

Overseas Fieldwork Report 2008:

Chiang Mai Province, Thailand



**Graduate School of International Development
Nagoya University**

Overseas Fieldwork Report 2008

Chiang Mai Province, Thailand

March 2009

**Graduate School of International Development
Nagoya University
Nagoya, Japan**

Overseas Fieldwork Report 2008
Chiang Mai Province, Thailand

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Introduction

The seventeenth Overseas Fieldwork (OFW-2008) of the Graduate School of International Development (GSID), Nagoya University, conducted in close cooperation with Chulalongkorn University was successfully completed in Chiang Mai, Thailand in October, 2008.

This is the sixth OFW undertaken in Thailand in cooperation with Chulalongkorn University. We conducted the first two in the Northeastern Region, in Roi Et (1992) and Nakhon Ratchasima (1993). The third and fourth took place in the North Region, in Chiang Rai (1998), and Lampang (1999). The fifth took place in the Northeastern Region, in Khon Kaen (2002).

Considering our former experiences in Thailand, we decided to introduce several improved methods, 1) combination of Overriding Themes and site selections, 2) cooperation between domestic fieldwork of Chulalongkorn University and OFW of GSID, 3) delivery presentations by Doctoral Course students of GSID at the sites, 4) cooperation with specialists outside GSID (Professor Attachak Sattayanurak and Professor. Senjyo Nakai of Chiang Mai University: specialists of North Thai; Professor Tetsuo Umemura: specialist in field work and tourism development), and 5) cooperation with student advisors from inside GSID. The first method will be explained in the next section by Professor Otsubo who proposed and guided the OFW participants. Part of the grants in 'Initiative for Reform of Graduate School Education' that GSID received from the MEXT of Japan enabled us to try these methods.

Acknowledgements

The committee of OFW 2008 is indebted to many people and institutions both in Thailand and Japan for the successful completion of this year's program.

Our thanks are first due to the people of Chiang Mai and Lamphun Province. We are especially grateful to the Governors and all the officials of the Provincial governments as well as the directors and head persons of 31 sites we visited for their support and hospitality. We also would like to express our sincere gratitude to all of those who kindly gave us helpful information in the interviews and questionnaire survey.

Next thanks are due to the advisors: Professor Phaisal Lekuthai and Professor Supatra Lohvacharakul from Chulalongkorn University; Professor Attachak Sattayanurak and Professor Senjo Nakai from Chiang Mai University; and Professor Tetsuo Umemura from University of the Ryukyus. Their close and dedicated collaboration was truly indispensable for the accomplishment of the program. We should not forget to thank to Dr. Sunetra Lekuthai and Ms. Phanida Roidoung of

Ministry of Finance, and the students of Chiang Mai University as translators; also thanks to Mr. Ryuichi Kuwagaki, Mr. Essam Yassin Mohammed, and Mr. Sinarimbo Norhasshim of GSID Ph.D. program as student advisors. They helped OFW participants all through the period of the fieldwork.

We are also very grateful to those who provided valuable lectures and seminars to our participants in the preparatory courses of OFW. Professor Naomi Okada, Professor Mayumi Hamada from FASID and two students of GSID, acted as main and sub-moderators in the Project Cycle Management course. Professor Phaisal Lekuthai, Mr. Phakpoom Tippakoon of GSID, Professor Sunate Kampeeraparp of GSID, Professor Ake Tangsupvattana of Chulalongkorn University, Mr. Yayatan Isra, Professor Anan Ganjanaphan of Chiang Mai University lectured in the weekly seminar.

Finally, we would like to thank Ms. Kelsey Lynn Haskins of GSID who kindly took on the English editorship of this report.

Committee on OFW 2008

Atsuko Ohashi, Professor and Project Director

Shigeru Otsubo, Professor and Sub-Project Director

Hideto Nishimura, Associate Professor in charge of PCM

Office of OFW

NGOV Penghuy, Assistant Professor (from June 2008)

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Strategy and Overriding Themes for the OFW2008 in Chiang Mai Province, Thailand

Prof. Shigeru T. Otsubo

1. Overriding Themes

- 1) We would like to set “**Development and the Next Generation** (as in WDR2007)” or “**Roles and Fates of Younger Generations in the Local Development Process**” as an **overriding** (partial) **theme** of the groups we form. As is widely known, this topic was the main theme of the World Development Report 2007. This report focused on the 5 key youth transitions: continuing to learn (education), starting to work (entry into labor market), developing a healthful lifestyle (health/medical, HIV issues), beginning a family, and exercising citizenship (youth participation in decision making). Out of these inter-related issues/transitions and sub-issues, we would like to deal with education, employment, youth participation, and the second chance for younger generations. Each group should consider how the issues related to the younger generation can be captured in their research/field survey plans/strategies.
- 2) Other key words/themes would be ‘**Links**’ and ‘**Local Resources/Culture**’. As development in the Chiang Mai region has been deeply rooted in the Lanna Culture and the process of development both in city and rural areas heavily depends on local resources, groups should always keep these key words in forming/conducting field studies. As for links, including rural-city links, highland-lowland links, links between generations, industrial links, and other forms of links, should be explored during our field survey in Chiang Mai.
- 3) With these shared overriding themes, the members of the entire OFW2008 team should be united and interactive with each other even if engaged in grouped and rather independent research/surveys that cover different sets of issues and sites.

2. Basic Field Survey Strategy

- 4) We will NOT use the one-site one-group OR one-site one-theme format in our OFW2008. As each group forms research question(s) and a field survey strategy, a **combination of sites to visit/survey** should be determined. For this end, we have prepared a list of over 25 sites/locations that students can survey during our trip to Chiang Mai. In addition, groups can

always add sites as they explore the issues of their concern. A sample combination of sites for each group will be shown to students for reference.

- 5) **Urban-Rural Linkages** are of great importance for our OFW2008 as Chiang Mai Province offers various links between Chiang Mai City and surrounding rural areas. Product flows, student flows, labor market connections, and flow of people (for tourism development) between the city and rural areas should be explored. Each group should choose sites to survey from both rural locations and the city center.
- 6) With these overriding themes and rules observed, **each group should form a research strategy rather freely**. Students in each group should develop research topic(s), survey methodologies to utilize, and make site selections by themselves. Although a full exercise of PCM is not required, given time constraints and the adopted multiple-site survey format, it is nonetheless recommended that each group utilize some elements of **PCM analyses**.

3. Group Formation

Group 1: Economic Development

(Topics/Issues)

Income Generation, Employment, Rural-City Labor Market Links, Rural-Resource-based SMEs and FDI Firms, Culture/Tourism-based Industry, etc.

Group 2: Education/Human Resource Development

(Topics/Issues)

Formal/Non-Formal Education, Continuing Education and Re-Training, Rural-City Student Flows, Education for Development of Life Skills, etc.

Group 3: Ethnic Group in Development

(Topics/Issues)

Hill Tribes, Highland-Lowland (Rural-City) Links
(economy, labor flows, education, local culture, etc.)

Group 4: Tourism Development

(Topics/Issues)

Local/Village Development on Culture/Tourism, Capacity Development for Tourism/Community Development, etc.

List of Participants

Faculty Members (9)

Working Groups	Advisors from GSID, Nagoya University	Advisors from Chulalongkorn and Chiang Mai Uni.
WG1	Shigeru Otsubo	Lekuthai Phaisal
WG2	Yuto Kitamura	Attachak Sattayanurak
WG3	Atsuko Ohashi	Senjo Nakai
WG4	Tetsuo Umemura	Supatra Lohvacharakul
Logistics/Coordination	Penghuy Ngov	Lekuthai Phaisal

Thai Student interpreters (9)

WG	Name	Sex	WG	Name	Sex
WG1	Sunetra Lekuthai,	F	WG3	Manawat Promrat	M
	Phanida Roiduang	F		Praphaphan Daoram	F
	Pinyapan Potjanalawan	M			
WG2	Kewary Sukket	F	WG4	Kanlayanee Tanarattanakorn	F
	Asawapon Sangarunlert	F		Pattarat Phantprasit	F

GSID Student advisors (3)

WG	Name	Sex	WG	Name	Sex
WG1	Penghuy Ngov (Assi. Prof)	M	WG3	Norhassim Sinarimbo	M
WG2	Ryuichi Kuwagaki	M	WG4	Essam Mohammed	M

GSID Students (30)

