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CHALLENGES AND SUCCESSES IN PUBLIC PRIVATE HOUSING INITIATIVES FOR THAILAND'S LOW-INCOME EARNERS

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Abstract

This study aims to provide guidelines for public-private sector collaboration in housing projects for low-income earners in Thailand. Using document research and expert interviews, it delves into the complexities of public-private partnerships (PPPs) in the housing sector. The research looks into successful international examples from Singapore, Japan, the US, and the UK, noted for their effective PPP housing initiatives. It outlines major challenges like regulatory barriers and financial constraints, alongside successful strategies such as stakeholder collaboration and innovative financing. Recommendations are made for a solid policy framework, innovative financing mechanisms, and enhanced stakeholder involvement to support PPPs in creating sustainable, affordable housing for low-income groups in Thailand. The study also suggests improving act management, integration, and implementation by merging related agencies into a single ministry.

Keywords: Public- Private Partnerships, Low- Income Housing, Stakeholder Engagement, Policy Framework, Thailand

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Introduction

In Thailand, balancing low-income housing supply and demand is critical due to urbanization, economic shifts, and population growth, emphasized by Ronnarong (2009) and Taeshapotiwarakun (2015). Demand is highlighted by the Office of Research and Consulting Center of Thammasat University; CODI (1,450,308 units), NHA (2,895,352 units), and private sectors (2,902,634 units) with a 20-year plan projecting contributions from CODI (1,053,702 units), NHA (2,271,080 units), Department of Elderly Affairs (467,610 units), Department of Empowerment and Quality of Life for Persons with Disabilities (132,700 units), and private sectors (1,863,992 units). The NHA's response includes constructing 100,000 rental units from 2021-2025, with the Sukpracha Housing Project aiming to tackle housing inequality. However, a reassessment of these strategies is needed, as historical PPP proposals show limited advancement, with 13 out of 16 pending projects tied to Sukpracha. Legislative suggestions and amendments, alongside supportive measures and the establishment of working groups, aim to enhance low-income housing opportunities. This research advocates for guidelines on public-private investments in low-income housing, targeting housing inequality and leveraging partnerships for sustainable, equitable solutions aligned with global standards and national goals.

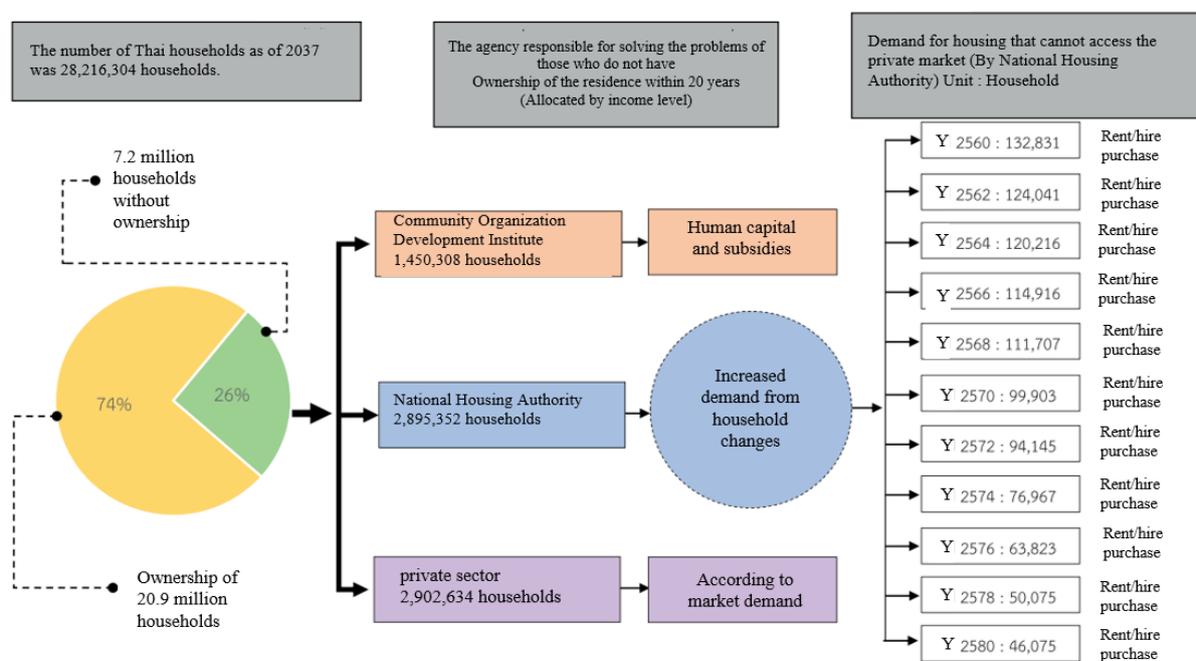


Figure 1 Emphasizes the Imperative for Government and Private Agencies to Provide Residential Units

