

Social Protection in Thailand

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Abstract

Before the crisis of 1997, Thailand experienced substantial increases in gross domestic product (GDP) and per capita income. Between 1987 and 1997, the average annual growth rate of the GDP was 8.7 percent, while for gross national product (GNP) the growth was 7.2 percent. When the crisis hit in mid 1997, real GDP growth rate of Thailand recorded -1.4 percent in 1997 and -10.8 percent in 1998. The real GDP growth rate in the year 1999 expanded by 4.2 percent. In 2000, the Thai economy was still recovering with the growth rate of 4.4 percent. The economic crisis has brought about negative effects on domestic financial, employment and general economic conditions. The incidence of poverty and unemployment increased significantly during the crisis.

In Thailand, social protection can be classified into social security (social insurance), social assistance, social services, and labour protection. According to the Social Security Act, benefits are provided for insured persons, covering seven types of benefits: illness or injury, maternity, disability, death, child allowance, old age pension and unemployment. However, unemployment insurance has not been implemented yet. Employees in the private formal sector (i.e. workers in private enterprises) and employees in the public sector (i.e. state enterprise workers, civil servants) are covered by social security measures. Apart from the social security system, the government also offers additional social assistance and services (non-contributory). Social assistance and services are classified into three categories: in-cash transfer programmes, in-kind transfer programmes and income generation programmes. The concept of social assistance and services is to provide assistance to specific groups with specific problems.

Informal sector employees (i.e. subcontracted workers, self-employed, workers in agriculture sector) are not employed under the protection of the Social Security Act and regulation. Presently, informal workers' access to the social security system is mainly through the "self-employment" scheme in Thailand. In reality, to obtain death, disability, maternity and accident benefits through this scheme, informal workers have to pay double premiums (one for themselves, and another for "employers"), which place the programme out of the reach of most informal workers who often earn less than the minimum wage.

However, a number of new ideas regarding social protection are currently being explored and, in some cases, put into practice in the form of both government sponsored and locally-based initiatives. A few of these new programmes, focusing in particular on the 30 baht universal coverage health plan and government initiatives regarding

occupational safety and health. Regarding health policies, the Thai government should continue moving toward adequate universal coverage, and should monitor and improve over time upon the 30 baht health policy. Moreover, the Social Security Act needs to be implemented in full and the coverage for subcontracted workers and homeworkers need to be clarified. At the same time, monitoring of the implementation and operation of the existing laws need to be carried out more diligently.

* The exchange rate of the bath against the US dollar at the time of writing (May 2002) was US\$1 = 42.91 baht.

1. Institutional Framework

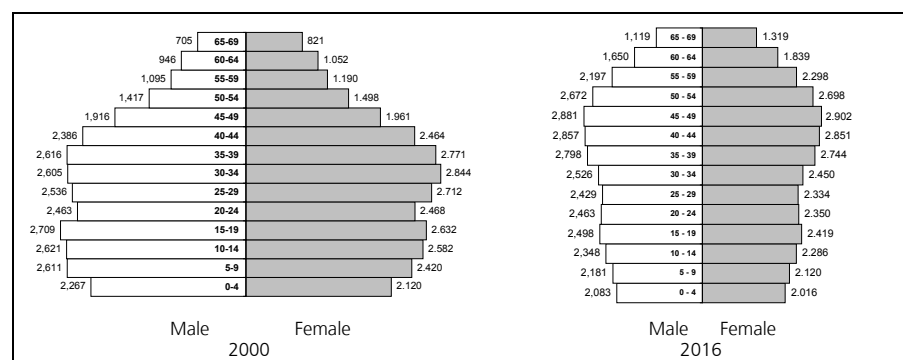
1.1 General Political, Social, and Economic Framework

General Data

According to the Population and Housing Census (2000), the actual population of Thailand in the year 2000 was 60,617,230 persons (National Statistical Office). It has been estimated that by the year 2016, the population will exceed 69.9 million (see Table 1, Appendix). Because of a declining fertility rate, population growth decreased to about 1.1% during the period 1999–2000. It has been projected that the annual rate of population growth will continue to decline during the period 2000–16. By the year 2016, it is expected to decrease to only 0.2%.