	Name	Dep.#	Sex	Nationality
WG1 Economy	Chan Sokyeng	DID	F	Cambodian
	Kim Veara *	DID	M	Cambodian
	Kulkarni Mandar Vijav **	DID	M	Indian
	Mitomi Fusae	DID	F	Japanese
	Ek Sopheara	DID	F	Cambodian
	Murakami Takeshi	DID	M	Japanese
	Karlina Sari *	DID	F	Indonesian
	Kotani Masayuki	DID	M	Japanese
WG2 Education	Mawatari Fujika	DID	F	Japanese
	Aida Mikiya	DID	M	Japanese
	Sato Yuko *	DICOM	F	Japanese
	Matsui Kayo **	DID	F	Japanese
	Sok Lim *	DID	F	Cambodian
	Kasumah Andry Yudha	DICOS	M	Indonesian
	Hokari Shuhei	DID	M	Japanese
WG3 Minority	Erin Sue Sakakibara *	DID	F	USA
	Makizono Mai	DICOS	F	Japanese
	Amino Yoshihisa	DID	M	Japanese
	Anji Kaori **	DICOS	F	Japanese
	Enkhbaatar Baatar	DICOS	M	Mongolian
	Asada Mitsuyoshi *	DID	M	Japanese
	Kuwabara Haruka	DICOM	F	Japanese
WG4 Tourism	San Miguel Borbely Patricia Alexandra	DICOS	F	Venezuelan
	Maharani Hapsari	DICOS	F	Indonesian
	Kakehi Fumiko	DICOS	F	Japanese
	Rithiwathanapong Thanyaporn *	DICOS	F	Thai
	Thongneam Pijitra	DICOM	F	Thai
	Himeda Teppei **	DID	M	Japanese
	Teranishi Kimiko *	DICOS	F	Japanese
	Hasvirun Niam	DID	M	Indonesian

** Group leader, * Sub-leader, # DID: Department of International Development, DICOS: Department of International Cooperation, DICOM: Department of International Communication

Program of OFW 2008

Preparatory Seminar at GSID

Date	Hours	Title of the Lecture	Lecturer
May 14	15:00-16:30	“Introduction to the Year 2008 OFW”	Prof. Shigeru Otsubo, GSID Prof. Phaisal Lekuthai, Visiting Professor at GSID (Chulalongkorn University)
May 21	15:00-16:30	“Introduction to Thailand, Chiang Mai and the sites”	Prof. Phaisal Lekuthai and Prof. Shigeru Otsubo
May 28	15:00-16:30	“Social and Economic Development”	Prof. Phaisal Lekuthai and Phakpoom Tippakoon (Doctoral Student at GSID)
Jun. 4	15:00-16:30	Presentation of Research Proposals	WGs (10 min presentation by each WG)
Jun. 11	15:00-16:30	“Education in Thailand”	Prof. Sunate Kampeeraparp, GSID
Jun. 18	15:00-16:30	“Politics and local administration in Thailand”	Prof. Ake Tangsupvattana, Chulalongkorn University
Jun. 25	15:00-16:30	“Lanna Thai Culture”	Prof. Phaisal and Mr. Yayatan Isra
Jul. 2	15:00-16:30	“Minorities and Development in Northern Thailand”	Prof. Annan Ganjanaphan, Chiang Mai University
Jul. 9	15:00-17:30	“Research Ethics and Presentation Skill”	Prof. Ohashi and others
Jul. 23	15:00-17:00	Presentation of Research Plans	WGs (15 min presentation by each WG)
Sep. 9-12	15:00-17:00	“Tourism and Development”	Prof. Tetsuo Umemura, University of the Ryukyus

Interim Presentation of Research Findings in Chiang Mai

The interim presentation of research findings was held in Chiang Mai with the participation from professors and students of Chulalongkorn University on Oct. 8, 2008.

Final Presentation of Research Findings in Chiang Mai

The presentation of research findings was held in Chiang Mai by each working group on Oct. 14, 2008.

Presentation of Research Findings at GSID

The presentation of research findings was held at GSID by each working group to disseminate and to collect feedback from colleagues on Dec. 5, 2008.

Overall Schedule of Fieldwork in Thailand

Date	Activities
Oct. 1 (Wed.)	8:15 Meeting at Chubu International Airport 10:30 Departure from Nagoya (TG645) 14:35 Arrival at Bangkok (transit) 17:15 Departure from Bangkok (TG116) 18:25 Arrival at Chiang Mai
Oct. 2 (Thu.)	Namiki Precision (WG1), Wat Nong Lom (WG2, WG3), Tourism and Sports Office (WG4)
Oct. 3 (Fri.)	Baan Tawai, TAO (WG1, WG4), Wat Don Chan (WG2, WG3)
Oct. 4 (Sat.)	Baan Tawai (All WGs), Saturday Walking Street
Oct. 5 (Sun.)	Borsang Umbrella (WG1, WG2, WG4), Hmong Hill Tribe Village (WG3)
Oct. 6 (Mon.)	Hmong Hill Tribe Village (All WGs)
Oct. 7 (Tue.)	By Hands (WG1, WG2), Jolie Femmes (WG1), Wat Sri Suphan (WG2, WG4), Welfare School (WG3)
Oct. 8 (Wed.)	AM: Preparation for Presentation; PM: Interim Presentation of Research Findings
Oct. 9 (Thu.)	LTEC (WG1), Shindengen (WG1, WG2), Waterfall, Caves (WG4)
Oct. 10 (Fri.)	Meng Rai Kiln (WG1), Scented Candle (WG1), Chiang Mai Uni. (WG2, WG3)
Oct. 11 (Sat.)	PCM Exercise
Oct. 12 (Sun.)	Project Cycle Management Exercise
Oct. 13 (Mon.)	Visit Government Offices for Additional Information; Preparation for Presentation
Oct. 14 (Tue.)	AM: Presentation of Research Findings 21:00 Departure from Chiang Mai (TG127) 22:10 Arrival at Bangkok (transit) 00:20 Departure from Bangkok (TG644)
Oct. 15 (Wed.)	08:00 Arrival at Nagoya

(Accommodations: Duang Tawan Hotel, Chiang Mai)

Photographs



Borsang Umbrella Production Center



Orientation at Baan Tawai Center



Preparatory Seminar at GSID



WG1



WG2



WG3



WG4



Final Presentation in Chiang Mai

Background Information on Chiang Mai Province, Thailand

By Prof. Phaisal Lekuthai*

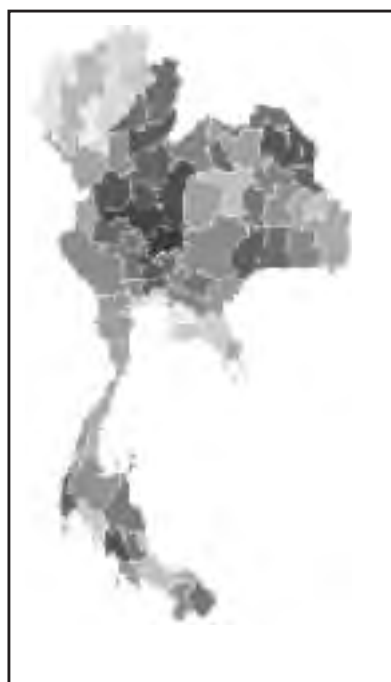
1. Introduction

Thailand is situated in the Southeast Asian mainland, the latitude 6-21 North and longitude 98-105 East, covering an area of 514,000 km², of which 2,230 km² are water area and the 511,770 km² are land area with 27.54% arable land, 6.93% permanent crops and others 65.53%. The irrigated land is approximately 49,860 km². Thailand has land boundaries of 4,863 km, borders with Burma 1,800 km to the north, 803 km with Cambodia to the east, 1,754 km with Laos to the north and 506 km with Malaysia to the south. The total coastline along the Gulf of Thailand and the Indian Ocean is 3,219 km.

Figure 1: Map of Thailand



Figure 2: Thailand's 76 Provinces



Thailand has maximum dimensions of about 2,500 km. from north to south and 1,250 km. from east to west, being located at the center of Southeast Asia and a part of the logistic highways, namely north-south and east-west corridors which were completed in 2007. These connect with the highways from Yunnan Province of southern China, and thus the international trade among Southeast Asian countries including southern China will drastically increase in the near future (**Figure 1**).

