uthai district support the Federation of local governments model, especially the initiated Semi-formal District Association because they share similar conditions and problems. Since they have strong connection and networking, it will be easier for them to work together. They also consider that governance in peri-urban areas should comply with administration boundaries between two districts.

(b) Additional roles and functions of existing institution and mechanisms

Many provincial government agencies, ministerial agencies and private sector propose the top-down CEO Governor model because CEO Governor has authority and mandate to manage every area of the province including peri-urban areas without any administration boundary constraints or conflict of interest. The first Ayutthaya CEO Governor (2003-05) showed a visionary and strategic standpoint by approving CEO Governor budget for formulating Ayutthaya historical town and country plan including Rojana Industrial Park in Uthai district and studying the establishment of track terminal and export center. It gives strong credit for CEO Governor model. The private sector also prefers to address their issues at provincial level rather than local level because it will be more effective and many local government agencies have different systems and practice.

Some TAOs in Ayutthaya District suggest Ayutthaya Municipal to increase its function and role to be a metropolitan government such as Bangkok Metropolitan Administration (BMA) because of its experiences and technical competency as mentioned above. In addition, the Ayutthaya Municipal may be legitimate to request larger budget from the central government to increase its services and role and function. However, it is not clear that Ayutthaya Municipality wants to take on this responsibility.

(c) Maximizing existing institution and mechanisms

Some provincial and local government agencies insist that existing planning coordination of local government agencies through the Committee on Planning Coordination of Local Government Agencies is effective to manage peri-urban areas. In addition, they are tired of sitting in many committees and try to avoid overloading work and confusion among committees. The present cooperation among local government agencies (rather limited number of 2-3 local government agencies) is in substantive areas, e.g., garbage collection and water supply, and in the case of major emergencies.

In addition, many representatives from provincial and local government agencies wait for policy guidelines and special projects including incentives from central government. At present, Department of Local Administration, Ministry of Interior suggests a policy guideline for sharing equipment and human resources

among local government agencies in the case of major emergencies by zoning. In addition, the special project including incentives of soft loan is offered to sharing procurement of high technology and high cost of equipment for local government agencies. However, only few local government agencies show an interest because contract for sharing procurement may last longer than their administration term and they expect to get cost subsidized equipment from other central government agencies later (Department of Local Administration, 2006 and an interview with the representative of Ayutthaya Provincial Office of Local Administration, 2006).

7.5 Conclusion

Due to specific development guidelines, the urban governance of Ayutthaya peri-urban area has been spontaneously developed without formal structure. In addition, a number of challenges cause low profile of Ayutthaya urban governance for current and future situations. Thus an interview with local stakeholders reveals strong needs in promoting urban governance and recommendations to governance structure/systems and mechanisms. In the following chapter, the researcher develops scenario for future governance structure/systems and mechanisms to discuss with local stakeholders.

Assessment and scenario models of Future urban governance in Ayutthaya peri-urban area

This chapter analyses the scenario models of future urban governance in Ayutthaya peri-urban area, based on secondary data, interview results and current government policies and measures. They are inputs for focus group discussion with local stakeholders. The result of the research focus group is developed to be the proposed future governance system/structure and mechanisms. Last section proposes significant indicators for monitoring and evaluation.

8.1 Introduction

The framework of urban governance in peri-urban areas developed in Chapter 4 is the guideline for an assessment and development of future governance system. Other important inputs are secondary data and interview result from local stakeholders. Socio-economic-environmental situation of Ayutthaya peri-urban area are used to be one major consideration element for an assessment and development. International and Thai case studies including Thai government policies in relation to decentralization and peri-urbanization also provide significant analysis on future scenario. Six models are developed as follows:

- (i) Provincial administration organization (PAO) led governance
- (ii) Federation of local governments
- (iii) Chief Executive Officer (CEO) Governor model
- (iv) Municipality (Ayutthaya) led model
- (v) Civic Society and private sector led model
- (vi) Status quo model

Apart from discussion about each model, an assessment of its strengths, weaknesses, opportunities and threat is conducted, based on its existing situation and impact of current government policies and measures.

