Urban Resettlement and Migration in Northeast Thailand: The Specter of Urban Involution

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JAMES A. HAFNER

In recent years arguments that the urbanization process in Southeast Asia differs significantly in its social, economic, and demographic dimensions from that experienced by the West have become almost axiomatic. Evidence in support of this position can be found in the persistence of urban primacy, continued rural-urban migration, lagging industrial sector growth, and chronic unemployment in urban areas. One of the most marked departures from the Western model has been the tendency for urban growth to occur without comparable development in the manufacturing sector. The result of this process has often been an inflation of the marginally productive tertiary or service sector. Terry McGee, borrowing a term originally coined by Geertz, has labeled this process as "urban involution," or the capacity of the tertiary sector to absorb increasing amounts of labor at low wages and marginal levels of productivity. Because there are often few employment choices in the capital-intensive sector for which labor may have the requisite skills, populations tend to find jobs easier in the many formal and informal activities within the service sector. And, as rural agricultural and infrastructural development proceed, there is a tendency for this process to
be accelerated as production efficiencies force labor from rural to urban areas. While these conditions are most appropriate to the large primate cities, they are by no means confined to centers at this level in the urban hierarchy. Smaller regional centers frequently support high levels of tertiary sector employment through their roles as service centers for rural agrarian hinterlands. Where occupational choices remain limited in these centers and their growth continues to depend on increased rural prosperity, they will be unlikely points of intervening opportunity for migrant populations or potential focal points for regional development.5

The fundamental issue addressed in this paper concerns the impact of urban resettlement and migration on the economic and employment structures of regional urban centers in northeast Thailand, and their capacity to assume a wider role as focal points for regional development. Our central premise is that projected increased population movements to regional urban centers will not only accelerate the incipient process of urban involution, but also serve to counteract the benefits being sought through various national and international development initiatives.6 Furthermore, as migrant and resettled populations face employment options increasingly confined to the low-wage service sector, regional urban centers will become less attractive as intervening opportunities for primate-city population movement. The pattern of primate-city growth may then be accentuated rather than diminished by these developments, and any renewed focus on regional development to diminish center-periphery disparities in growth may be seriously jeopardized. Under these circumstances the Thai government and even some projects of the basinwide Mekong Development Scheme may be adversely affected.7

The urgency of confronting these questions has been recently emphasized by proposals to resettle populations displaced by the multipurpose Pa Mong dam project in rural and urban locations throughout the Northeast.8 Although this project would create numerous infrastructural programs, it would do so at the cost of having to resettle from 205,000 to over 400,000 people, as many as one-third of whom are expected to choose relocation and


resettlement in selected urban centers in the Northeast (fig. 1). Unfortunately, there are few analogs against which the impacts of this process can be measured. However, some indications of the extent to which migration and resettlement may add to the incipient process of urban involution in this region can be obtained from considering four areas: patterns of urban growth; relocation behavior of resettled and migrant populations; the urban employment experiences of these populations; and

Fig. 1. Northeast Thailand Resettlement Context.

9 The lower figure is the estimated population (rural and urban) which would be affected as of 1975 based on proposed "protection schemes" for some urban areas. The higher figure is the projected maximum population in 1985, the earliest date resettlement efforts could begin. See United Nations, Pa Mong Costing and Resettlement Project, *Urban Resettlement*, Working Paper no. 7, mimeographed (Ann Arbor: University of Michigan, Department of Geography, 1976), table T7/12, p. 66.
prospects for expanded employment opportunities in regional urban centers. A concluding section will outline some of the broader policy implications of this problem and consider what alternative strategies might be appropriate.

The Regional Urban System: Growth Forecasts

The urban hierarchy in northeast Thailand is composed of at least four types (levels) of centers: provincial municipal (thesaban) centers, sanitary districts (sukhaphiban), district centers (amphoe), and local clusters of villages or tambon.\(^1\) For all effective purposes the urban hierarchy is consistent with the administrative hierarchy in the country. That is, province, district, and subdistrict (tambon) are, in descending order of size, the major administrative units within the country. Their administrative

### TABLE 1


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\(^a\)Municipal areas in italics are located in the upper subregion.

\(^b\)New province created between 1960 and 1970. See figure 1.