With regard to age demographics, it has been projected that there will be a declining proportion of the population aged 15 years old and below, and an increasing proportion of the elderly (60 years and above). At present, elderly persons make up nearly 10% of the total population. The proportion of elderly persons is expected to increase in the foreseeable future (see Figure 1). By 2016, elderly persons will comprise 15% of the total population (see Table 2, Appendix). This projection suggests that the need to prepare for providing support services to that segment of the population is evident. Necessary support includes income security, health care, housing and other social services.

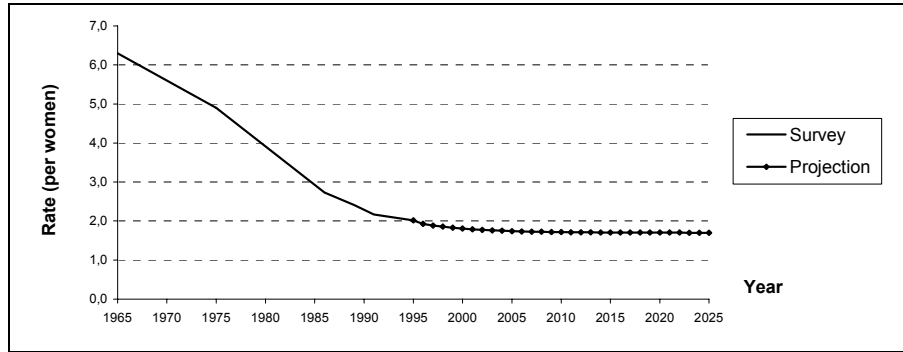
Figure 1: Population Projection by Age and Sex (thousand persons)



Source: National Statistical Office (NSO), 2001b, and Office of the National Education Commission, 1999.

The total fertility rate (TFR) in Thailand declined during the period 1965–95 from 6.3 children per woman to 2.02 children per woman. It has been projected that the fertility trend will continue to decline in the coming decades. By 2025, it is expected to decrease to only 1.7 children per woman (see Figure 2). The reason for this trend lies partly in the fact that Thailand has been highly successful in promoting family planning practices since the 1960s.

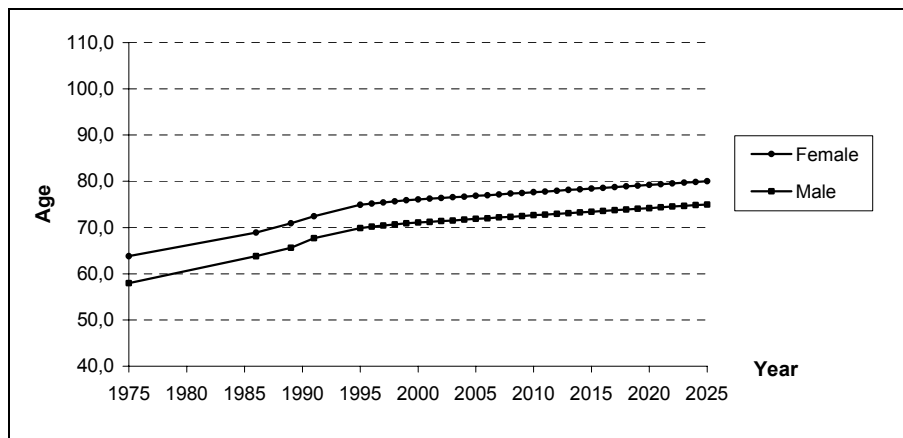
Figure 2: Total Fertility Rate, 1965–2025



Source: National Statistical Office, 1997 and Office of the National Education Commission, 1999.

In 1995, the life expectancy at birth for Thai males was 69.9 years and 74.9 years for Thai females. It has been projected that by 2025, the life expectancy for males and females will exceed 75 and 80 years respectively (see Figure 3).

Figure 3: Life Expectancy at Birth by Sex, 1975–2025



Source: National Statistical Office, 1997 and Office of the National Education Commission, 1999.