8.2 Draft policy and mechanisms to promote urban governance in peri-urban areas of Thailand, especially in Ayutthaya

The researcher, uses time line data, has identified the draft policy and mechanisms in implementing co-operative governance in the Ayutthaya peri-urban area. Different governance scenarios for Ayutthaya peri-urban areas have been developed for a discussion with local representatives of stakeholder groups. An analysis and assessment of six models including recommendations to enhance each model is as follows:

8.2.1 Provincial Administration Organization (PAO) led governance

According to the Act on planning and processes for decentralizing power and resources to local government agencies, 1999 in Section 17, PAO has authorities and duties to formulate its own plan and to coordinate provincial plan of local government agencies, to support the development of other local government agencies, to coordinate and support the implementation of other local government agencies. Consequently, the Minister of Interior made an announcement to clarify the PAO' s authorities and duties in 2003. PAO is eligible to plan, operate and manage large-scale projects, projects contributing to the provincial benefit, contributing to more than 1 local government agency and to provide technical services, equipments, machines and human resources to other local government agencies. This scenario has the advantage of transcending local government tensions/conflicts, and the PAO is elected, representing the people, giving it legitimacy. Furthermore, the PAO has its own fiscal resources and the large spatial extent means that the jurisdiction will incorporate any expansion in built up form.

At present, Ayutthaya PAO has initiated to plan and implement the central solid waste management project. The study is undertaken. However, the Ayutthaya PAO remains weak in terms of technical capacity, e.g., strategic planning and leadership. The policy framework, direction and guidelines for the

development of Ayutthaya local government agencies from 2007-2010, is so broad and blur. The development guidelines promote infrastructure led development rather than initiates strategic planning to prioritize key implementations. In addition, the SWOT analysis clearly identifies the needs of better coordination among local government agencies and building capacity of local government agencies but there is no development guideline to promote it. It is not compatible with spatial changes and provincial comprehensive town and country plan. Thus, PAO has no strong criteria to select strategic projects for provincial development and accepts project selection based on committee recommendation or budget availability. Major issues to manage the PAO led governance model are as follows:

(i) Being strategic and proactive

To get the PAO led governance model started, the PAO can strengthen the current Committee on Formulating of Provincial Plan of Local Government Agencies, chaired by PAO Governor, to be strategic and proactive. The Committee should not only focus on planning process but also metropolitan management including peri-urbanization in order to promote better coordination, to share information and experiences and to monitor and evaluate work and projects/programs. More regular meetings should be organized.

PAO should encourage each local government agency or a group of local government agencies take a leading role in specific projects/programs. For example, Phra Nakhon Si Ayutthaya municipality in cooperation with TAO Ban Mai may be a core agency to plan, manage, monitor and evaluate water supply system. Nakhon Luang Municipality in cooperation with strong experience in solid waste management should be a leader to conduct the solid waste management issues.

(ii) More representatives

Provincial/regional research and educational institutions and representatives of multinational companies should include in the committee to provide technical support and wider perspectives of Ayutthaya development.

(iii) Working closely with provincial agencies

Building capacity of PAO in especially planning, program management and finance will be a key factor of success for implementing the PAO led governance model. In each area of development, PAO should work closely with provincial/regional offices in order to gain more coordination and technical support and minimize weakness of limited PAO's capacity. In addition, PAO should integrate its plan and implementation with provincial offices' plan in order to increase better coordination and multiplier effect of each agency's implementation. For example, to strategically plan and manage economic competitiveness of Ayutthaya, PAO should work closely with related provincial offices, such as Provincial Office of Phra Nakhon Si Ayutthaya Commerce, Provincial Office of Phra Nakhon Si Ayutthaya Industry and representatives of multinational companies, research and educational institutions. The central solid waste management project should be a pilot project to develop cooperation among local and provincial government agencies.

