

CHAPTER ONE

INTRODUCTION

1.1 BACKGROUND

Land is one of the most valued and indispensable assets and resources of a nation. It is an important and integral component of the national sovereignty and a basic element of national cohesion and it defines the national territory. Moreover, land is a fundamental source of life, foods and living and a basic factor for agriculture and industrial production. It is also an important resource and a preserve of environment and a place for human existence and animal habitats. Thailand is an agricultural country; land is the most significant and basic factor for farming and agriculture activities. For many decades, governments have implemented land reform policies which have an objective to allocate the land to agriculturists in the country. However, many Thai agriculturists presently still lack their own land for farming. In addition, there are a lot of Thai people who still cannot afford to have their own land for housing, because land prices in the urban areas have been continually increased as a result of economic developments and high demands for lands.

The government's policy is to promote economic developments, open market for foreign investments and free trade policy, as well as growth of international trade and globalization. There is a dramatic increase in industrial developments and foreign investments in Thailand. Cities have expanded, absorbing land that had been used for living and for agriculture. Land has been developed and utilized for the purpose of industrial production and for the tourist industry. Price of land in major cities and tourist areas such as areas surrounded by beautiful scenery, mountains, islands, coastal areas and beaches has been dramatically increased. Land in those places has been traded, occupied and owned by investors for commercial purposes. Prime land in tourist cities such as in Pattaya, Phuket and Samui islands has been developed as elegant and luxurious resorts and residences for high-ended markets and markets which target foreigners.

It is common that many countries including Thailand have policies and regulations to restrict the foreign ownership of land, because the nation needs to

reserve land for people in the nation to ensure an adequate supply for living and agriculture. Besides, an important reason to restrict foreign ownership of land is the national security. Nevertheless, the government's policy is to stimulate economic growth and promote international trade. Restriction and attitudes towards foreign ownership of land in Thailand have recently been challenged and are controversial issues. Those who support liberalization and urge the government to liberalize the foreign ownership of land have provided as reasons encouraging the escalation of foreign investments and promoting of economic growth, especially in real estate sectors. On the other hand, opponents who want the government to strengthen regulations to prevent foreign ownership of land have argued that there are many adverse effects of allowing or liberating foreign ownership of land on society and life of local communities. Increasing land prices make it difficult for Thai citizens to access and to afford to buy the land. Foreign ownership also results in loss of national sovereignty and poses a risk to national security.

1.2 STATEMENT OF THE PROBLEM

The issue regarding to the foreign ownership of land in Thailand has been controversial issue and has been challenged for decades even though Thailand has laws and regulations to restrict foreign ownership of land. However, there are many ways that foreigners are able to possess, occupy and own land by avoiding such laws and regulations. Furthermore, there was recently a proposal by a government minister and some business sectors to liberalize foreign ownership of land and foreign leasehold policies in order to boost economic growth and attract more foreign investment into the country, especially in the real estate sector. Nevertheless, it had been broadly criticized by academics, activists and the public because of the adverse effect of rush-purchase by foreigners which causes land prices to increase.

This study aims to answer the following questions:

- 1.2.1 What are Thai people's opinions about foreign ownership of land in Thailand particularly regarding in issues of economy and industry, society and security, and laws and policies?
- 1.2.2 Should Thailand's laws and policies regarding foreign ownership of land be strengthened or liberalized?

1.3 OBJECTIVES OF THE STUDY

The objectives of this study are the following:

1.3.1 Main Objective

To find out Thai people's opinions regarding foreign ownership of land in Thailand.

1.3.2 Sub-Objectives

1.3.2.1 To indicate Thai people's opinions about foreign ownership of land in Thailand in areas of the economy and industry, society and security, and laws and policies.

1.3.2.2 To suggest whether Thailand's laws and policies regarding foreign ownership of land should be strengthened or liberalized.

1.4 DEFINITION OF TERMS/VARIABLES AND DEFINITIONS

The definitions of the terms of this study are as follows:

A. Opinions means views of Thai people regarding foreign ownership of land either legally or illegally.

B. Foreign means non-Thai individuals and non-Thai juristic companies/entities under Thai laws.

C. Ownership means legally or practically has power to control, manage and/or have the rights to occupy and possess in long terms and/or have major interests over lands.

D. Land means general lands including mountain, creek brooklet, canal, swamp, lake, island and watercourse, riverside and coast under Thai Laws.

E. Independent Variable means education, occupation and basic knowledge on issues and regulations regarding foreign ownership of land.

F. Dependent Variable means understanding and opinions about foreign ownership of land in Thailand.

1.5 SCOPE OF THE STUDY

This study was limited to Thai people's opinions about foreign ownership of land in Thailand regarding issues of economy and industry, society and security, and laws and policies. The populations of the study were primarily lawyers, civil servants and working people in private sectors.

1.6 SIGNIFICANCE OF THE STUDY

This study of Thai opinions about foreign ownership of land in Thailand is significant in several respects.

1.6.1 Findings of this study can be useful to identify whether Thailand's policies regarding foreign ownership of land should be strengthened.

1.6.2 The findings will also be useful to advise whether Thai laws and regulations related to foreign ownership of land should be strengthened.

1.7 ORGANIZATION OF THE STUDY

The study in this paper of Thai opinions about foreign ownership of land in Thailand is divided into five chapters. It consists of five chapters (1) introduction (2) review of literature (3) methodology (4) results and conclusion (5) discussion and recommendation.