Thailand is governed by a constitutional monarchy. The country is geographically divided into 4 regions, North, Northeast, Central and South and administratively divided into 76 provinces. Province is the local administration, subdivided into districts (amphoe), subdistricts (tambons) and villages. Bangkok is the capital city with an elected governor. The other 75 provincial governors are appointed by the central government.¹

(Figure 2)

The northern region is mountainous; the northeast region frequently faces sudden floods during rainy season, severe drought and cold during hot and cold seasons. The central region has fertile soil, but is often flooded during rainy season. The southern region is hilly to mountainous and has several offshore islands. Thailand is a warm and rather humid tropical country. The monsoon or rainy season starts from May to September and a relatively dry season for the remainder of the year. Temperatures are highest in March and April and lowest in December and January. However, nowadays the climate changes and the seasons shift due to global warming.

1.1 Population

According to NSO, December 31, 2007, the population was 65,068,149, out of which 32,180,628 are male and 32,887,521 are female and the total number of households was 20,089,221 with an average of 3.24 people per household. 10% of the population is below the poverty line. Thailand is an aging society because 8% of the population is 65 years and over and in the near future it will become an aged society. The fertility rate is 1.64 children born/woman and the population growth rate is 0.663%; birth rate is 13.73/1,000 population and death rate is 7.1/1,000 population. Average life expectancy at birth is 72.55 years; 70.24 years for male and 74.98 years for female. The literacy rate is 92.6%; 94.9% for male and 90.5% for female. The number of labor force is 35.75 million, with 49% involved in agriculture, 14% in industry and 37% in services. GDP (purchasing power parity) is US\$ 596.5 billion and GDP per capita (purchasing power parity) is US\$ 9,200. The economic growth rates are 4.5%, 5%, 4.3%, 4.6% for 2005, 2006, 2007 and 2008 respectively. Thailand's competitiveness rankings during military coup 2006 – 2007 continued to decline as compared to prior periods. The consumer confidence index also dropped continuously right after the coup d'état in September 2006, it dropped from 29.8 to 12.6 by the end of 2007 and political uncertainty has led to a year of stagnation.²

1.2 Politics

Since 1932, Thailand has had 18 Constitutions and Charters, one of the highest numbers in the world. Following the 1932 revolution, Thai politics had been dominated for a half century by military and bureaucratic elite. Changes of government were effected primarily by means of a long series of mostly bloodless coups. However, military coup makers always promise to hold elections in the near future. In January 2001 election, Mr. Thaksin Shinawatra and his Thai Rak Thai Party won an overwhelming victory on a populist platform of economic growth and development. The following general election held on February 6, 2005, resulted in another landslide victory for Thaksin and Thai Rak Thai, which controlled 374 seats of 500 seats in Parliament's lower house. Thaksin's popularity policies in rural areas and the publicity were the keys to Thai Rak Thai's historical victory. However, Thaksin proceeded to become the target of public protests that led to widespread calls for his resignation or impeachment. The discontent was caused by his family's tax-free sale of shares in the telecom Shin Corp to Temasek Holdings of Singapore for 73 billion Baht. That deal later triggered street protests and eventually led to the military coup.³ On the night of September 19, 2006, the military staged another bloodless coup d'état. The coup leader General Sonthi

Boonyaratkalin overthrew Thaksin from power. The military junta remained in power for 15 months until the 2007 Constitution with 309 articles was drafted and approved. Then the general election was held on December 23, 2007. Eligible voters of 32,759,009 people, 74.45% turned out to cast ballots, which is the new record turnout. The new government was formed in early 2008 with a six-party coalition and Mr. Samak Sundaravej the leader of People Power Party (PPP) was appointed Prime Minister.⁴ The 1997 Constitution has effectively strengthened political parties in response to the rather messy polity of coalition since 1932. The current 2007 Constitution seeks to undo the mistake by many provisions that would considerably weaken political parties, as the result of this Constitution, Thai Rak Thai Party was dissolved and 111 Party's administrative members are banned from politics for 5 years.⁵ The former Thai Rak Thai Party members moved to join the PPP and are now attempting to push the proposed constitution amendments to strengthen the political parties; this movement creates controversy for the public.

1.3 Tourism

Tourism is the most important sector of Thailand in terms of revenue generation and foreign exchange earning. For many long years, Thailand has remained a popular destination for foreign tourists. Tourist arrivals in 2006 accounted for 13.82 million. In 2007, the tourism sector showed mixed results, as political and security uncertainties in the wake of the September 2006 coup led to fewer East Asian arrivals. But double-digit growth from European, Middle Eastern and South Asian visitors helped the sector reach official targets of 14.8 million visitors and revenues of 547 billion Baht for the year in total. Visitor arrivals in the first nine months of the year at Suvarnabhumi Airport rose by 4% to 7.47 million. East Asian visitors dropped 3.81% in the first nine months from last year to 3.51 million, with arrivals from China, Singapore and Malaysia all down sharply. On the other hand, visitors from Japan, the biggest segment among East Asian travelers, rose 2.49% in the first nine months to 873,788, while Korean tourist arrivals rose 8.21% to 622,888. Strong growth rates from other markets also helped overall growth, led by a 13.08% increase in European travelers in the first nine months to 2.13 million. South Asian visitors showed similar growth rates, at 12.65% to 493,926, while Middle Eastern tourists increased 16.25% to 324,021 and Oceania visitors by 22.3% to 397,013. TAT's policy focus is on quality tourism and revenues more than actual arrivals.⁶ (Table 1)

For 2008, the TAT has set an arrival target of approximately 15.72 million, up 5% from the previous year, with revenues from overseas visitors rising 10% to 602 billion Baht. The tourism policy under the "Amazing Thailand" banner would focus on five areas:

- (1) Environmental preservation and Eco-tourism
- (2) Community participation in industry development
- (3) Niche markets
- (4) Domestic tourism
- (5) Improving co-operation among related agencies

However, transport infrastructure is an increasing problem facing this sector, as Suvarnabhumi Airport is already running at full capacity and demand from new markets could not be met due to flight constraints on the national carrier Thai Airways International. Domestic tourism, meanwhile, was expected to grow modestly in 2008, with revenues projected at 405 billion Baht compared with 377.8 billion the previous year. Total trips were projected to reach 85 million in 2008, compared with 81.99 million the previous year (Table 2).

Table 1: Number of International Tourism Arrivals (9 months of 2007)

Tourism arrivals			
International arrivals at Suvarnabhumi Airport			
Nationality	9m D7		% change
	Number	% share	year-on-year
East Asia	3,511,427	46.97	-3.81
Asean	902,956	12.08	3.82
• Brunei	5,637	0.08	-7.65
• Cambodia	23,412	0.31	2.93
• Indonesia	91,885	1.23	3.01
• Laos	10,048	0.13	10.26
• Malaysia	258,511	3.46	-6.92
• Burma	52,000	0.70	26.51
• Philippines	109,110	1.46	15.78
• Singapore	281,802	3.77	15.85
• Vietnam	70,251	0.94	32.58
China	561,427	7.51	13.34
Hong Kong	241,735	3.23	1.42
Japan	873,788	11.69	2.49
Korea	622,883	8.33	8.21
Taiwan	288,482	3.86	10.20
Others	20,156	0.27	0.54
Europe	2,132,129	28.52	13.08
France	225,820	3.02	23.54
Germany	309,902	4.15	6.52
United Kingdom	495,973	6.63	2.42
Americas	548,367	7.33	0.02
Canada	101,993	1.36	-0.75
United States	412,000	5.51	-1.30
South Asia	493,926	6.61	12.65
India	365,973	4.90	16.67
Oceania	397,013	5.31	22.30
Australia	332,758	4.45	25.11
Middle East	124,021	1.66	16.25
Africa	69,448	0.93	10.79
Total	7,476,331	100.00	4.00

Source: Tourism Authority of Thailand

Table 2: Number of Tourists, Spending, Revenue and Projections

Travel trends						
Foreign arrivals (millions), Thai tourists (million trips), spending (baht/head/trip) and total revenue (million baht)						
Foreign Arrivals						
Year	Number	% change	Spending	% change	Revenue	% change
2006	13.65	+18.52	35,238	+10.47	481,000	+30.93
2007	14.80	+8.42	36,993	+4.98	547,500	+13.38
2008	15.72	+6.22	38,295	+3.52	602,000	+9.95
2009	16.60	+5.60	39,839	+4.29	663,000	+10.13
2010	17.65	+6.33	41,473	+3.84	732,000	+10.41
Thai Tourists						
2006	79.33	-0.25	3,738	+4.74	349,800	+4.5
2007	81.99	+3.35	3,907	+4.52	377,800	+8.0
2008	85.0	+3.67	4,040	+3.39	405,000	+7.2
2009	88.15	+3.71	4,175	+3.35	434,000	+7.16
2010	91.18	+3.44	4,326	+3.6	465,000	+7.14