(iv) Technical policy framework

The policy framework, direction and guidelines for the development of Ayutthaya local government agencies should be technically undertaken and should enable urban area to much better liaise with provincial agencies operating at provincial level and taken into account of key factors such as spatial changes, town and country plan, building capacity of local government agencies and cooperation among them.

(v) Database system of local government agencies

Importantly, PAO should develop and update the database system of local government agencies by linking data with each provincial agency in order to strengthen planning, management, monitoring and evaluation. Each local government agencies can get access

Expected impact of the PAO led governance model is assessed based on existing capacity and potential of PAO's changes and other stakeholders' support as follows:

(i) Efficiency on service delivery

With PAO current financial, technical, human resources and others, Phra Nakhon Si Ayutthaya PAO can sufficiently provide basic service delivery such as local road. With the technically support and cooperation of provincial agencies and other local government agencies, service should be efficiently supplied and invested. Thus the researcher ranks medium impact for service delivery. However, if PAO shows high capacity to the central government agencies to get high amount of budget or mobilizes other resources e.g. bond and soft loan and successfully deliver for high technology service, the ranking will be high.

(ii) Viable infrastructure investment and management

PAO has financial and technical capacity to supply and subsidize basic infrastructure development. However, large-scale strategic investment e.g. truck terminal and depot is considered to be over-capacity for PAO led model. Thus, the researcher ranks medium impact for this issue.

(iii) Quality of life and economic competitiveness

The PAO led model should increase higher quality of life at provincial and local levels as medium level because PAO has certain resources to support local government agencies but this model should promote more compatibility of services to local conditions and needs through stronger coordination. Due to limited capacity of PAO and other local government agencies, the impact on economic competitiveness will be medium because of the higher contribution of the multinational companies and research and education institutions.

(iv) Shaping urban systems and addressing environmental, social and security issues

The PAO led model expects to increase compatibility of plan, projects/programs with strategic provincial spatial plan. Inter-jurisdiction cooperation should be stronger. Thus, it is most likely that metropolitan management will have medium impact for shaping urban systems and addressing environmental, social and security issues.

(v) Reducing fiscal disparities and enhancing revenue

Through better coordination starting from planning, budgeting, operating, monitoring and evaluation, revenue of each local government agency should increase by reducing and pooling investment. Local government agencies share knowledge and experience in financial management so they can improve their performance. It is possible to reduce fiscal disparities and enhance revenue at medium impact level. Unlike London Metropolitan Government or Tokyo Metropolitan Government systems, the Thai current decentralization has no mechanism to initiate financial sharing to poor TAOs so it is hard to predict voluntarily sharing from PAO.

(vi) *Accountability*

Through committee system with representatives from every stakeholder group, the PAO led model should have high impact on accountability.

(vii) *Responsibility*

It is assumed that representatives of each stakeholder will protect their group's interest and address their needs and conditions. Thus, this model should cause high impact on responsiveness to other stakeholders and each stakeholder will take responsibility in his/her task.

(viii) *Innovation – process/substance*

Due to limited capacity of PAO and other local government agencies, it is hard to predict high impact on innovation –process/substance. The researcher may change the impact from medium-to-low to high if the PAO can get significant and continuous technical support from international institutions and can have high building capacity.

(ix) *Participation*

Partnership of stakeholder should be high through closed working and interactive processes in planning, operating, monitoring and evaluation. Strong partnership should build strong networking among stakeholders. Sharing information, experiences and knowledge, including practical trainings and workshops should increase building capacity for stakeholders.

(x) *Rule of law*

With specific rule and regulation and strict monitoring and evaluation, this model should have high level of rule of law in management of peri-urbanization.

Summary of expected impact of PAO led governance scenario model is shown in Table 1.