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1. Municipal areas and sanitary districts as considered here are legal units established by the 1953 Municipality Act and the Sanitary District Act of 1952, respectively. The minimum criteria required for designation as a municipal area are (1) location at the administrative seat of a provincial government, (2) population of at least 10,000, (3) average population density of 3,000 per square kilometer, and (4) adequate tax revenue for the execution of municipal affairs. Sanitary districts are incipient municipal areas which may have attained the necessary population size and density criteria but which lack provincial administrative functions, adequate tax revenue, and identification by the Ministry of Interior as municipal places. See Thailand, Office of the Prime Minister, "Definitions, Population Census," in *1970 Population and Housing Census* (Bangkok: National Statistical Office, 1972), pp. iii-v.
centers represent similar levels in the urban hierarchy. Although each of
these types of centers is characterized by certain size and functional
features, only the municipal areas and in some cases sanitary districts have
the potential economic diversity to provide a base for absorbing migrant
and resettled populations. While this regional hierarchy covers 17 provinces,
it is only those in the upper subregion within the Northeast which are of
direct importance here (see fig. 1). Their importance lies in current and
projected rates of population growth and their designation as potential
resettlement sites.

The regional urban hierarchy in the Northeast is dominated by Nakhon
Ratchasima (Korat), the largest regional urban center and third-largest urban
place in Thailand in 1970. Occupying second- and third-order positions
below Korat are Udonthani (Udon) in the upper subregion and Ubon-
ratchathani (Ubon) to the southeast along the Mekong River. Arrayed
below these larger provincial municipal centers are 14 smaller municipal
areas (table 1). In 1960, Korat, Udon, and Ubon occupied the first three
places in this urban system and have retained those rankings through 1970.
Between 1960 and 1970 these three centers grew at an average annual rate of
over 7.8 percent. By 1970 Korat and Udon were over twice as large as the
fourth-ranked urban place, Khon Kaen, which had itself grown over the
same period at slightly over 5.0 percent. Among the other lower-ranked
municipal areas in the upper subregion only Loei's growth approximated the
subregion average. Nong Khai, the other municipal center adjoining the
proposed Pa Mong project area, actually lost ground through net out-
migration. Three of the four most likely target centers for urban
resettlement, however, had an annual average growth rate of 5.9 percent.
These patterns indicate that most of the potential urban resettlement sites in
the upper subregion are already growing at a rapid rate.

Growth in this urban system is the result of both natural increase and net
migration rates. Through the five-year planning period just completed (1972-
76), rural and urban growth rates from natural increase were intended to be
reduced from 3.0 percent to 2.5 percent per year. Preliminary estimates,
however, indicate that this target was not reached and natural increase for
the region was 2.9 percent: 3.0 percent for rural populations and 2.3 percent
for urban populations. This overall rate of natural increase remains
approximately 0.1 percent above the national average, a condition expected
to persist in the future. Assuming a decline in the rate of natural increase of
0.2 percent for each future five-year planning period, a view based on a

11 The upper northeast subregion as defined here includes the provinces of Loei, Udonthani,
Nong Khai, Nakhon Phanom, Sakhon Nakhon, Khon Kaen, Kalasin, Roi-Et, and
Mahasarakham.

12 For simplicity, the formal provincial names of Ubonratchathani, Udonthani, and Nakhon
Ratchasima will be shortened to their more conventional abbreviated forms of Ubon, Udon,
and Korat, respectively.

13 Goldstein has estimated the average annual growth rate for all urban (municipal) centers in
the northeast from 1960 to 1967 as 5 percent. Sidney Goldstein, Urbanization in Thailand, 1947-
medium fertility assumption, rates of natural increase through 1995 can be
projected for both rural and urban populations, as in table 2.14

<table>
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<td>Projected Rates of Population Change in Northeast Thailand, 1974-95</td>
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<td>(Percentages)</td>
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<td>2.3</td>
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Net migration rates reflect a somewhat similar situation. While the
Northeast as a whole has remained a region of net annual out-migration,
some provinces continue to be areas of net in-migration.15 For the period
1947-60 annual net migration rates for Loei, Nong Khai, and Udon were 0.5
percent, 1.5 percent, and 2.1 percent respectively. Between 1965 and 1970
these same provinces had net migration rates of 1.0 percent, 2.0 percent, and
0.5 percent and thus remain as areas of net gains through in-migration. One
of the primary reasons for these continued gains has been the attraction of
available land. As arable land is cleared and settled, migration rates can be
expected to slow markedly by the mid-1980s. The resulting higher rural
population densities may also produce an increased migration rate to towns.
Based on this assumption and available population data, net migration rates
for this region have been projected in table 2.