Source: TAT

For the fiscal year 2008, TAT was allocated a 4 billion Baht budget, of which 1.2 billion went to overseas marketing. Activities would focus on 21 primary countries in Europe, as well as Japan, China, India and 14 new target markets in Eastern Europe, South Africa, India and Vietnam. A new national tourism policy committee would be founded with representatives from both the public and private sectors, and be responsible for development strategies and enforcement of service standards. Greater awareness of environmental issues is also needed given the growing concerns expressed around the world about sustainable tourism and global warming. Overseas tour operators also had expressed strong support for the concept, saying that raising the country's green profile would help draw both new and repeated visitors in the future.⁷

In 2008, private investment could pick up, led by plans to increase mass transit construction. Early April 2008, the new government has signed a financing contract for the Purple Line mass transit route. The government also has a clearer scheme for the Red and Blue lines. All of these developments would stimulate real estate. In any case, political stability will be the key for the 2008 economy and without clarity and consistency of the government policy Thailand may not yet be out of economic stagnation.⁸

In Thai history there have been several military coups and lots of differences among the four regions of Thailand; however, there is unity beneath the diversities. The King and royal family are at the center of Thai people's unity.

2. General Background of Chiang Mai Province

Chiang Mai is also known as “Nophaburi Sri Nakhon Ping” or “Wiang Ping Chiang Mai” which means “Rose of the North”. It was founded as the capital of the Lanna Kingdom (Kingdom of a Million Ricefields) by King Mengrai in 1296 A.D. The city celebrated its 700th anniversary in 1996, being 712 years old now. Chiang Mai is now the second most important city in the country after Bangkok and the main city in the northern region. It is the second biggest province in terms of area next to Nakhon Ratchasima. It is a city of ancient arts and crafts continuing the proud tradition of Lanna Thai. Chiang Mai's vision is “City of Life and Prosperity” with the logo of an elephant.⁹ (Figure 3)

Figure 3: Vision and Logo of Chiang Mai



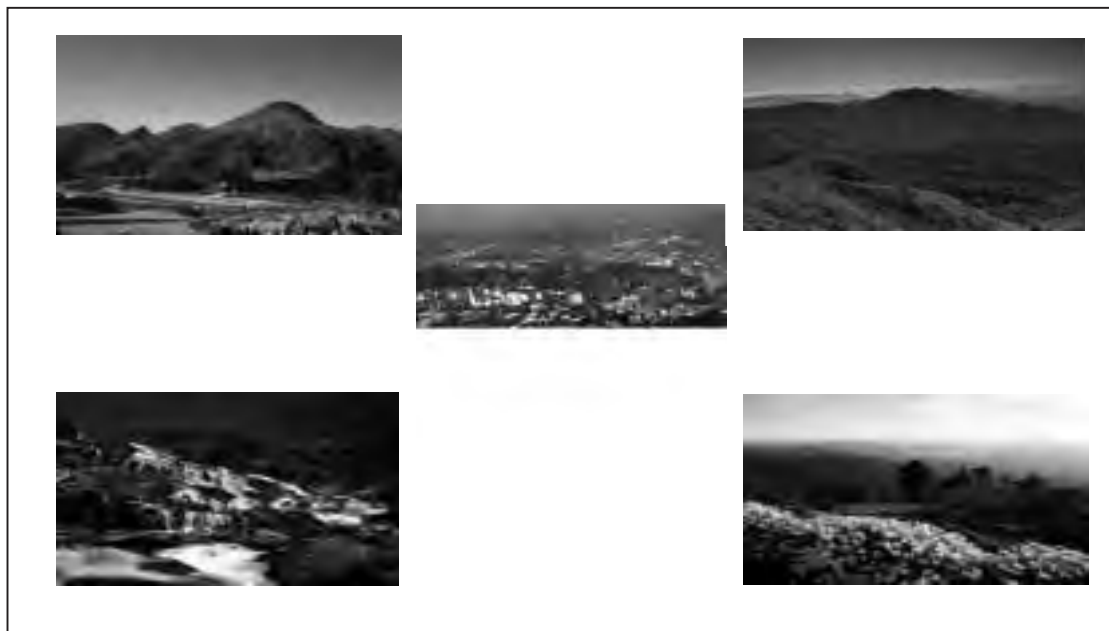
Source: [http://www.Chiang Mai.go.th](http://www.ChiangMai.go.th)

2.1 Location

Chiang Mai is located in the north of Thailand, about 720 km from Bangkok at an elevation of 1,027 feet or 310 meters above the sea level. To the north it borders Myanmar, while to the south it connects with Tak Province. Chiangrai, Lamphun and Lampang lie to the east and the west touches Mae Hong Sorn Province.

Chiang Mai geographically is a broad plain in the middle of the region on both sides of Ping River, surrounded by mountains (**Figure 4**). The province covers an area of 20,107.057 km² (12,566,910 rai)¹⁰ made up of 8,787,656 rai (69.92%) of forest, 1,611,283 rai (12.82%) of agricultural land and 2,167,971 rai (17.25%) of residential and other land. The weather in Chiang Mai is relatively cool all year round, the temperatures ranges between 20°C and 31°C with an average temperature of 25°C. The relative humidity average 72% and annual rainfall is normally 1,000 – 1,200 mm.¹¹

Figure 4: Chiang Mai Broad Plain in the Middle Surrounded by Mountains



Source: <http://www.Chiang.Mai.go.th>

2.2 Population

As of December 2006, Chiang Mai had a population of 1,658,298, out of which 815,529 are male and 842,769 female. The average population density is 82 inhabitants per square kilometer and the total number of households is 607,059 with an average household size 2.7 people. There are 1,251 villages of highland communities scattered across many districts in Chiang Mai, with the total number of 70,820 households or 312,447 inhabitants. The majorities are Karen, Musoe, Hmong, Leesaw, Akha, Yao, Lua, Chinese, Burmese, Palong, Tai Yai, Tai Lue.¹²

For administrative purposes Chiang Mai Province is divided into 24 districts, 204 tambon or subdistricts and 2,066 villages. In terms of land area, the three biggest districts are D-3 (Mae Chaem), D-18 (Omkoi) and

D-4 (Chiang Dao) with land area of 3,361.151 km², 2,093.831 km² and 1,882.082 km² respectively. In terms of population, the three most populous districts are D-1 (Muang or main district), D-9 (Fang) and D-14 (San Sai) with the population of 243,065; 121,374 and 108,352 respectively.¹³