Table 1: Expected impact of PAO led governance scenario model

<i>Expected impacts</i>	<i>Level of impacts</i>
(i) Efficiency on service delivery	Medium
(ii) Viable infrastructure investment and management	Medium
(iii) Increase quality of life and economic competitiveness	Medium
(iv) Shaping urban systems and addressing environmental, social and security issues	Medium
(v) Reducing fiscal disparities and enhancing revenue and building capacity for stakeholders	Medium
(vi) accountability	High
(vii) Responsibility	High
(viii) innovation – process/substance	Medium to low
(iv) Participation	High
(x) Cost-effectiveness	Medium to low
(xi) Rule of law	High
(xii) Morality	High

Source: Maneepong, 2007

(xi) *Cost-effectiveness*

Due to limited experience and resources on urban planning and management, Ayutthaya PAO faces difficulty to achieve cost-effectiveness. In addition, PAO is subjected to local political pressure so it tends to allocate budget according to administration boundary, not on regional benefits.

(xii) *Morality*

Since there are a number of stakeholders involved, every stakeholder should keep his/her reputation and tends to expect similar behavior from others. The informal and formal check-balance systems should function to keep all stakeholders' free of corruption.

8.2.2 Federation of local government model

This scenario is based on local governments co-operating in the planning of the urban region, and co-operating in the delivery of infrastructure and services best delivered at an urban region scale. By law, at the initial state, the Federation can be formed into a voluntary club run by the club committee. After the club is mature, the official Federation of Local Government such as Regional Planning Association (RPA) of New York and New Jersey Region, as an independent, not-for-profit organization, can be established. The president of the club is elected from members. Any citizen is eligible to be president nominees so it is an opportunity for any qualified person, not only the Mayor or Governor of local government agencies. This club is considered to be a voluntary organization that is eligible to obtain financial, technical and other resources of local government agencies, central government agencies and other organization.

For example, the Environmental Conservation Club of Bang-Sain District, established in Aug. 03, was chaired by a retired official from the government university. In 2006, the strong cooperation among the Department of Water Resources and Department of Pollution Control, Ministry of Natural Resources and Environment, Department of Fishery, Ministry of Agriculture and Agricultural Cooperatives, PAO and local government agencies allocated budget and equipments and other supplies to support canal cleaning and fishery promotion including grease tap cleaning project to the Environmental Conservation Club of Bang-Sain District (an interview with the Club President, 2006).

Uthai District, one of the two districts in the peri-urban area (the other is Ayutthaya District) has taken the lead in encouraging cooperation among local

government agencies in its territory. However, Ayutthaya District has not done the same. Problems include the fact that local government relate to the District scale (Districts are administrative, not political units), so there is a danger of a split in allegiances of local government agencies between the two Phra Nakhon Si Ayutthaya and Uthai Districts. A further risk is that the core Municipality in the peri-urban area, Phra Nakhon Si Ayutthaya Municipal, might dominate the process, creating resentments. Furthermore, federation models require each local government agency to co-operate in initiatives, e.g., jointly operating a landfill, a difficult condition to realize. A further constraint is that many TAOs that are highly urbanized, e.g., Kan Ham, are reluctant to upgrade to Teseban Tambon status (which implies more control over development), despite the need for them to do so, especially in terms of successfully realizing a Federation model, which requires strong local government agencies with resources to contribute to strong projects.

Major issues to develop the Federation of local government scenario model are as follows:

(i) Strong commitment of local government agencies

Since local government agencies are major recipients and suppliers of all resources of the Club/Federation, the strong commitment of all local government agencies becomes a key factor of success. It is hard to maintain strong commitment of each local government agency over changing political situation and periods. However, the Club/Federation may minimize its risk by networking and having multi-funding with other stakeholders e.g. local private sector and educational institution.