Source: Thammasat University Research and Consultancy (2017)

Literature Review

The presentation's core details focus on analyzing housing inequality in Thailand, drawing insights from global housing models to inform strategies that align with Sustainable Development Goals. It references studies by Ronnarong (2009) and Taeshapotiwarakun (2015) to understand local housing challenges, alongside global examples from Singapore, Japan, the US, and the UK to identify adaptable housing policies. Key references include Heo (2014). on Singapore's public housing, Anoruo et al. (2017) on Japan's urban housing strategies, Ebrahimi & Aghaei (2021) on US affordable housing, and Best (1996) on UK housing solutions. The presentation emphasizes stakeholder involvement and the need to revise Thailand's legal and

policy frameworks to foster public-private collaboration in housing, aiming to meet the United Nations' housing goal (United Nations, 2020).

Methodology

This study adopts a comprehensive methodology to explore Public-Private Partnerships (PPPs) in Thailand's low-income housing, blending qualitative and quantitative research to ensure accuracy and applicability. It defines "low-income individuals" per the Public-Private Partnership Act 2019, Section 7(10).

Literature Review: It extensively reviews literature, legal frameworks, and policies on PPPs, focusing on Thailand's socio-economic conditions. The review draws on global housing policies and PPP successes, particularly in Singapore, Japan, the US, and the UK, to establish a theoretical base (Batra, 2021; 2023).

International Case Studies: Examines PPP models in the countries, chosen for their effective housing strategies and relevance to Thailand's context (Phang, 2015; Shimomura & Matsumoto, 2010). The study analyzes the adaptable and scalable solutions of the US and UK's structured legal frameworks (Chin, 2021; Verhoest et al., 2014), excluding other developing nations due to different challenges (Leigland, 2018; Hodge & Greve, 2005).

Expert Interviews: Conducts in-depth interviews with eight interdisciplinary professionals directly involved in Thailand's low-income housing, including PPP committee members, real estate professionals, and legal advisors. These interviews, informed by the Instrument of Choice (IOC) method, provide valuable insights into the practicalities of PPP implementation in Thailand (Batra, 2023; El-Gohary et al., 2006; Turner & Carlson, 2003; Merriam & Tisdell, 2016).

Quantitative Analysis: Complements qualitative findings with quantitative research, employing consistency checks and triadic pattern validation to support the study's conclusions (Madden, 2011; Goodchild, 2008).

This methodological approach, rich in theoretical and empirical insights, aims to offer a nuanced understanding of PPPs in low-income housing in Thailand, contributing significant knowledge to the field by leveraging a balanced mix of literature review, case studies, expert opinions, and data analysis.

This study's interviews with experts, under strict confidentiality to safeguard their identities in adherence to ethical standards (Israel, 2004), highlight the value and limitations of qualitative insights. Their contributions, while crucial, are acknowledged for the qualitative research constraints they present. To bolster credibility, expert opinions were rigorously cross-verified with evidence (Hasson & Keeney, 2011), enhancing the reliability of the findings.

Background

The introduction highlights the critical issue of housing inequality in Thailand, particularly among low-income earners. Despite Thailand's economic growth reducing poverty significantly from 21% in 2000 to about 8% in 2009, disparities in housing access persist, especially affecting migrants, informal workers, and those impacted by natural disasters like the floods of 2011-2012 and 2013. These events have further strained the already vulnerable low-income families, underscoring the urgent need for effective housing solutions.

The Baan Mankong program stands out as a pivotal initiative targeting this issue, offering subsidies and affordable loans to help over 130,000 urban and rural households, including canalside communities, secure housing. Angkhana Trantarathong from CODI underscores the program's role in providing stability and access to urban employment opportunities, contributing to poverty alleviation efforts.