Urbanization is proceeding at a rapid pace throughout Thailand. According to the National Economic and Social Development Board (1997), about 21.9% of the total

population in 1995 consisted of urban residents. At present, urban residents account for 25.8% of the total population (in 2000). It has been projected that by 2010 approximately 35.3% of the people in Thailand will be living in urban areas (see Table 3, Appendix). Due to the fact that people want to have a better life, or at least better jobs, they tend to move to regional growth centres (e.g. Bangkok, Khon Kaen, Nakhon Ratchasima, Songkha, and Chiang Mai) that can offer more employment opportunities. Therefore, urban population ratios tend to be highest in the centre metropolitan and large city factories.

During the period 1995–2010, it has been projected that the urbanization process will continue to proceed at a rapid pace. Most of the country's fast-growing urban regions are expected to be areas on the Eastern Seaboard.

Education

The female illiteracy rate was 9.0% in 2000 (see Table 4, Appendix). The female illiteracy ratios are two to three times higher than those for males. Illiteracy can be a crucial obstacle to gaining employment, especially when the process requires written application forms or other written material.

At present, the average education standard of the population in Thailand is at the first level. A very high level of enrolment ratio for the first level of education for both men and women is observed. The gross enrolment rate does not reveal significant differences across gender at all levels of education. For higher levels of education, 34% of females advance to the third level of education, compared to 30% of males (see Table 5, Appendix).

Moreover, 42.8% of the labour force have finished level 4 of primary school. Only 11.5% advance to the highest level of education. The average educational level of the labour force in Thailand is at the primary level of education (see Table 6, Appendix).

Macro-economic Framework

Before the crisis of 1997, Thailand experienced a substantial increase in Gross Domestic Product (GDP) and per capita income. Between 1987 and 1997, the average annual growth rate of the GDP was 8.7%, while the Gross National Product (GNP) grew by 7.2%. This period produced impressive improvement in life expectancy, infant mortality, child nutrition, adult literacy and primary enrolments.

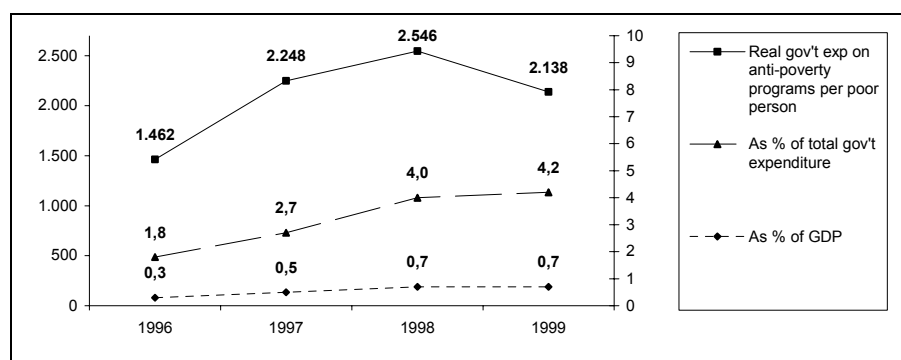
After the crisis outbreak in mid-1997, the real GDP growth rate of Thailand was –1.4% in 1997 and –10.8% in 1998. It expanded by 4.2% in 1999. In 2000 the Thai economy was still recovering, with a growth rate of 4.4%. According to the Bank of Thailand (2000), the growth rate in the years ahead is expected to be relatively the same as that in the year 2000.

Inflation measured by the Consumer Price Index (CPI) jumped to 8.1% in 1998 from 5.6% in 1997. In 1999, the inflation rate was 0.3% and rose to 1.6% in 2000. According to the NESDB, the inflation rate is expected to be 2.6% in 2001.

The economic crisis has brought about massive capital outflows with ensuing negative effects on domestic financial, employment and general economic conditions. Unemployment increased significantly during the crisis from 2.2% to 4.6% between 1997 and 1998. The Labour Force Survey in February 1999 reported that the unemployment rate reached 5.2% in 1999. In that year, Miyazawa loans helped generate employment and activate economic recovery in 2000.