Two central trends in regional population change are suggested by these
projections. First, rural migration rates will decline as land clearance and
settlement slows and rural densities rise within the next decade. Secondly,
rural-urban migration rates will begin to increase, reaching 3.3 percent by
the mid-1980s. This will contribute to an overall increase in total urban
growth rates to 5.6 percent by 1986-90, with net migration becoming the
main component of this growth. Other recent studies of national and
regional population change tend to confirm this view.16 In absolute terms
these figures represent an annual net movement of some 18,000 persons to
towns in Nong Khai, Udon, and Khon Kaen provinces from a regional total

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14 These projections are based on the medium fertility assumption used by the National
Economic and Social Development Board (NESDB), the National Statistical Office (NSO), and

15 Lawrence Sternstein, "Migration and Development in Thailand," Geographical Review 66

16 See Ronald C. Y. Ng, "Recent Internal Population Movement in Thailand," Association of
American Geographers. Annals 59 (December 1969): 710-30; Goldstein, Urbanization in
Thailand; H. Leedom Lefferts, "Migration in ISAN: Information Diffusion and Social Structural
Response in Northeastern Thailand" (Paper delivered at the Thirty-second Annual Meeting of
of 66,000 migrants. Finally, it must be emphasized that these projections do not include a component for any additional populations joining the regional urban migrant stream as a result of proposed urban resettlement programs.

This brief outline of urbanization and population trends in the Northeast suggests several patterns with implications for the future. Municipal areas in the upper Northeast subregion, which are the most likely targets for urban resettlement, are currently experiencing rapid growth. The rate of growth in these centers is expected to increase in the next decade to 5.6 percent with migration becoming the major contributor to this increase. This growth will produce a continuing demand for increased urban services and new employment opportunities. And, projected urban resettlement, whether carried out over a series of years or in a brief time, will add a further increment of labor and population to these already rapidly growing centers. The extent to which this resettlement process may contribute to urban growth can be suggested from evidence recently gained in studies of resettled populations in northeast Thailand. These populations are considered to provide the most reliable analogs for the resettlement and employment experiences likely to be manifest in populations affected by Pa Mong.

Thai Resettlement Experience

Thailand does not have any extensive experience of sponsored resettlement to either rural or urban locations similar to that of Indonesia, Malaya (West Malaysia), or the Philippines. What evidence there is regarding these movements has been accumulated over the past ten years and provides a basis for estimating the proportion of Pa Mong evacuees who may seek urban relocation. The Thai resettlement experience includes both rural and urban populations affected by multipurpose dam projects and is therefore sufficiently analogous to the potential Pa Mong population to serve as a basis for comparison and projection.

Studies made of evacuees from the Nam Pong, Lam Pao, and Lam Dom Noi projects in northeast Thailand provide some initial insights into resettlement preferences. Tambiah (1965) noted in his attempt to trace the movements of these populations that only one-quarter of the 17,686 families affected by these projects chose rural resettlement in government-sponsored self-help land settlements (nikhom), a conventional form of rural settlement. The remaining 75 percent of this population have been

17 United Nations, Urban Resettlement, p. 66.
considered self-sponsored resettlees and could not be traced in either their initial moves or ultimate destinations. While it remains unclear exactly what percent of this group may have made at least one initial or even subsequent move to an urban location, the option for self-sponsored resettlement was a clearly preferred choice. A more recent study of only Nam Pong evacuees has suggested that where organized rural resettlement options were provided they were highly favored. Among the 6,000 Nam Pong families studied, only 2 percent sought relocation in sanitary or municipal areas in Khon Kaen or Udon provinces which adjoined the project area. The clear majority selected relocation in villages and on land bordering the reservoir, a choice which may have minimized the dislocation associated with their resettlement. Efforts of the dam authority and Department of Public Welfare to organize and encourage this choice were probably a significant factor in this pattern. The evidence from these studies of resettlement choices among rural populations suggests two preliminary conclusions. First, where rural settlement alternatives have been provided and the level of dislocation is modest, rural populations appear to have preferred the rural alternative. Second, where rural programs are not encouraged, self-sponsored resettlement with some indications of an urban preference appears to exist.