(ii) Leadership of the President and committee

Unlike the PAO led model, the Club/Federation has no professional, full-time office staff and regular budget. The charismatic leadership of the President and committee is a key factor to build the club's capacity and networking including trustworthiness.

(iii) Research and development support

Due to limited capacity of local government agencies, research and development support needs to mobilize from provincial/regional/national, even international educational and research institutions.

(iv) Rotation of secretariate office

Since the Club/Federation is run by voluntary President and committee, each or a group of local government agencies should take turn to be a secretariate office annually.

Expected impact of the Federation of Local Government model is assessed based on existing conditions of the Environmental Conservation Club at District level as follows:

(i) Efficiency on service delivery

Under uncertain resources of the Club/Federation, the researcher takes conservative perspective of impact on service delivery. In addition, the Club/Federation may have strong contribution of Phra Nakhon Si Ayutthaya Municipal. Thus the researcher ranks medium impact for service delivery. However, if PAO, some central government agencies or international aid agencies or others contribute significant resources for strategic projects, the ranking will be high.

(ii) Viable infrastructure investment and management

Similarly, the Club/Federation has financial and technical capacity to supply and subsidize basic infrastructure development at the medium level because some high profile local government agencies e.g. Phra Nakhon Si Ayutthaya, TAO Kam Ham and TAO Thanu may make high contribution for strategic projects/programs.

(iii) Quality of life and economic competitiveness

Due to limited resources and capacity of local government agencies, the impact on quality of life and economic competitiveness will be medium. However, it is most likely that the Club/ Federation will be very responsive to people/community's needs and conditions.

(iv) Shaping urban systems and addressing environmental, social and security issues

Since local government agencies have local knowledge and experiences dealing with changing spatial conditions and environmental, social and security issues, these issues should be well addressed. However, it is uncertain that local government agencies can encounter commercial/economic pressure from local communities/people under the popularity vote system. Thus, it is most likely that metropolitan management will have medium impact for shaping urban systems and addressing environmental, social and security issues.

(v) Reducing fiscal disparities and enhancing revenue

Cost-sharing mechanism will reduce expenditure burden for small local government agencies and increase more revenue from joint venture investment. Technical training and support from high profile municipals should also increase capacity and improve the performance of small local government agencies. This should reduce fiscal disparities and enhance revenue at medium impact level. Due to subsidy of the central government agencies, especially the Ministry of Interior still calculate on the basis of population per head. Thus, it is hard for small local government agencies to increase their revenue significantly.

(vi) Accountability

The strong commitment of local government agencies is a credit to increase check-and-balance system of the Club/Federation model.

(vii) Responsibility

Since every local government agencies and other stakeholders will make contribution to the Club/Federation, agenda, projects/programs of the Club should be responded to their needs and conditions. Thus, the researcher expects medium to high impact on responsibility of each local government agency unless local political pressure causes change of its commitment.

(viii) Innovation – process/substance

Innovation-process/substance is the only weakness of this model because limited capacity of local government agencies is the major constraint for development. The support from research and development institutions is crucial.

(ix) *Participation*

It is certain that partnership of stakeholder must be high through strong commitment and collective working system. The Club/Federation needs to seek supports and mobilize resources from local government agencies and other stakeholders. This will build strong networking among stakeholders. Due to limited resources of local government agencies, it is most likely that they will share information, experiences and knowledge and need technical support from other stakeholders to increase their capacity.

(x) *Cost effectiveness*

With limited financial resources and capacity, federation of local governments may set the priority for only small and medium sized project investment. The operation and maintenance may not be managed properly because of limited resources and capacity.

(xi) *Rule of law*

With legal and formal process, suggested by the DOLA and MOI, federation of local governments should perform well to meet with the requirement of rule of law. Auditing and evaluation needs follow the standard rule and regulation.

(xii) *Morality*

Even though rule and regulation will monitor and evaluate the performance and behavior of each participating member, some unclear corruption issues may be covered by the members because there are a few members and they know each other well. Personnel relationship and networks may be barrier for cross-check system.