However, the development and implementation of low-income housing strategies in Thailand face significant challenges due to the dispersed responsibilities among various government agencies. This fragmentation hinders policy efficiency, contrasting sharply with nations that

benefit from a centralized housing authority. Despite this, Thailand's commitment to global standards like the United Nations' Sustainable Development Goals and the New Urban Agenda reflects its dedication to sustainable and inclusive urban development. The country's strategic plans, including the 20-Year National Strategy and the 20-Year Housing Development Master Plan, aim to enhance housing quality for low-income groups. Yet, the absence of a single housing authority complicates coordination and integration among the involved agencies, such as the NHA and CODI, highlighting the need for improved management and execution of housing policies to effectively address the disparities in low-income housing development.

Table 1 Show government agencies who are responsible for low-income housing in Thailand

Agency Name	Responsibilities
National Housing Authority	Operates housing development plans for low-income individuals in collaboration with public and private agencies
Community Organization Development Institute	Implements low-income housing development plans (urban and rural) in collaboration with local government
Department of Older Persons	Improves environment and facilities for the elderly to promote self-sufficiency in life
Department of Empowerment of Persons with Disabilities	Improves living environment for people with disabilities, provides shelter and services, supports livelihood development
Department of Social Development and Welfare	Enhances quality of life for homeless and underprivileged groups, provides shelter and services, supports livelihood development
Treasury Department	Manages state property for maximum benefits
Board of Investment (BOI)	Promotes domestic and international investments in Thailand

Assessing the Effectiveness of Thailand's PPP Act in Facilitating Low-Income Housing Development: Challenges and Opportunities

The effectiveness of Thailand's Public-Private Partnership (PPP) Act in promoting low-income housing development presents both challenges and opportunities. Since its inception in 1992, and notably through the 2013 update, the Act has aimed to facilitate infrastructural and housing projects. The 2019 amendment of Section 7(10) specifically targets housing, indicating a legislative intent to tackle low-income housing issues. Yet, the scarcity of successful housing projects highlights the difficulties in actualizing policy objectives, suggesting the PPP framework might need refinement to better support low-income housing initiatives.

Challenges and Opportunities for Amendment

Policy Implementation Gaps: The limited success in housing projects underlines the need for a critical review and potential modification of the PPP framework to enhance its effectiveness.
Legislative Amendments: Provisions like Sections 11, 23, and 26, which allow for proposing solutions and establishing working groups, alongside Sections 54 and 60 focusing on oversight, suggest areas for strategic improvement to increase accountability and facilitate project execution.

Global Best Practices for Low-Income Housing

Affordability and Financing: Learning from the U.S. Low-Income Housing Tax Credit and Singapore's housing subsidies can provide models for financing structures that encourage private investment in affordable housing.

Public-Private Collaboration: The UK's PPP models and the European Investment Bank's support underscore the importance of risk-sharing and sustainable, inclusive housing projects. Community Engagement: Following Canada and Australia's examples, prioritizing stakeholder involvement ensures housing projects meet the actual needs of low-income communities.

Sustainability and Quality: Emulating Singapore's focus on sustainable public housing and the EU's environmental standards can guide the development of durable and eco-friendly housing.

Legal and Policy Framework: Adopting clear legal structures as seen in the UK, alongside policy support akin to the U.S. HUD guidelines, can underpin successful housing projects.

Adapting Global Insights to Thailand

Examining PPP models from Singapore (Phang, 2015), Japan (Shimomura & Matsumoto, 2010), the U.S. (Chin, 2021), and the UK (Verhoest et al., 2014) provides valuable strategies for Thailand's housing sector. These models emphasize the importance of balancing public-private interests, efficiency with cultural integration, adaptability, and a mixed economy approach for sustainable and accessible housing. By adopting these practices, Thailand can enhance its approach to low-income housing, addressing urban challenges more effectively.

Summary of Expert Interviews on Low-Income Housing Development through PPP in Thailand

Efficiency in Project Completion: Economists emphasized the necessity for efficient project management in PPP housing developments. They highlighted streamlined processes and timely completion as crucial elements for cost-effectiveness and overall success.

Quality and Innovation: Architects and urban planners stressed the importance of high-quality construction and the use of innovative building technologies. They advocated for sustainable and innovative designs to enhance living standards for low-income residents.

Economic Impact: Financial experts underscored the potential of PPP housing projects to stimulate local economies by creating jobs and supporting related industries. They emphasized the importance of evaluating the economic benefits of these projects for the broader community.