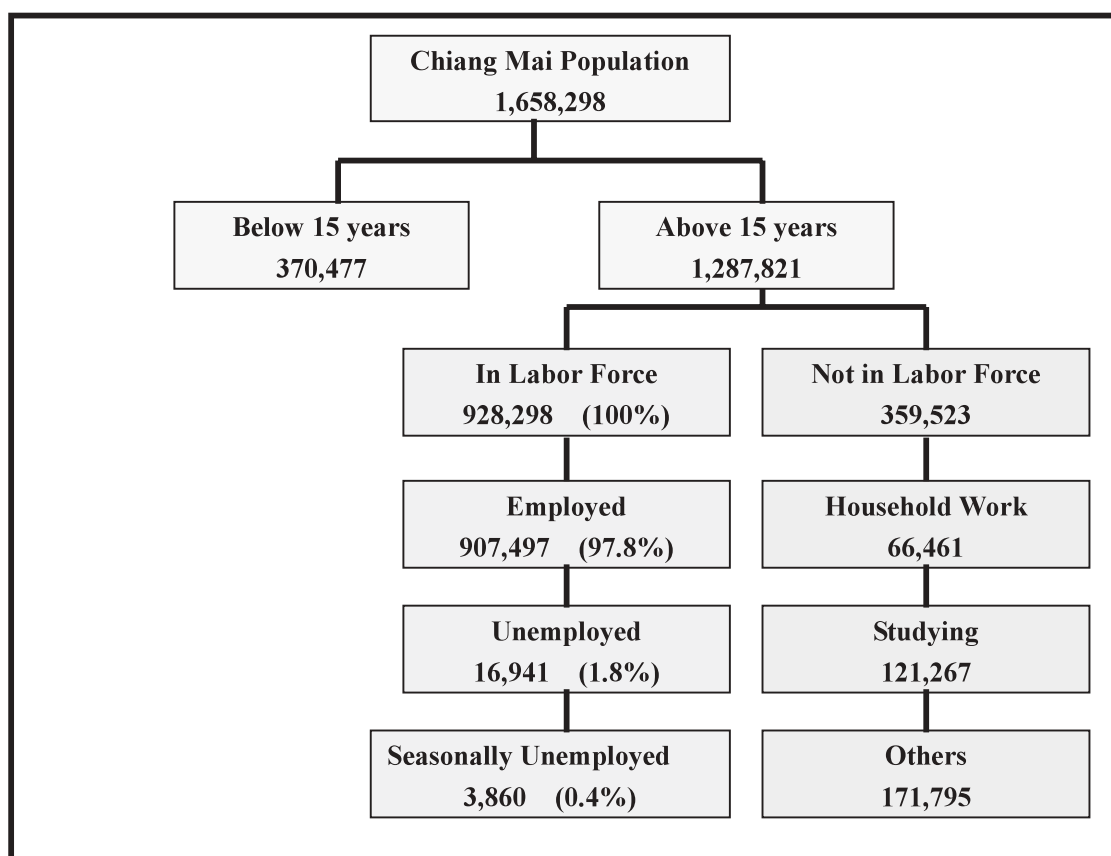
Table 3: Chiang Mai Population Classified by Religions

Religions	% of Population
Buddhist	91.80
Muslim	1.17
Christian	5.60
Brahmin, Hindu, Sikh	0.02
Others	1.41

Source: <http://www.ChiangMai.go.th>

The majority of people living in Chiang Mai are Buddhist, at around 91.8%, about 1.17% are Muslim, 5.6% are Christian, 0.02% are Brahmin, Hindu and Sikh, and the remaining 1.41% are other religions and beliefs (**Table 3**)

Figure 5: Chiang Mai Labor Force (2006)



Source: <http://www.ChiangMai.go.th/cmweb/agenda/less1.pdf> Chiang Mai Strategic Plan 2007 – 2011

By the end of 2006, out of total population of Chiang Mai, 1,287,821 were above 15 years of age and 928,298 were in the labor force, 907,497 or 97.8% were employed. 16,941 or 1.8% were unemployed and

the remaining 3,860 or 0.4% were seasonally unemployed.

2.3 Education

In 2006 there were 1,195 educational institutions located in Chiang Mai Province, which consist of 9 universities, 21 vocational schools, 8 international schools and the remaining were kindergarten, primary and secondary schools. The total number of teachers was 20,840 and the total number of students was 432,886; with the teacher-student ratio of 1:21. The total number of students can be classified into kindergarten level 54,150 or 12.5%, primary school students 143,278 or 33.1%, lower secondary school students 75,504 or 17.5%, upper secondary school and vocational school students 64,173 or 14.8% and university students 95,718 or 22.1%¹⁴(Table 4).

Table 4: Number of Students in Chiang Mai Province Classified by Levels (2006)

Level of Education	Number of Students	%
Kindergarten	54,150	12.5
Primary School	143,278	33.1
Lower Secondary School	75,504	17.5
Upper Secondary & Vocational School	64,173	14.8
University	95,718	22.1
TOTAL	432,886	100.0

Source: <http://www.Chiang.Mai.go.th/cmweb/agenda/less1.pdf> Chiang Mai Strategic Plan 2007 – 2011

Table 4 shows a considerable high enrollment rate at primary school level because it is a compulsory education. If parents fail to send their children to primary school, they will be penalized. The number of dropouts during the transition from primary school to lower secondary school by almost 50% is unusually high due to 2 reasons. In rural areas almost every village has at least one primary school, but there is no lower secondary school in many villages, and some students cannot afford time to travel to lower secondary school in other areas. Another reason is purely economic; poor families cannot bear expenses incurred in sending their children to lower secondary school in another area, especially traveling and food expenses. Moreover, they need their children to help in the farm work or household work or in some cases to earn additional income to support the family. The number of dropouts from lower secondary level to upper secondary and vocational school is quite small due to few students wanting to start working to support the parents and a very small number of students feel that they are not capable of continuing their study at upper secondary or vocational levels.¹⁵ At university level, the number of students increases by almost 50%. The additional students come from two sources; the first source is students from “Direct Track”, they are students who pass high school and live in northern region and are eligible to come under Chiang Mai University direct admission quota, and those high school graduates from any part of the country who pass the central admission system. The second source of additional students is the “Indirect Track”, or students who start working before high school graduation and they join information education or vocational education. After graduation with certificate equivalent to high school certificate, they are eligible to sit for entrance university examination; those who pass the test will go back to the formal education at university level.

2.4 Healthcare Service

In Chiang Mai Province during 2006 there were 31 government hospitals, 14 private hospitals, 265 health centers and 441 clinics with total 5,529 beds for patients (**Table 5**). Normally, the General Hospitals are located in the main district which is the most urbanized district of the province. In other districts of each province, there will be at least one District Hospital and sub-district (tambon) level will be responsible by Health Center. Private clinics run by doctors, provide medical services morning, evening and all days during the weekends. They are concentrated in the main district (Muang District) of the province and few clinics are distributed in urbanized area of other districts of each province.

Table 5: Medical Establishments (2006)

Medical Establishments	Number
1. Government Hospitals	31
2. Private Hospitals	14
3. Health Centers	265
4. Private Clinics	441
TOTAL	751

Source: <http://www.Chiang Mai.go.th>

Table 6: Medical Personnel (2006)

Medical Personnel	Number of Personnel	Medical Personnel : Population
1. Physician	860	1 : 1,928
2. Dentist	181	1 : 9,161
3. Pharmacist	405	1 : 4,095
4. Register Nurse	5,006	1 : 331
5. Medical Technician	469	1 : 3,536

Source: <http://www.Chiang Mai.go.th/cmweb/agenda/less1.pdf> Chiang Mai Strategic Plan 2007 – 2011.

Table 6 shows the number of medical personnel of each category and the ratio of population per one medical personnel. There were 860 physicians working in Chiang Mai Province, on the average each physician had to take care of 1,928 people. There were only 181 dentists, and each dentist had to take care of 9,161 people. Each year Chiang Mai University produces about 100 dentists, but most of them go abroad for further study and work overseas. There were 405 pharmacists with pharmacist-population ratio of 1:4,095. The number of nurses was 5,006. On the average one nurse had to take care of 331 people. The number of medical technicians was 469, where each technician had to take care of 3,536 people.

2.5 Economy

Chiang Mai's economy has been growing rapidly and efficiently because of its diverse economic background. In 2005, the GPP was 103,276 million Baht which is the highest in the northern region. The per capita GPP was 64,429 Baht ranked third in the region. The GPP of the agricultural sector was 13,797 million Baht or 13% of the total GPP. The non-agricultural sector generated 89,479 million Baht to GPP or 87% of the total GPP. The highest contributions to GPP were 18% from wholesale, retail and repair business, 13% from agriculture and forestry, 10% from manufacturing and 10% from hotel and restaurant services. The highest per capita income was 45,591 Baht in D-1 (Muang district) and poorest area with the lowest per capita income was 19,249 Baht in D-3 (Mae Chaem district))¹⁶ (Table 7)

Table 7: Chiang Mai's Gross Provincial Product Classified by Manufacturing Sector
(2005) (million baht)

Manufacturing Sector	2005	%
Agricultural Sector	13,797	13
Agriculture, Forestry	13,620	13
Fishery	177	0
Non-agricultural Sector	89,479	87
Mining	764	1
Manufacturing	10,774	10
Public Utilities	2,122	2
Construction	7,230	7
Wholesale, Retail & Repair Business	17,099	18
Hotel & Restaurant	10,657	10
Transportation & Warehousing	7,952	8
Financial Intermediaries	4,766	5
Real Estate Business Services	4,606	4
Government Administration & Compulsory Social Welfare	7,863	8
Education	8,748	8
Health Services & Social Welfare	5,463	5
Community Services	1,196	1
Household Employee	239	0
GPP	103,276	100
Per Capita GPP	64,429	

Source: http://www.Chiang_Mai.go.th/cmweb/agenda/less1.pdf Chiang Mai Strategic Plan 2007 – 2011.