In 1975 a separate study of resettlement choices was made of three rural and urban populations displaced by different multipurpose dam projects in north and northeast Thailand. In these cases both rural and urban resettlement choices were provided for the affected populations. Among some 1,200 displaced urban residents, better than 90 percent elected to move to towns bordering the project areas. It was also observed that urban resettlement was selected by as much as 40 percent of some of the affected rural populations. When this figure is adjusted to compensate for rural households not directly displaced by the dam project but which were economically and socially dependent on the urban environment, the level of rural-urban resettlement was closer to 10 percent. The success of both urban and rural populations in the “new” urban environment was consistently poor. High rates of unemployment, losses in household income, and shifts to lower-paying service and wage labor employment were typical of a large segment of both groups. In contrast to the previously cited preferences for rural resettlement among displaced rural populations, the evidence from this latter study indicates two significant differences. Displaced urban populations can be expected to elect urban resettlement at a high rate, probably better than 90 percent. Moreover, similarly affected rural populations faced with an urban resettlement option may show a stronger preference for urban relocation than the current 4 percent nationwide rate of rural and urban movements.

While not all of the rural and urban populations affected by Pa Mong may elect to move to municipal areas or sanitary districts, most of the potential

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20 Paul Lightfoot, “The Present Distribution of Families Flooded by the Nam Pong Reservoir,” unpublished working paper (Khon Kaen, Thailand: University of Michigan Team for Pa Mong Research, 1974).

59,000 urban resettlees and at least 20,000 rural resettlees within the project areas by the mid-1980s may make this choice. These estimates are based on projected rates of natural increase among the affected reservoir-area populations factored by urban resettlement rates suggested from the study of analog populations. The implications of over 70,000 people resettling in a few already growing urban centers in the upper northeast subregion are addressed in the final report of the Pa Mong Resettlement Study:

In the long run, it appears likely that a large proportion of the current (1975) rural population of both Laos and Thailand will migrate to towns and cities. In the short-run, however, an excessively large influx of Pa Mong evacuees to urban centers could cause serious dislocation. . . . If urban evacuees focus solely on a few selected towns in northeast Thailand, or if they do not move out gradually over the entire period of resettlement, serious overburdening of the selected towns could develop.22

It is not necessary to exercise too much imagination to grasp the dimensions of this overburdening in towns targeted for urban resettlement. What impact this is likely to have on both the resettled populations and the incipient process of urban involution in these urban centers can now be considered.

**Urban Employment and the Bazaar Economy**

One of the most prominent features of the regional urban economies in the Northeast is their high degree of tertiarization or disproportionate level of employment in services relative to manufacturing.23 In 1974 employment in the service sector including sales, transport and communications, and services accounted for over 56 percent of total urban employment (table 3).24 This extensive service sector employment is concentrated in various individual enterprises and in a labor-intensive bazaar-type sector. The prominence of these activities as focal points for employment is related to the extremely slow development of manufacturing activities and the critical links between the urban bazaar economy and the indigenous agricultural resource base.25 Production process employment representing the more capital-intensive manufacturing sector accounted for less than 20 percent of

22 Gosling et al., *Pa Mong Resettlement*, pp. 67-68.


24 Total service sector employment in some towns may well have reached or exceeded 70 percent of the municipal labor force. Udon, for example, with its large U.S. military and assistance complex, which had inflated the "legitimate and illegitimate informal income opportunities" within the service sector, may have been a case in point. The abrupt phasing-out of these facilities in 1975-76 has undoubtedly reduced the level of service employment and increased unemployment. Estimates of the impact of the withdrawal process indicated that a loss of 5-6 percent of the regional GDP (1972) would occur and that between 8-9 percent of the nonagricultural economically active population (1972) would become unemployed. This level of additional unemployment is roughly equivalent to 51,000 full- and part-time jobs. There has, however, been little reverse urban-rural movement of populations. Preliminary indications are that large numbers of those affected populations have remained in informal service activities in regional centers or have migrated to Bangkok. "The Economic Impact of U.S. Withdrawal," *Investor* 7 (December 1975): 33-46; see also Terry C. McGee, "The Persistence of the Proto-Proletariat: Occupational Structures and Planning of the Future of the Third World Cities," in *Third World Urbanization*, ed. Janet Abu-Lughod and Richard Hay. Jr. (Chicago: Maaroufa Press, 1977), pp. 257-70.

the regional urban labor force, and much of this is found in a "small shop" industries system dominated by the processing of agricultural products (table 3).