Summary of expected impact of PAO led governance scenario model is shown in Table 2.

8.2.3 Chief Executive Officer (CEO) Governor Model

To a degree, this model is similar to the ESB model, which has enjoyed economic success. In 2004, this model was established to reinforce the provincial coordination and resources and to be a new venue to address provincial/local needs. Up till now, the cabinet directly allocates budget to facilitate these initiatives. The Provincial Office officially functions as a secretariate. In addition, by law, the Governor can plan, oversee, manage,

Table 2: Expected impacts of Federation of local government scenario model

<i>Expected impacts</i>	<i>Level of impacts</i>
(i) Efficiency on service delivery	Medium
(ii) Viable infrastructure investment and Management	Medium
(iii) Increase quality of life and economic competitiveness	Medium
(iv) Shaping urban systems and addressing environmental, social and security issues	Medium
(v) Reducing fiscal disparities and enhancing revenue and building capacity for stakeholders	High
(vi) Accountability	High
(vii) Responsibility	Medium to high
(viii) innovation – process/substance	Medium to high
(iv) Participation	Medium to high
(x) Cost-effectiveness	Medium
(xi) Rule of law	High
(xii) Morality	Medium to high

Source: Maneepong, 2007

monitor and assess development in every district so it is unlikely to cause conflict of interest.

Advantages include decisive decision-making, the potential to implement more radical visionary strategies, etc. Furthermore, as in the case of the PAO model, spatially all existing and future urbanization would fall within the purview of the model. However, it is dependent on strong leadership from the top (the Governor and his/her immediate advisors, financial resources from the top that can be funneled through agencies working locally, and continued national support for the model (i.e grants and subsidy). In addition, the priority of development agenda, projects/programs may be influenced by the central government policy and guidelines.

Major issues to be concerned to manage this model are as follows:

(i) Strong coordination between provincial and local t agencies

To synchronize local agencies plan and management with the provincial plan and management, strong coordination between provincial and local agencies is essential. Even though local government agencies have been decentralized and have own resources and authority, many provincial government agencies have experiences and resources to support local government agencies. On the other hand, some strategic projects of provincial government agencies such as water supply should be supported from local government agencies for better operation, management and maintenance.

(ii) Building capacity of local agencies

Due to limited capacity of local government agencies, local community and civil society, it is a gap of performance among stakeholders. It causes delay coordination, mis-communication and other barriers. Thus these local agencies need more building capacity support in many aspects e.g. management skill, technology training, planning. Thus local agencies can strongly make contribution to the CEO management model.

(iii) Database system of local government agencies

A significant weakness of planning, management, monitoring and evaluation of Ayutthaya development including peri-urbanization is lack of database system, especially socio-economic data of local government agencies. In addition, how to link the provincial database system with local government agencies is a challenge. It is a need of database system including linkage system of local and provincial levels to support planning and development.

Expected impact of the CEO Governor model is assessed based on existing government system and policies as follows:

(i) *Efficiency on service delivery*

Since CEO Governor with his capacity and authority can mobilize resources and coordinate with a number of stakeholders, it is most likely that service delivery should be more efficient and effective. Importantly, he can play a neutral role to guide provincial development following the provincial comprehensive plan for the benefit of the public and long-term development. The better coordination between provincial and local service delivery should be expected and increase cost-effectiveness and higher effectiveness. Thus a researcher ranks high impact on service delivery.

(ii) *Viable infrastructure investment and management*

Annually, CEO Governor has been allocated specific budget so it is an opportunity to initiate strategic development projects/programs. With authority and power of CEO Governor, he can propose strategic development projects/programs to provincial and local government agencies without any conflict of interest. In addition, he is in the position to coordinate resources of government agencies, private sector and civil society at provincial level for strategic development projects/programs. For some projects, CEO Governor can even mobilize resources from central government agencies, international aid agencies and others. On the other hand, it should reduce overlapping investment or piecemeal investment. Thus the impact on infrastructure development and investment is ranked high.