Between 1996 and 2000, the incidence of poverty increased from 11.5% in 1996 to 13.0% in 1998, to 15.9% in 1999, and finally to 15.0% in 2000. This meant that Thailand effectively lost five years of its economic development (Medhi Krongkaw, 2001). An important concern, therefore, is the government's expenditure on programmes primarily directed at the poor. Between 1996 and 1999, public spending on anti-poverty programmes per person increased from 1,462 baht in 1996 to 2,248 baht in 1997, and to 2,546 baht (1 US dollar = 43.92 baht) in 1998. Due to a large increase in the number of poor persons, the expenditure per person then declined to 2,138 baht in 1999 (see Figure 3).

Figure 4: Real Government Expenditure on Anti-poverty Programmes per Poor Person, 1996–99



Source: World Bank, 2001, p. 73.

Labour Market Structure

Although the total workforce (see Table 7, Appendix) increased from 31.7 million in 1996 to 33.2 million in 2001, the labour force participation rate declined from 73.1% to 70.9% during that period. This decline was more evident among women than men. However, the change in labour force participation rates was strongly influenced by the higher rates of school attendance. The aftermath of the 1997 crisis resulted in higher open unemployment. Within four years, the unemployment rate increased twofold, from 2.0% in 1996 to 5.2% in 1999 (see Table 8, Appendix). On average, unemployment was high during that period although it began declining in 2000. After the 1997 crisis, it was believed that many of those retrenched sought work in the informal sector as small traders in urban areas or as farm workers in rural areas.

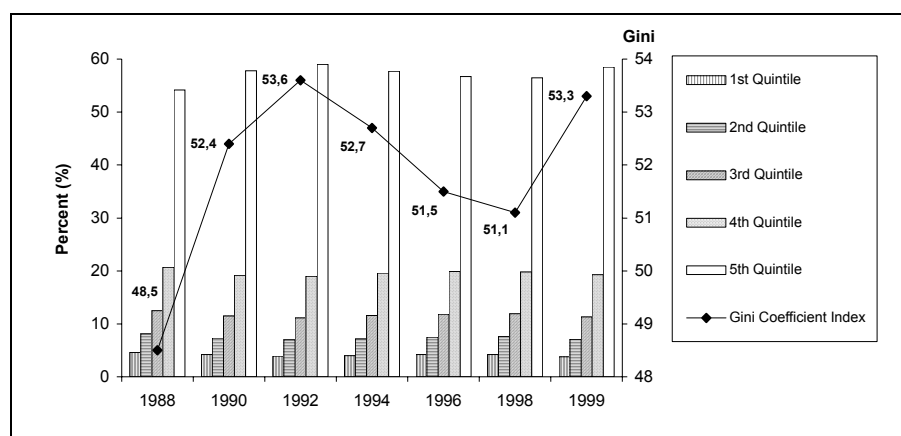
In Thailand, workers in the informal sector constituted a large number of the workforce. However, statistics are not available due to the difficulty in tracking down workers who are usually mobile.

According to the National Economic and Social Development Board (NESDB), the crisis contributed to a greater reduction in employment among males than females. The crisis indices for unemployment rates by age group indicate that workers in the age range of 30–50 years were most affected.

Between 1997 and 1999, the number of private employees declined by 12.3%, while the number of government employees increased by 9.1% (see Table 10, Appendix). The table also shows a shift from paid employment to self-employment with considerable increases for employers (22.1%) and own-account workers (8.5%). The rise in the number of employers means that the number of enterprises is rapidly growing. Nevertheless, for the whole period 1996–2001, the findings are more measured, with the number of private employees remaining almost exactly the same.

