

Development in Partnership

the World Bank's activities in Thailand and other news related to development

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NEW WORLD BANK COUNTRY DIRECTOR FOR THAILAND

Annette Dixon Has Extensive Experience in Public Service

BANGKOK – The World Bank's East Asia and Pacific Region Vice Presidency has appointed **Annette Dixon** as the new World Bank Country Director for Cambodia, Lao PDR, Malaysia, and Thailand.

Ms. Dixon replaced **Ian C. Porter**, who retired from the World Bank last year after 30 years of service. Her priorities will include assisting low-income countries to sustain growth and continue reducing poverty, expanding the World Bank's knowledge services for Malaysia and Thailand, and supporting regional cooperation through the World Bank's development program for the Greater Mekong Sub-region (GMS).

Before taking up her new position as the Country Director for Cambodia, Lao PDR, Malaysia, and Thailand in December, Ms. Dixon was the World Bank Country Director for Central Asia, responsible for Kazakhstan, Kyrgyz Republic, Tajikistan, Turkmenistan, and Uzbekistan.

"In some respects, Central Asia is the "other Asia", unknown to many in the rest of Asia because for many years it was part of the Soviet Union," she said. "However, I think that there is a lot that countries in East Asia and Pacific can learn from Central Asia, and vice versa. As is Southeast Asia, Central Asia is very diverse, and shares a rich cultural heritage and many natural resource assets."



Annette Dixon during a recent workshop with government officials in Chiang Mai province



Her predecessor, former Country Director **Ian Porter**

Ms. Dixon joined the World Bank in 1999 as a mid-career professional, having previously worked as a senior civil servant and in non-governmental organizations in her native country, New Zealand. During her time in government, she has served as the Chief Executive of the Ministry of Youth Affairs, the General Manager for Sector Policy at the Ministry of Health, as well as an advisor in the Department of the Prime Minister.

The four countries Ms. Dixon is to supervise is part of the World Bank's East Asia and Pacific Region, known in short as EAP. *"It is a very dynamic and vibrant region,"* Ms. Dixon noted.

"However, there is also a range of development challenges still ahead, particularly as the effects of the global crisis are beginning to impact here in Southeast

Asia," she added. "In my new position, I hope to be able to facilitate more cross-country learning, and to increase the connections across the Mekong Sub-Region, as well as with the rest of Asia."

Ms. Dixon holds a Masters of Public Policy in Politics, Economics, and Law from Victoria University in New Zealand, and has completed a Fellowship on Health

Policy and Management from the George Washington University in Washington, DC.

She and her husband are the proud grandparents of three grandchildren, aged five, three and five months. She enjoys travel, swimming and reading, and hope during her time in Southeast Asia to try her hand at golf and scuba diving.

RETHINKING GROWTH AND DEVELOPMENT

New World Bank Report Says Development Can Be More Inclusive, Though Growth Still Imbalanced

BANGKOK – Instead of trying to promote balanced growth and plan where economic activity should be located, governments should instead encourage mobility toward the areas of economic density by improving infrastructure and reducing transportation as well as transaction costs. This way, development will be more inclusive, although growth may remain imbalanced.

This was the key message of the "**World Development Report 2009: Reshaping Economic Geography**" (WDR 2009). The report was introduced to Thailand on January 16, 2009 by lead author, **Indermit Gill**, and two co-authors, **Chorching Goh** and **Yukon Huang**. Mr. Gill is the Chief Economist of the World Bank's Europe and Central Asia (ECA) region. Ms. Goh is a senior economist, also for ECA. Mr. Huang, now a consultant, is a former country director for the World Bank in China and Russia.

This new idea is not without controversy. It runs directly against the old policy prescription that economic growth must be made more spatially balanced.

In the past, policy-makers believed that the growth of cities must be controlled; rural-urban gaps in wealth must be reduced quickly; lagging areas and provinces distant from domestic; and world markets must be sustained through territorial development programs that bring jobs to the people living there. Common was the notion that growing gaps between the developed and developing world must be addressed through interventions to protect enterprises in developing countries until they are ready to compete.

Economic growth, however, is seldom balanced, argues the WDR 2009. Two centuries of economic development show that spatial disparities in income and production are inevitable.



Government should encourage more mobility toward areas of economic density, the WDR 2009 argues

The experience of successful developers shows that production becomes more concentrated spatially. The most successful nations also institute policies that make basic living standards more uniform across space. Economic production concentrates, while living standards converge.

"You have to think separately between the geography of economic activity and the geography of social welfare," Mr. Gill said.

"The common mistake we made when looking at regional economic development is that we focus narrowly on the places that are not doing well, and end up directing a lot of incentives for people or firms to relocate to or stay in these places," he added.

"But the key is economic integration. If you start to look at the interactions between the places that are lagging and the places that are doing well, you'll start to think more broadly about what government can do" to make development more inclusive.