The seasonal and labor-intensive nature of these activities, however, contributes to underemployment and to a certain amount of disguised bazaar sector employment in the form of seasonal workers, casual labor, and workers holding multiple jobs. In the absence of an expanding manufacturing sector, the bazaar economy provides the primary source of jobs for many migrants, new workers joining the labor force, and a growing number of casual and informal workers associated with the "street economy" of the city. Our purposes in considering regional urban employment conditions are twofold. First, by reviewing the urban

26 The industrial "small-shop" system in the Northeast is dominated by firms averaging less than 10 employees per firm. In 1965 only 0.25 percent of the firms listed more than 10 employees. See Louis T. Berger Associates, Inc., Northeast Thailand Economic Development Study (NEED) (Bangkok: 1971), sections III-1 to III-6.

employment experiences of our analog populations we can identify where these groups are finding employment, especially in service sector activities. These patterns may also suggest how similar populations in the future will be absorbed by the urban economy, particularly as migrants become an increasingly larger component of the labor force and urban growth. And second, a brief discussion of the outlook for new employment generation in the manufacturing sector will confirm the position taken here that migration and urban resettlement will accelerate the process of involution in these centers.

The employment experiences of migrant and resettled populations in urban centers in the upper northeast subregion are indicated in table 3. Nationwide surveys in Thailand and Indonesia have shown that migrants are more likely to find service than nonservice jobs, especially in sales, transport and communications, and as production process workers.28 The pattern of urban employment for both of our analog populations clearly conforms to these expectations. Better than 45 percent of the migrant group and one-third of the resettled population were employed in some form of service activity: sales, service, transport and communications, production process employment.29 Unclassified service activities also contributed a significant number to total service sector employment. Nonservice employment, most notably professional, administrative, and clerical occupations, accounted for almost 30 percent of the migrants but less than 10 percent of the resettled population. This difference may be attributed to the large number of government officials, military personnel, and businessmen in the migrant sample; the transfer of similarly classified resettlees to other locations; and indications of the migrants' having had more extensive "urban experience" than the resettled population. Although this latter factor might have given migrants an advantage over resettlees in securing professional employment, the adjusted migrant population excluding these individuals would undoubtedly have been much smaller.30 While there may be other factors contributing to this difference, it seems sufficient at this point to note the predominance of service sector employment for both groups and the greater relative success of migrants in gaining nonservice jobs, a fact which may pose problems in the future for similarly inclined resettlees.

The contrasts in occupational patterns within the service sector for both analog groups can not be fully explored here. However, some important trends do seem to be indicated. Resettled populations fared relatively worse


29 A similar pattern has been confirmed for urban migrants in Indonesia studied in the LEKNAS survey. Urban migrants were underrepresented in the professional, managerial, and clerical occupations and overrepresented in sales, production process, and transport and communications. Speare, "Variations."