Table 8: Important Economic Crops of Chiang Mai (2006)

Crops	Annual Output (metric ton)	Total Value (million baht)
Orange	223,453	4,174.10
Rice	377,331	2,492.80
Longan	263,694	1,935.51
Onion	51,610	917.63
Garlic	67,927	355.27
Lychee	36,981	194.15

Source: http://www.Chiang_Mai.go.th/cmweb/agenda/less1.pdf Chiang Mai Strategic Plan 2007 – 2011

Chiang Mai produces variety of fruits and vegetables, 223,453 tons of oranges were produced in 2006 with the value of 4,174.10 million Baht. Longan and lychee are the main fruits of Chiang Mai, prices are quite low due to over supplies during the season. Farmers now manage to produce fruits during off season which generate much higher income. Chiang Mai also produces large quantities of rice, onion and garlic each year. The surplus of fruits and vegetables are exported to other regions of Thailand as well as to other countries.

Table 9: Number of Factories Classified into 21 Categories (Dec. 2007)

	Type of Industry	Number of Establishment	Capital Investment (million baht)	Number of Workers
1	Agro-Industry	989	3,368	3,602
2	Food Processing Industry	202	4,222	7,538
3	Beverage Industry	12	1,835	477
4	Textile Industry	24	272	746
5	Garment Industry	55	1,034	4,319
6	Leather Industry	6	48	243
7	Wood and Wood Products	114	778	3,274
8	Furniture	101	842	3,081
9	Paper and Paper Products	15	324	585
10	Printing Industry	21	90	213
11	Chemical Industry	17	284	763
12	Petrochemical Products	9	135	78
13	Rubber Industry	16	63	107
14	Plastic Industry	24	395	605
15	Non-metallic Products	121	1,333	3,218
16	Metallic Products	4	22	37
17	Metallic Repair Industry	75	581	877
18	Mechanical Industry	37	300	393
19	Electrical Industry	4	706	1,035
20	Transportation Industry	199	2,696	2,289
21	General Industry	206	5,721	7,361
	TOTAL	2,251	25,049	40,841

Source: http://www.Chiang_Mai.go.th/cmweb/agenda/less1.pdf Chiang Mai Strategic Plan 2007 – 2011

Table 9 shows that by the end of 2007, there were 2,251 factories located in Chiang Mai area. The total capital investment was approximately 25,049 million Baht and 40,841 workers were employed in this sector. The majority of the industries are small and medium size enterprises (SMEs). The number of establishments in agro-industry, general industry, food processing industry and transportation industry are 989, 206, 202 and 199 respectively. The capital investment in general industry is 5,721 million Baht which is the highest among industries. The second highest capital investment is food processing industry with the capital investment of 4,222 million Baht. But the food processing industry employs 7,538 workers which is highest number as compared to 7,361 workers employed by general industry.

Up to year 2000 it was the Thai government policy to promote SMEs for the following reasons:

- (1) Low capital investment is required
- (2) Labor intensive
- (3) Local or domestic raw material utilization
- (4) More flexible during the economic crisis
- (5) Labor productivity can be improved
- (6) Potential for gradual and stable growth
- (7) Integration of local wisdom is possible
- (8) Common data base can be constructed and utilized

From 2001 the Thai government policy on industrial development shifted from “Individual Entrepreneur Support” to “Group of Entrepreneurs Support” in order to improve the competitiveness and value added creation of SMEs. The Italian model of “Industrial Cluster” (in Italy known as Industrial District) was applied to Thai SMEs with some adjustments. Educational institutions serve as “incubators”, train SMEs how to prepare strategic plan for cluster development. If they form themselves into “Cluster”, the following benefits can be achieved:

- (1) Joint utilization of resources
- (2) Reduction in production cost
- (3) Joint purchase of raw material, machines or any inputs
- (4) Joint production or share order
- (5) Joint transportation of output
- (6) Competition among cluster members led to continuing product innovation
- (7) Easy access to qualified human resources
- (8) Production activities of cluster members support each other
- (9) Easy access to information or data base
- (10) Support new business initiations of cluster members
- (11) Joint training and learning
- (12) Exchange of experience among cluster members

Since 2002 some SMEs have formed themselves into industrial clusters and slowly improved the competitiveness and value chain creation. After 3 years, some clusters are in a position to compete in the global market.¹⁷ Since 2005 the competitiveness of Thai industry has been improving. In the annual competitiveness rankings compiled by the Swiss-based Institute of Management Development (IMD), Thailand has moved up six places from 33rd in 2006 to 27th in 2007. The World Competitiveness Yearbook 2008 noted improvements over the past year in the country’s rankings in all key categories, although infrastructure remains a weak point with rankings significantly lower than in other sectors. According to the Director of IMD’s World Competitiveness Center the power base of the world economy, which used to be

centered on the US, Japan and Europe, is now more diluted. Money, work, brainpower and technology can be accessed almost everywhere.¹⁸

In northern area, especially Chiang Mai and Lamphun areas, most SMEs are owned by Thai investors. In the case of large enterprises most of them are foreign direct investment (FDI) and they are located in the Northern Region Industrial Estate about 30 km from Chiang Mai city. The Industrial Estate is divided into 5 zones:

- Export Processing Zone
- General Industrial Zone
- Commercial Zone
- Residential Zone
- Infrastructure Zone

Investors from Taiwan, Japan, U.S.A., Australia, Germany, Netherlands, Singapore, Belgium, Hong Kong, Malaysia, Holland, Swiss, France, China, Korea and India prefer to invest in the Northern Region Industrial Estate for the following benefits:

- (1) Northern Region Industrial Estate serves as one stop service center
- (2) Plenty of labor supply
- (3) Comparatively low labor cost
- (4) Labor are easy to train
- (5) Land are not expensive and not very far from town
- (6) Good communication network
- (7) Public utilities are readily available
- (8) Investors can enjoy Board of Investment (BOI) privileges

Table 10: Products Manufactured by FDI Firms in the Industrial Estate

Accessories of Inner Wear	Fishing Net	Nitrogen Gas
Aircraft Interior Products	Food Storage Service	Optical Lens
Agricultural Products	Fruit Juice	Packing & Delivery Services
Aluminum Golf Club	Green Mustard	Photo Album
Alumina Ceramic	Hard Disk Drive	P.V.C. Pipe
Artist Brushes	Hydraulic Parts	Radio Frequency Identification (RFID)
Concrete Products	Jewelry	Rice Crackers
Cosmetics	Leather Furniture	Sewing Machine
Curtain	Leather Golf Gloves	Stainless Steel Watch Band
Diamond Cutting	Leather Wear	Water Purification Machinery
Electric Bulb	Lighter & Filter	Wire Netting
Electronic Components	Milk Products	Wooden Decoration
Essential Oil	Motorcycle Carburetor	Wooden Products
Feed-mills	Motorcycle Spare-parts	

Source: The Office of The Northern Region Industrial Estate: Directory of Industrial Operators

Taiwan is the largest foreign investor in Chiang Mai, accounting for 23% of the total foreign investment. Taiwanese investment was in mushroom production, food additive production, refrigeration business and plastic products. Japan and U.S.A. are the second largest investors with the shares of foreign investment 21% each. Japanese investment is in light industry, hair and skin-care products, processed foods, electronic components and vehicle parts. U.S.A investment is also in light industry, fishing tackle, software and agricultural industry. Australia is the third largest investor with shares of foreign investment at 14%. Australian investment is in chromium-plated rust resistant wire netting, sport goods and agricultural industry. The share of foreign investment of each of the remaining countries is less than 10%.¹⁹

2.6 Tourism

Chiang Mai has the potential for tourism both at national and international levels. There are varieties of tourist sites in Chiang Mai area, most of which are eco-tourism sites. Both central government and local government (municipality) continuously promote tourism development.