Social Inclusion: Social scientists and community development specialists focused on the necessity of inclusive and community-focused design in housing projects. They noted the importance of catering to diverse resident needs and fostering community engagement for social well-being.

Policy and Regulatory Framework: Legal experts and policymakers discussed the critical role of a supportive policy and regulatory environment in facilitating successful PPP housing projects. They called for clear, transparent guidelines and a conducive legal framework.

Stakeholder Engagement: Community organizers highlighted the significance of engaging a wide range of stakeholders, including local communities, in the decision-making process. They argued that this engagement is key to the success and acceptance of housing projects.

Sustainability: Environmental experts emphasized the adoption of sustainable building practices. They noted that integrating eco-friendly technologies can result in long-term environmental and cost benefits.

Financial Viability: Economists stressed the importance of developing robust financial models for PPP housing projects. Ensuring financial sustainability is critical to keeping these projects affordable and viable in the long term.

Strategic Priorities in PPP-Driven Low-Income Housing Development in Thailand

The study on PPPs for low-income housing in Thailand emphasizes efficiency and clear policies (10 mentions each), prioritizes quality and innovation (12 mentions), and highlights the significance of economic impact (7 mentions), financial viability (9 mentions), social inclusion, stakeholder engagement (8 mentions each), and sustainability (6 mentions). This advocates for a strategy that combines timely, innovative, economically sustainable, inclusive, and eco-friendly housing solutions supported by robust policies.

Conformity Checking by Triangulation Method

The study uses triangulation to craft PPP guidelines for Thailand's low-income housing, leveraging successful models from Singapore, Japan, the U.S., and the UK (Phang, 2015; Shimomura & Matsumoto, 2010; Chin, 2021; Verhoest et al., 2014). It combines global best practices with expert opinions (United Nations, 2020; Batra, 2023; El-Gohary et al., 2006) and cross-verifies information (Goodchild, 2008) to ensure relevance and enhance credibility. This approach delivers reliable, context-specific PPP guidelines, informed by both theory and practice, to address Thailand's housing needs effectively.

Consistency of Study Results with Sections of the PPP Act 2019

The study's analysis of the PPP Act 2019 for low-income housing in Thailand highlights key areas for enhancement within the Act. It suggests expanding inclusivity in low-income housing definitions (Section 7[10]), promoting innovative public-private collaborations (Section 11), refining legal and regulatory frameworks for better project compliance (Section 23), and emphasizing community engagement in decision-making processes (Section 26). Additionally, it recommends strengthening transparency and accountability (Sections 54 and 60) and advises amendments for more adaptable PPP frameworks that incorporate economic and environmental sustainability. These expert-backed recommendations aim to make the PPP framework more inclusive, effective, and adaptable, aligning closely with the Act's provisions for improving housing project management. This alignment suggests that the study's insights could significantly inform and enhance PPP-based housing strategies in Thailand, demonstrating the practical applicability and relevance of the proposed enhancements to the legal guidelines governing PPPs.

Results

This research assesses the PPP Act's role in low-income housing by integrating global insights and evaluating its effectiveness in the Thai context.

Conceptual Framework and PPP Act

The study recommends reforms for Thailand's PPP Act to address legal challenges in low-income housing projects, including role clarification, efficiency improvement, and enhanced transparency.

Global Perspectives and PPP Act Enhancements

Proposed enhancements to Thailand's PPP Act include drawing from international best practices such as risk management from Singapore, stakeholder engagement from Japan, innovative financing from the United States, and legal frameworks from the United Kingdom, aiming to improve support for sustainable housing projects.

Thailand's Organizational Structure and the PPP Act

The study underscores the PPP Act's potential to enhance coordination among Thailand's housing agencies, fostering inter-agency partnerships for more effective low-income housing development.

Demand and Supply Dynamics in Relation to the PPP Act

To effectively tackle Thailand's increasing need for affordable housing, the study suggests integrating adaptable and community-focused strategies into the PPP Act, in line with the insights from the Thammasat University Research and Consultancy (2017). Additionally, it emphasizes the importance of accounting for higher housing forecasts to ensure the proposed solutions remain robust and responsive to future demands.

Community Involvement and the PPP Act: The study emphasizes the importance of community engagement in housing projects and advocates for adjustments to the PPP Act to create an efficient, inclusive, and sustainable framework for low-income housing in Thailand.