30 The actual number of migrants, as opposed to "professional relocations," in this group is probably smaller than the data indicates and thus fewer migrants actually found nonservice employment. The crucial issue here may be one of defining "professional" movements or reassignments among military, government, and businessmen as one of migration distinct from other types of migration. See "Commentary: Data Reliability in the Third World," Association of American Geographers. Annals 65 (June 1975): 338-42.
than migrants in finding sales, transport and communications, and service employment but were more widely represented in the unclassified and unemployed categories. The loss of sales volumes and disrupted market networks relegated many resettled merchants to peddler and itinerant tradesmen status in the city.31 Over 20 percent of this group remained unemployed or found only wage labor jobs, and none of the rural analog populations, migrant or resettlee, secured sales employment except in the informal street economy.32 Resettled and migrant populations, consequently, found sales employment mainly in the informal bazaar sector rather than as merchants operating from fixed shop locations. Rural migrants tended to find transport and communications jobs as pedicab drivers more readily than either urban migrants or resettlees.33 The failure of any of the resettled population to gain similar employment is at this point not fully understood, especially since it is a low-skill job which actually requires little previous training or experience. Migrants who obtained jobs in services were primarily from the urban-urban migrant group and had skills as mechanics, repairmen, and carpenters. Almost none of the resettled population had similar skills which might have enabled them to find semiskilled or skilled service jobs. And, perhaps most importantly, there has been the general shift of both groups into what may be labeled “casual labor,” particularly represented here in the category of unclassified occupations. Employment here included jobs typical of the broad sweep of street commerce ranging from wage laborers and intermittent casual labor to itinerant hawkers, vendors, and market hawkers. If one acknowledges that a large component of seasonal and intermittent wage labor in production process activities is more appropriately informal service employment, then better than one-fifth of both populations were employed in marginally productive bazaar sector activities. For many occupational groups, especially former merchants and farmers, these activities appear to form the ultimate urban occupational sink.34 Finally, unemployment among both groups was significantly above the regional average of 2.5 percent (table 3). It would seem premature, however, to assume that these higher unemployment rates signal the approach of a threshold level of labor absorption in the informal bazaar sector. They may also reflect the timing of data collection relative to elapsed time of sample populations in the urban environment and even difficulties in precisely establishing the meaning of unemployment.

31 A related observation based on studies of Indonesian migrants indicates that over 50 percent of the migrants in sales in urban areas operated with small stocks of goods and were therefore considered to be marginally employed. See Speare, “Variations.”

32 Calculations based on Fuller’s data indicate that two-thirds of the 18.2 percent of migrants in sales were employed as food sellers, vendors, and hawkers in the informal strata of sales activities associated with the street economy. See Theodore Fuller, “Cityward Migration and Social Stratification in Northeast Thailand” (Ph.D. diss., University of Michigan, 1977).

33 Fuller, “Cityward,” p. 110.

34 This conclusion might be challenged on the grounds that jobs generated by infrastructural development (e.g., dams, irrigation systems, roads) could provide some short-term employment for displaced populations and thereby act as a safety valve for excessive pressure on urban employment opportunities. However, no more than 5,000 workers, 50 percent of whom would be common laborers, would be needed for Pa Mong Stage One construction. Any skills acquired in these jobs would be of little marketable value in urban areas, and wage scales likely to be offered would be too low in comparison to other alternatives to attract members of the resettled population.
Before turning to the question of employment generation in manufacturing activities, a brief summary of our findings to this point is needed. First, migrants and resettlee are being absorbed in the service sector at a substantial rate, a rate consistent with findings based on nationwide surveys. There is little reason to believe at this point that this pattern will change in the immediate future in the Northeast. Second, migrants in general appear to be more adaptable to urban employment conditions than are the resettled population, even where this adaptability has led them into informal service employment in the bazaar economy. To the extent that this is true, the growing body of urban migrants in the future may more readily secure jobs than resettlee in these centers. And, where the resettled population has found jobs, it has been primarily in various informal bazaar sector jobs which require few skills. These conditions point to a continued growth of service sector employment where resettled populations may be less competitive for urban jobs, and a growing volume of migrants may intensify this competition.

The prospects for expansion in the manufacturing sector and related growth in employment from this expansion are conditioned by several factors. Uppermost have been the slow growth in the food-processing industries which dominate the manufacturing sector, regional fluctations in material output and production conditions, limited regional processing of raw material outputs, failure to attract private capital in an uncertain political climate, and the continuing pull on manufacturing exerted by the Bangkok metropolitan area. The regional manufacturing sector remains dominated by food processing, with rice milling accounting for 32.5 percent of gross regional product in 1969. During the 1960s few other activities showed any significant growth and regional manufacturing output actually declined by 1.4 percent relative to the nation as a whole. Since rice covers approximately 80 percent of the cultivated area and is grown mainly for local consumption, and the boom years of the 1960s in corn and kenaf were short-lived, there is little prospect of any expansion in food-processing activities. Furthermore, with only one-third of locally produced raw materials being processed within the region, there is little reason to hope for new employment generation in regional processing industries.