Table 11: Classification of Tourist Sites in Chiang Mai

	Tourist Sites	Number of Sites	Examples
1	Religious Sites	33	Temples
2	Historical & Cultural Sites	50	Ancient Cities, Castles
3	Ecological Sites	74	Mountains, Caves, Waterfalls, Elephant Camps,
4	Agro-tourist Sites	31	Strawberry Farm, Fruit & Vegetable Farms, Orchid Farms,
5	National Parks and Forest Sites	187	Hot Springs, Camping, Stream Rafting, Bird Watching
	TOTAL	375	

Source: [http://www.Chiang Mai.go.th/cmweb/agenda/index.pdf](http://www.ChiangMai.go.th/cmweb/agenda/index.pdf)

The tourist sites in Chiang Mai area may be classified into 5 categories. The first category is religious sites which involve old temples; out of 1,239 temples in Chiang Mai area, 33 temples are important and worth visiting. The second category is historical and cultural sites which consist of ancient cities, castles and old buildings; there are about 50 sites of this category. The third category is ecological sites; there are about 74 sites of mountains, caves, waterfalls and elephant camps. The forth category is agro-tourist sites which involve agricultural activities such as strawberry farms, fruit and vegetable farms, orchid farms; there are about 31 agro-tourist sites around Chiang Mai. The fifth category is national park and forest sites such as hot springs, camping, rafting, bird watching; there are about 187 locations.²⁰(Table 11)

Table 12: Top 10 Cities Ranking by www.travellandleisure.com 2006

Top 10 Cities Overall			Top 10 Cities in Asia		
Rank	Name	Score	Rank	Name	Score
1	Florence	87.09	1	Bangkok	86.11
2	Rome	86.15	2	Chiang Mai	85.62
3	Bangkok	86.11	3	Katmandu	83.61
4	Sydney	85.94	4	Kyoto	82.20
5	Chiang Mai	85.62	5	Hong Kong	82.18
6	Cape Town	85.39	6	Hanoi	82.09
7	Buenos Aires	85.03	7	Udaipur (India)	81.96
8	New York	84.75	8	Beijing	80.46
9	Beirut	84.38	9	Jaipur (India)	79.94
10	San Francisco	84.29	10	Luang Prabang (Laos)	79.92

Source: http://www.Chiang_Mai.go.th/cmweb/agenda/less1.pdf Chiang Mai Strategic Plan 2007 – 2011

According to the overall top 10 cities ranking compilation conducted in early 2007 by www.travellandleisure.com, Chiang Mai ranked fifth for the year 2006; for the top 10 cities in Asia, Chiang Mai ranked second after Bangkok²¹ (**Table 12**). However, in terms of number of tourists, both foreigners and local people, Chiang Mai ranked third after Bangkok and Pattaya. In terms of income generation, Chiang Mai ranked fourth after Bangkok, Phuket and Pattaya (**Table 13**).

Table 13: Income Generation from Tourism in Thailand Classified by Province (2006)

	Province	Number of Tourists (million people)	Income Generation (million baht)
1	Bangkok	36.2	336,622
2.	Phuket	4.5	77,596
3	Pattaya (Chonburi)	6.1	53,224
4	Chiang Mai	5.6	39,785

Source: http://www.Chiang_Mai.go.th/cmweb/agenda/less1.pdf Chiang Mai Strategic Plan 2007 – 2011

Out of 5.6 million tourists visiting Chiang Mai in 2006, 3.5 million were Thai people and the remaining 2.1 million were foreigners, majority coming from Europe, Asia and U.S.A. The tourist industry generates 39,785 million Baht income for Chiang Mai. On an average tourists stay in Chiang Mai 3.91 days with an average spending of 3,119 Baht/day.²²

Chiang Mai is the hub of the northern region; it is the center for Lanna Culture, business, industry, agriculture, information technology, education, tourism, transportation and communication. Chiang Mai is connected with Bangkok and other provinces through out Thailand by national highways and it can also be accessible by air, bus, train. Moreover, Chiang Mai City has good communication networks linking with all 24 districts, 204 tambon (sub-districts) and 2,066 villages. During 2006 Chiang Mai had 228 hotels with

16,673 rooms for visitors, and many more big hotels are under construction.²³ Further more the international highway No. R3, linking Thailand – Laos – Yunnan, was completed in early 2008, in the near future it will have positive impacts on investment and tourism in the whole northern region provinces.

Table 14: Chiang Mai Communication and Transportation Networks (2006)

	Means of Communication and Transportation to and from Chiang Mai	Number of Traffics/Day
1	Bus	1,716
2	Train	16
3	Air: 1 National Airline	27
	5 Low-cost Airlines	30
	7 International Airlines	11
	TOTAL	68
4	High Speed Internet	1,000 Mbps – 2.56 Gbps

Source: <http://www.ChiangMai.go.th/cmweb/agenda/index.pdf>

Table 14 shows that every day there are 1,716 passenger buses arriving and leaving Chiang Mai which cover short and long distance.²⁴ Chiang Mai is the railway terminal; each day there are 16 train arrivals and departures.²⁵ The most convenient mean to visit Chiang Mai is by air; each day there 68 flights to and from Chiang Mai. Thai Airways, which is the national airline, offers 27 flights per day; 5 low-cost airlines provide 30 flights daily and 7 international airlines offer 11 flights daily to Chiang Mai.²⁶

Based on Lanna culture, local wisdom and local resources, Chiang Mai can produce community products with specific characteristics; 1,302 product items were registered as local community products during 2006 and generated sales value of 2,417 Baht.²⁷ Moreover, there are more than 180 local wisdom philosophers living in various communities and localities to disseminate Lanna arts and craftsmanship.²⁸

2.7 Chiang Mai Municipality

The Chiang Mai City Municipality formerly was the Sanitary District (Sukapiban). In 1935 it was upgraded to become the Chiang Mai City Municipality and it is the first City Municipality in Thailand. As the result of the population increase, in 1983 the boundary of Chiang Mai City Municipality was expanded from 17.50 km² to 40.216 km². Chiang Mai City Municipality is a form of local government in Thailand. It is designated as Nakorn of City Municipality. There are 4 districts under Chiang Mai City Municipality's administration:

- Nakornping municipal district covers 18 communities
- Kawila municipal district covers 26 communities
- Sriwichai municipal district covers 17 communities
- Mengrai municipal district covers 20 communities

In total Chiang Mai City Municipality is responsible for 81 communities in the most urbanized areas of the main district (Muang District).²⁹

Figure 6: Chiang Mai City Municipality Emblem



Source: <http://www.cmcity.go.th/english/emblem.php>

The city emblem consists of **Doi Sethep Pagoda** at the center, the temple is considered as the holy place. It is believed that Buddha relic is kept there. **Clouds** below the pagoda reflect Chiang Mai atmosphere which is cool, comfortable and a good place for living all year round. The **Great Naga** (Legendary Dragon) symbolizes the source of water or rivers, especially Ping River which is the main source of Chiang Mai people's life and also near by provinces; it is one of the most important rivers in the north. **Rice stalks** reflect soil fertility and plenty of water supplies which can produce varieties of agricultural products, fruits, crops and food supply. The **Thai flower design scripture** below the blue clouds implies that this is the land of ancient Lanna culture, which Chiang Mai people are trying to preserve, promote and disseminate Lanna wisdom. It is clearly specified in the Municipal Act 1953 and also 2003 Amendment that one of the duties and functions of Municipality is *to maintain local arts, tradition, local wisdom, culture and also to promote tourism*³⁰.