Conclusion and Discussion

The research on PPPs for low-income housing in Thailand underscores the necessity to refine the PPP Act, aligning with the transparent and accountable frameworks of Germany (Verhoest et al., 2014) and Canada (Canada Mortgage and Housing Corporation, n.d.). It outlines improvements in key areas.

Policy-Implementation Gap: Highlights the discrepancy between policy ambitions and their execution, an issue not limited to Thailand but observed globally.

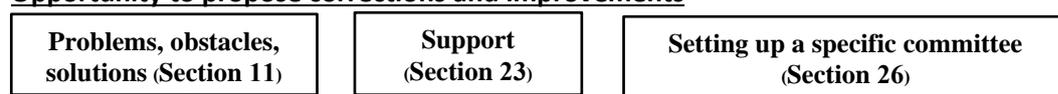
Global Models: Indicates that Thailand's sector could advance by aligning with structured approaches like Singapore's HDB (Phang, 2015) and Japan's coordinated government agency model (Shimomura & Matsumoto, 2010).

Community Involvement: Stresses the significance of community engagement, taking cues from the U.S. (Chin, 2021) and Brazil (Torres, 2012).

Legal and Financial Innovations: Encourages adopting the UK's policy framework (Verhoest et al., 2014) and the Netherlands' financing techniques (Van Bortel et al., 2019).

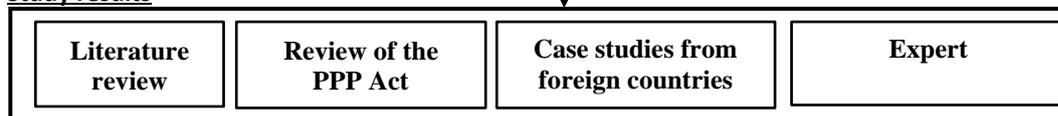
The study calls for a comprehensive PPP strategy in Thailand that integrates global best practices in legal reform, administrative efficiency, community participation, and innovative financing, aiming to bridge the implementation gap of housing policies.

Opportunity to propose corrections and improvements



Review of the PPP Act and housing development for low-income people Joint investment of Thailand and foreign countries

Study results



Improve Original

Request
 Amendments to Thailand's 2019 PPP Act aim to enhance low-income housing by clarifying roles, increasing transparency, improving risk management, standardizing legal procedures, and streamlining dispute resolution, drawing inspiration from international models to boost effectiveness and transparency.

- Clarity and Specificity in Section 7(10): Explicit definitions of roles and responsibilities (Singapore's approach)
- Transparency and Accountability in Sections 54 and 60: Mandatory project disclosure (U.S. model)
- Risk Allocation: Comprehensive guidelines for risk sharing (Japan's approach)
- Standardization: Standardizing legal documents and contracts (UK's practice)
- Standardization: Standardizing legal documents and contracts (UK's practice)

Expert Advice

Experts recommend transparent procurement, strong community participation in planning, and a focus on environmental sustainability to improve the effectiveness and responsiveness of Thailand's PPP framework.

- Emphasize transparency in procurement and bidding processes
- Enhance community engagement in project planning stages
- Prioritize environmental sustainability in project criteria

New Additions

- Independent Regulatory Body: Oversight of PPP projects (regulatory bodies in the UK)
- Continuous Evaluation: Regular assessments of the Act's effectiveness

"New additions" to Thailand's PPP Act involve establishing an independent regulatory body for PPP oversight and introducing an ongoing evaluation process for the Act's effectiveness, adapting to low-income housing needs. These changes aim to improve governance and long-term efficacy of the PPP framework.

Case Additions

- Affordable Housing Projects: Guidelines for low-income housing (Singapore's focus on affordability)
- Community-Centric Developments: Emphasizing community participation (U.S. community-focused approaches)
- Community-Centric Developments: Emphasizing community participation (U.S. community-focused approaches)

"Case Additions" to Thailand's PPP Act focus on affordable housing, community engagement, and eco-friendly practices, inspired by successful models from Singapore, the U.S., and the UK/Japan, to improve low-income housing development.

Guidelines for Developing Appropriate Public-Private Partnerships for Low-Income Housing in Thailand

Figure 2 Results of the study and recommendations for housing development for low-income people, PPP model, for Thailand

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