While most studies of regional development priorities confirm these problems and emphasize the need for systematic government efforts to stimulate industrial development, the record here is again discouraging. Between 1960 and 1973, only 17 firms were granted promotional certificates by the Board of Investment for the Northeast, less than 4 percent of the national total. Since 1973 only five firms have received this approval in the Northeast, none of which are located in the upper subregion. Moreover, studies of incentive packages likely to encourage industrial investment or expansion in the Northeast have generally been discouraging. The most

35 Berger, Northeast, section III-1.
37 Berger, Northeast, section III-12.
optimistic estimates from these studies have indicated that no more than 4,300 jobs would be created by the early to mid-1980s.\textsuperscript{38}

One final complication to the expansion of manufacturing and nonservice urban employment in the Northeast exists in the growth of the regional labor force. Between 1970 and 1975 the regional population aged 15-65 from which the labor force is drawn increased by 550,000, resulting in a labor force of approximately 6.1 million in 1975. The nonagricultural portion of the labor force grew between 15 and 18 percent from 1972 to 1976, an increase representing some 300,000 workers of which 80 percent were expected to have moved into urban areas. Based on our previous estimates of population change in the region, it may be estimated that the total urban labor force by 1985 may reach 1.8 million. With a 3 percent growth in urban labor demand it is not unreasonable to expect that there may be a minimum urban labor surplus of 60,000 workers in the next decade.\textsuperscript{39}

From the evidence presented here, it is hard to avoid the conclusions that manufacturing expansion will provide few new job opportunities in urban centers, that regional cities will experience a growing labor surplus, and that future populations moving to these centers will face few job alternatives outside of services and the labor-intensive bazaar economy. To the extent that these conditions remain unchanged, the incipient process of urban involution will only be intensified. Rather than providing an expanded labor force for a growing capital-intensive sector, urban resettlement and migration may deepen the existing problems of underemployment, unemployment, and significant regional imbalances in levels of development and economic growth. This prospect hardly seems to be something that Thailand can afford.

**Implications and Planning Strategies**

At the outset of this paper our stated objective was to explore some of the implications of urban migration and proposed urban resettlement for regional centers in the Northeast and their ability to assume a wider role as focal points for growth and development. We have sought to place these issues against the broad conceptual backdrop of urban involution as defined and elaborated by McGee.\textsuperscript{40} In considering the implications of these population movements we have noted the already high rates of urban growth in regional centers, the greater role migration will take in future urban growth, the highly tertiarized character of these urban economies, the tendency for resettled and migrant populations to be absorbed in service sector jobs, and the discouraging prospects for new employment opportunities in manufacturing, particularly in basic agricultural processing industries. With regional urban centers expected to grow at rates of over 5 percent in the next decade and migration to assume a large share of this growth, urban resettlement may only aggravate the problems of providing services and employment in these centers. Current evidence indicates,

\textsuperscript{38} United Nations, *Urban Resettlement*, pp. 72-73.

\textsuperscript{39} Berger, *Northeast*, section III-11.

\textsuperscript{40} See Terry G. McGee, *The Southeast Asian City* (London: G. Bell, 1967), and idem, *Urbanization*. 
moreover, that service sector employment is absorbing the bulk of these populations, often in marginally productive activities within the informal bazaar sector. As long as efforts to expand manufacturing-related employment remain unsuccessful, new increments to the urban labor force will find occupational choices limited to the low-wage service sector. Under these conditions regional centers will provide few incentives to hold migrant and resettled populations, and primate city population movements cannot be expected to slow appreciably. Consequently, the desired ability of regional centers to serve as nodes for investment, more diversified employment, and development will be diminished rather than enhanced.

It has been implicit in the previous discussion that the urban involution process poses a major barrier to regional urban and economic development in the Northeast. Any intensification of this process may compound not only economic, but also potentially explosive social and political problems. It should also be evident at this point that rather far-reaching changes in planning and investment policies will be needed to diffuse these problems and generate conditions conducive to accelerated regional development and growth. Although it has not been our intention to challenge general development strategies, the evidence presented thus far provides some justification for at least a brief reexamination of these strategies.