But how can governments encourage economic integration without creating more disparities? The



Indermit Gill, lead author of the WDR 2009, during the January 16 seminar in Bangkok to introduce the report

WDR 2009 suggests that policy makers invest in activities that produce the highest economic and social returns nationally. In leading areas, emphasize investment in places - durable investments that increase national economic growth. In lagging areas, emphasize investment in people - portable investments that stimulate mobility and accelerate poverty reduction.

"Growth tends to be imbalanced," said Mr. Gill. "But if you can manage domestic economic integration, and manage the spill-over effects of economic activity as well as labor migration, you will be able to reduce disparities, although it may take a while."

For the past three decades, the WDR has provided a wide international readership with an extraordinary window on development economics. The report is published annually in the fall.

Each year, the report provides in depth analysis of a specific aspect of development. Recent WDR topics include **Agriculture for Development** (WDR 2008), **Development and the Next Generation** (WDR 2007). The next WDR is on Development and the Changing Climate.

WHAT WENT ON

JANUARY

Much of public investments have been pouring into initiatives to make Bangkok greener and into improving traffic conditions through mass transit projects. Both could certainly make Bangkok a better place to live and work for millions of people. Little attention, however, has been paid to this city's walkability. An evening event at the Foreign Correspondents Club of Thailand (FCCT) helped to bring Bangkok residents together to start the discussion on this subject.

Results of a World Bank survey on Bangkok's walkability in 2008 showed that many areas are not pedestrian-friendly, or walkable. The survey rated walkability based on convenience, safety, and security.

The results showed that seven areas are above average: On Nut, Bangpakok, Siriraj, Aree, Bangkok, Pahon Yothin-Kaset and Ramkhamhaeng. It also showed that areas that are below average include Yaowarat (Chinatown), Hua Mak, Samray, Chatuchak, Ratchadaphisek, Pathumwan and Wat Tha Phra-Bang Khun Si in Thonburi district.

The survey was completed in June 2008 by more than 80 members of the World Bank Youth Club, who collected field data and interviewed pedestrians. The teams divided Bangkok into 26 square areas totaling 416 square kilometers, with each square area divided into 16 cells. Before conducting the surveys, they received training by World Bank staff.



According to **Jitendra Shah**, the World Bank's Country Sector Coordinator for Sustainable Development in Thailand, pedestrian infrastructure, amenities, and services are often neglected in municipal planning and budgets in many developing countries. This has many negative consequences, the most notable being unnecessary fatalities and injuries. Some studies showed that pedestrians represent more than half of all fatalities in developing countries.

Walkability also has economic and social implications, since people who walk the most and will suffer from poor walkability are the poor who cannot afford any bus fare, or have to combine walking with public transport to save money, said **Zhi Liu**, the Bank's Country Sector Coordinator for Infrastructure and a transport economist.

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The FCCT event was designed to raise public awareness of walkability as a development issue. The panel discussion featured Messrs. Shah and Liu, who was joined by former Bangkok Governor **Bhichit Rattakul**, now executive director of the Asia Disaster Preparedness Center (ADPC).



A World Bank Advisor for Policy and Strategy in Health, Nutrition and Population, **Dr. Armin Fidler**, conducted a seminar on “**Impacts of Economic Crises on Health Outcomes and Health Financing**” at the World Bank Office in Bangkok. The seminar discussed the impacts on public health from rising unemployment, the reduction of foreign investment flows, shrinking government revenues, and a sharp drop in demands for developing countries’ exports during the global slowdown. Despite several priorities competing for policy-makers’ attention during difficult times, the World Bank emphasized the need to sustain health

expenditures to prevent deteriorating public health, which could have a negative impact on future development once the national economy has recovered from the crisis. Readers can download his presentation and related documents at www.worldbank.or.th



The World Bank Youth Club organized the “**Race for Better Life**” 5K run at Lumpini Park to raise awareness of the importance of healthy lifestyle among youth, promoting a key message from the **World Development Report 2007: Development and the Next Generation**. More than 200 young people, as well as health-conscious adults, joined the race. Corporate sponsorship from Lactasoy, Phya Thai Hospital, Thai Health Promotion Foundation, CP Feedmill, and S&P helped made this event a great success.

FEBRUARY



The World Bank joined the **Department of Marine and Coastal Resources (DMCR)**, **EarthSave Foundation**, and **Central World** shopping complex, to organize a three-day exhibition, Save the Sea, to draw public attention to the loss and degradation of Thailand’s valuable marine and coastal resources.

During the exhibition, a ceremony was also held to award cash prizes, trophies and certificates to winners of the competition for comic book on coastal erosion, co-organized by the Bank and the DMCR in 2008. Both the exhibition and the comic book were part of the coordinated effort to raise public awareness of the issue, which costs Thailand to lose at least 1.5 kilometers of land and economic damages of approximately \$150 million annually.



For comments or questions about this newsletter,
please contact Miss Panicha Samakkeeyakul
The World Bank Office, Bangkok
Siam Tower, 30th Floor, 989 Rama I Road, Pathumwan, Bangkok 10330

Tel.: +66 (0) 26868300
Fax: +66 (0) 26868301
Email: panicha@worldbank.org
Website: <http://www.worldbank.or.th>