Figure 7: Chiang Mai City Municipality Office



Source: <http://www.cmcity.go.th/english/history.php>

Figure 8: Chiang Mai Municipality’s Administrative Organization and Manpower

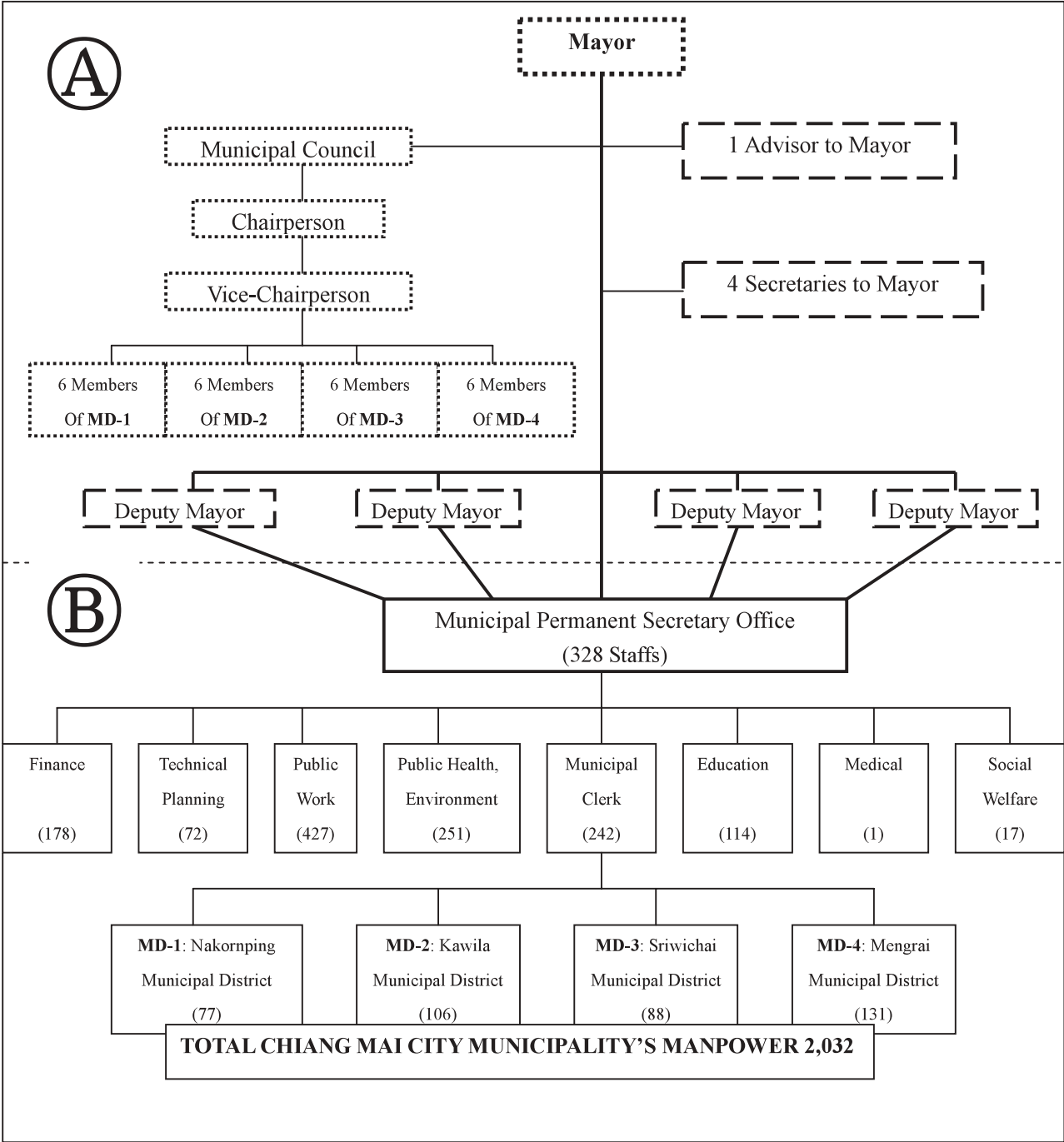


Figure 7 shows Chiang Mai City Municipality Office by Ping River. **Figure 8** illustrates the administrative organization of Chiang Mai City Municipality which can be divided into two parts namely upper part (A) and lower part (B). Part (A) represents local politicians which form into the Municipality Board of Executives consisting of the Mayor, the highest executive, is directly elected by eligible voters in municipal area and the term is 4 years. The Mayor can appoint not more than four deputy mayors, one advisor and four secretaries to Mayor. The remaining 24 board members are six elected members from each of the four municipal districts namely Nakornping, Kawila, Sriwichai and Mengrai. These 24 representatives

form themselves into Municipal Council; they serve for 4-year term. Among these members, one of them is elected to be the Chairperson and another one to be Vice-Chairperson of the Municipal Council. This Municipal Council is the legislative body of the municipality. The lower part ⑥ represents the municipal officials, permanent employees and temporary employees of Chiang Mai City Municipality. Municipal Permanent Secretary is the highest post of municipal officials; there are 328 staffs in his office. Under him there are 8 divisions (or bureaus) and 4 local administration sub-divisions of the 4 municipal districts. The Chiang Mai City Municipality's total number of manpower is 2,032 which may be classified into 715 municipal officials, 174 permanent employees and 1,143 temporary employees.

The main functions of Chiang Mai City Municipality are as follows:

- (1) Keep streets and public places cleaned, dispose solid waste and sewage
- (2) Prevent and control of communicable diseases
- (3) Provide fire-extinguisher and fire-engine
- (4) Provide education and training courses to local people
- (5) Provide and maintain social welfare for mothers, children, youth, old people and handicapped people
- (6) Maintain, promote and disseminate local arts, tradition, local wisdom and local culture
- (7) Provide clean water supply
- (8) Provide slaughter house
- (9) Provide and maintain hospital
- (10) Provide and maintain drainage system
- (11) Provide and maintain public toilets
- (12) Provide and maintain electricity and public lights
- (13) Control safety, order and sanitation in restaurants, theaters and public places
- (14) Provide pawn shop or local finance
- (15) Improve slum settlement and housing management
- (16) Provide market, ferry and parking
- (17) Promote tourism
- (18) Provide city planning and building control
- (19) Perform tasks for public health
- (20) Perform other duties and functions as specific laws³¹.

Endnotes

* This article is created by Prof. Penghuy Ngov using excerpts from Prof. Phaisal Lekuthai, “Lanna Culture and Social Development: A case study of Chiang Mai Province in Northern Thailand.” *GSID Discussion Paper* No. 168 (September 2008)

¹ <http://www.dopa.go.th/stat/y-stat50.html>

² <http://www.bangkokpost.com/economicyearend2007/factsandfigures.html>

³ http://www.nationmultimedia.com/2007/07/01/politics/politics_30038672.php Modern Thai Politics

⁴ http://www.bangkokpost.com/News/17Apr2008_news93.php General News

⁵ http://www.nationmultimedia.com/2008/04/17/opinion/opinion_30070911.php

⁶ Chatrudee Theparat. *Tourism: Filling in for Absent Asians*

<http://www.bangkokpost.com/economicyearend2007/tourism.html>

⁷ *Ibid*

⁸ <http://www.bangkokpost.com/economicyearend2007/economy.html>

⁹ http://www.Chiang_Mai.go.th

¹⁰ Thai Area Measurement:

1 rai	=	1,600 m ²	=	0.16 hectare
6.25 rai	=	1 hectare	=	2.471 acres
625 rai	=	1 km ²		

¹¹ http://www.Chiang_Mai.go.th

¹² http://www.Chiang_Mai.go.th/cmweb/agenda/less1.pdf pp 4-5

¹³ http://upload.wikimedia.org/wikipedia/commons/3/31/Amphoe_Chiang_Mai.png

¹⁴ http://www.Chiang_Mai.go.th/cmweb/agenda/less1.pdf *Chiang Mai Strategic Plan 2007 – 2011*. P 1

¹⁵ Phaisal Lekuthai, *The Prospect of Twelve Year Education in Thailand: A Case Study of Nakhon Ratchasima Province*. Forum of International Development Studies 9. ISSN 1341-3732. Graduate School of International Development. Nagoya University. 1998.

¹⁶ http://www.Chiang_Mai.go.th/cmweb/agenda/less1.pdf *Chiang Mai Strategic Plan 2007 – 2011*. pp 7-8.

¹⁷ Phaisal Lekuthai. *Cluster Development in Thailand: Case Studies of Textile Cluster, Garment Cluster, Food Processing Cluster, Spa Cluster*. Bureau of Supporting Industries Development, Department of Industrial Promotion, Ministry of Industry. 2002-2006.

¹⁸ http://www.bangkokpost.net/Business/15May2008_biz29.php

¹⁹ The Office of The Northern Region Industrial Estate: Directory of Industrial Operators. www.northnikom.go.th

²⁰ Tourist and Sport Center, Chiang Mai Province.

²¹ www.travellandleisure.com

²² Tourism Authority of Thailand (TAT)

²³ http://webhost.nso.go.th/nso/project/table/files/chmai/O-src-16/2549/000/chmai_O-src-16_2549_000_40000100.xls

²⁴ Chiang Mai Transportation Office Report.

²⁵ State Railway of Thailand Report.

²⁶ <http://www2.airportthai.co.th/airportnew/main/index.asp?lang=th>

²⁷ Chiang Mai Provincial Community Development Office.

²⁸ Chiang Mai Cultural Office.

²⁹ <http://www.cmcity.go.th/english/history.php>

³⁰ <http://www.cmcity.go.th/english/emblem.php>

³¹ <http://www.cmcity.go.th/english/history.php>