Past development plans in Thailand beginning as early as 1961 have explicitly recognized regional development and investment as major priorities to be pursued through growth center strategies. The first Northeast regional development plan (1962-66) is based on the concepts of "area development" and "area development centres" as mechanisms through which the development of "external economies conducive to [regional] economic growth" could be achieved. Khon Kaen was designated in this plan as the first regional area development center to be augmented by the later addition of Udon. The 1966-71 development plan exhibited a similar emphasis, and Khon Kaen did receive substantial attention from the government during this period. The results of these efforts have been generally poor, however, and argument has continued over the viability of pursuing this approach. Ginsburg, for example, has argued that the middle-sized city in Asia has already become an anachronism and that the probabilities of rural-urban movements are greater now than ever before. Rather than trying to improve the potentials of these middle-sized centers, greater integration of smaller rural places and larger urban centers should be sought through improving spatial linkages. The issue is seen, then, not as one of balance, implicit to the area development concept, but rather as one of integration. Sternstein has taken this view one step further by arguing that the development of even one growth center in the Northeast is beyond the


43 Ginsburg, Planning, p. 278.

capacity of the government, particularly in the continued absence of growth in basic industries. Investments in education and medical services without the existence of basic growth industries may well intensify the problems a growth center strategy is intended to resolve. He also suggests that there is the problem of defining growth poles and identifying basic growth industries, especially in the Northeast. As a possible solution to some of these problems, he proposes the development of a belt of industrial "new towns" around the Greater Bangkok Metropolitan Area. This reasoning here is that such a program would alleviate some of the employment, housing, and social problems of the metropolitan area while building on existing patterns of industrial location and migrant interchange with adjoining provinces. While this strategy might well reduce congestion and employment problems in the metropolitan area, it abandons the peripheral provinces to a laissez faire development mode, the very provinces in which inequities are most evident and their resolution most pressing.

The most promising solution to regional imbalances in development and the problems posed by an accelerating process of urban involution in the Northeast appears to lie with the government's newly adopted Northeast Secondary Cities Urban Development Policy. Fundamentally, this policy is a rephrasing of previous proposals for area development found in earlier development plans. It will emphasize the development of medium-sized or secondary cities in the Northeast to accelerate production, provide the basis for a national regional policy, and disperse industrial activities concentrated in the central region. Khon Kaen, Udon, Ubon, and Korat have been designated as growth centers and will receive infrastructural investments, expanded urban services, and significant fiscal and monetary incentives to encourage industrial investment. If this policy is to contribute to a resolution of the general developmental problems of this region and the more specific issues raised in this paper, one critical priority must be reemphasized—transformation of the rural agrarian sector. Sternstein's skepticism over the viability of regional growth node strategies recognizes the inherent weakness of this policy and the pivotal position of a productive, commercial agrarian sector in the development process. Current government efforts and programs planned by the regional Mekong Basin Scheme can contribute substantially to this transformation. Rural productivity must rise; the production of primary and secondary crops must be expanded; and marketing, capital, credit, and transport systems must be improved. However, to defer full attention to these areas in anticipation of such changes being produced by the implementation of Mekong development schemes could be a mistake. The development of rural resources and infrastructure should, and indeed must, proceed apace with investments in regional urban centers. Unless an equitable balance is maintained, fiscal and monetary incentives for manufacturing investment may result in only short-term gains. If raw material outputs falter and regional per capita incomes do not grow, the regional markets essential to an expanding manufacturing sector will not provide the economic environment necessary for protracted industrial investment, and anticipated urban employment will not

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45 Ibid.
46 Pakkasem, "Urban Development," 393-400.
materialize to help absorb and distribute the growing urban labor force. The success of these programs depends as much on rural investment as it does on urban investment. Proposals for urban resettlement have shown a clear recognition of these issues. Programs have been outlined for expanded education and job-retraining, the development of satellite and new towns as alternatives to municipal area resettlement, and some mechanism to allocate priorities on new employment to resettled populations. If these programs receive the extensive support implicit in the government's adoption of the decentralized urbanization program for the Northeast, many of the issues raised here could be diminished or overcome.

The fundamental risks in these programs, however, may be less economic than political. Any mobilization of peripheral resources may lead to the precise competition between core and periphery which the government may be seeking to avoid. And yet, it is exactly these long-term regional inequalities in growth and sustained investment which have made the Northeast such a persistent political and economic liability. The resolution of these issues then becomes a matter of adjusting inequalities in the spatial economy and levels of participation in the political system. Any success in dealing with both of these questions may ultimately depend on finding a middle ground between continued concentration of resources in the core and more balanced regional growth. The solution, to paraphrase Soja,⁴⁷ may rest with the ability of decisionmakers to manipulate the path of modernization while contending with the pressures in the development process—"herein lies the essence of what some have viewed as political development."