(iii) *Increase quality of life and economic competitiveness*

Since CEO Governor model has representatives of stakeholder groups and effective and efficient infrastructure and service delivery, the impact on quality of life and economic competitiveness at provincial and local levels should be high. In addition, the development projects/programs at provincial and local levels will be compatible so the high outcomes can be expected.

(iv) Shaping urban systems and addressing environmental, social and security issues

Since CEO Governor has an overview about urban systems at provincial and local levels and has pooled resources, it will be effective to shape urban development and address environmental, social and security issues. Thus, it is most likely that metropolitan management will have high impact.

(v) Reducing fiscal disparities and enhancing revenue

The pool of resources including financial resources should reduce burden for small local government agencies and increase their management ability. However, there is no direct financial transfer for small local government agencies. Thus the researcher expect medium to low impact on reducing fiscal disparities and enhancing revenue from this model.

(vi) Accountability

Even though representatives of stakeholder groups will be committee, they may not be able to conduct tough assessment because implementing agency in each project/program is still in charge and manage the project in its own system. A researcher, therefore, expects medium impact on accountability.

(vii) Responsibility

The size of committee is relatively large and each stakeholder may have diverse interests and priorities. Thus, this model should be able to distribute responsibility among many stakeholders and increase the viability for implementing agencies to take their responsibility well.

(viii) Innovation – process/substance

As mentioned earlier about a gap of performance among stakeholders, a researcher expects the medium impact on networking and building capacity for stakeholders. Even though the united stakeholders will significantly increase the strength of this model, without strong research and development, innovation – process/substance can be medium. At present, each provincial and local government agencies, non-government agencies, civil society and other stakeholders, except multinational companies has limited to no research and development. The collaboration and partnership between government agencies and private sector is relatively marginal. However, if the multinational companies agree to provide access to research and development, the impact of this model will be high.

(ix) *Participation*

Even though each stakeholder group will be invited to be committee, due to the size of committee and diverse interest of committee, it may be hard to build strong partnership of stakeholders. It is subjected to leadership of CEO Governor.

(x) *Cost effectiveness*

Being neutral political position, CEO Governor should be able to lead the cost-effective investment and responsive projects for the provincial and local benefits. In addition, he/she should be able to maximize local and provincial resources efficiently. However, some large-scale regional projects may take time to make a request to the central government agencies for support and assistance and these projects may be adjusted to the central government agencies' policy. Thus the implementation and project outputs may not achieve the target goals.

(xi) *Rule of law*

Certainly, the attribute of rule of law will be greatly achieved because by law, the provincial government agencies understand and follow rules and regulations. The committee members can have a check-balance system. Thus the impact level of rule of law should be high.

(xii) *Morality*

Morality should be high because everyone feels obligated to work for the Governor and should be honest with him. Following the decentralization policy and new provincial administration system, the Governor can monitor and evaluate every provincial and local government agency and send his comment and recommendation to the ministerial agencies of that agency for annual performance auditing.

The summary of expected impact of CEO Governor scenario model is shown in Table 3.

Table 3: Expected impacts of CEO Governor scenario model

<i>Expected impacts</i>	<i>Level of impacts</i>
(i) Efficiency on service delivery	High
(ii) Viable infrastructure investment and management	High
(iii) Increase quality of life and economic competitiveness	High
(iv) Shaping urban systems and addressing environmental, social and security issues	High
(v) Reducing fiscal disparities and enhancing revenue and building capacity for stakeholders	Medium to low
(vi) accountability	Medium
(vii) Responsibility	High
(viii) innovation – process/substance	medium to high
(iv) Participation	Medium
(x) Cost-effectiveness	High to medium
(xi) Rule of law	High
(xii) Morality	High

Source: Maneepong, 2007