Distribution of Income and Allocation of Budget

Figure 5: Inequality of Per Capita Income

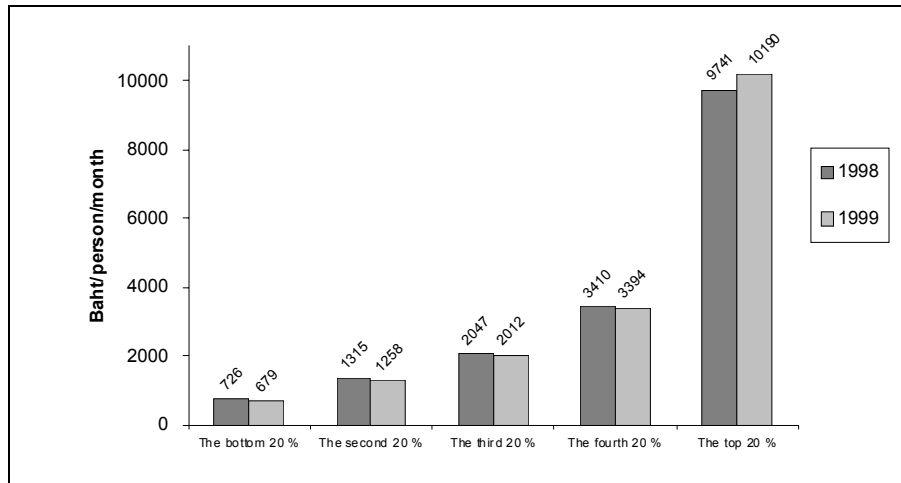


Source: National Statistical Office, *Socio-economic Survey*, processed by DED (Development Evaluation Division), NESDB.

It is noted that the income distribution in Thailand became more unequal in the early phase of its economic development, but improved once a certain development level was reached. According to the NESDB's newsletter, distributed in September 1999, the Gini index of inequality of per capita income increased from 48.5% in 1988 to 52.4% in 1990, and 53.6% in 1992. After 1992, income inequality began to decrease and continued this trend up to 1998. It increased sharply between 1998 and 1999 (see Figure 5). This is due to a larger negative impact of the 1997 crisis on the income of the poor relative to the rich. As seen in Figure 6, the poorest group of people in the bottom 20% experienced falling income at a ratio of 4.2 to 3.8, while that of the

richest in the top 20% portion went up from 56.5 to 58.5. Therefore, income disparities between the top and bottom 20% of people increased from 4.7 times in 1998 to 5.1 times in 1999.

Figure 6: Average Per Capita Income by Quintile



Source: National Statistical Office, *Socio-economic Survey*, processed by DED, NESDB.

When the crisis hit, there was no social policy in existence to effectively deal with the problems of the poor. The government was forced to resort to external resources to support the financial and social sectors. Many projects and programmes have been introduced and implemented to bring the country firmly into economic recovery. With respect to social development programmes, the government specifically includes three sectors: education, health and social welfare.

Public expenditure on community and social services (1998–2001) can be seen in Table 11 in the Appendix. In 2001, the expenses for community and social services were 381,758 million baht, equivalent to 42% of total expenditure. The amount of 221,603 million baht was allotted to education affairs and services. It accounted for 58% of the expenditure on community and social services. However, total education expenditure was consistently growing during 1998–2001. In 2001, health affairs and services expenditure accounted for 17% of the community and social services expenditure, equivalent to 64,791 million baht.

Political System

The political system in Thailand has long been dominated by short-lived coalition politics. Elections have faced problems of vote rigging and been subject to manipulation by business interest groups. The influence of the military, which dominated Thai politics for many decades, however, has declined with the emergence of civil society. The failure of a military coup in 1992 marked the beginning of a new civilian

influence in politics, institutionalized with the passage of constitutional reform in 1997.

In the year 2000, Senate elections were introduced for the first time in Thai history. In 2001, the new general election took place and the Thai Rak Thai Party won the majority of seats in parliament. Currently, the newly elected government is proving to be effective in implementing the new Constitution in its full form. Social and political reforms have slowly taken place. Socially, recognition of the integration of disadvantaged and vulnerable groups into mainstream society is underway. Concepts of social services, social welfare, social protection, and social development are all encompassing issues to sort out in the social reform process.

1.2 Availability and Quality of Data

Labour market information is essential data for assessing existing and planned programmes for social protection, and promoting job creation, enterprise development, employment services, skills development and social dialogue. This information includes both qualitative information and quantitative data. The main sources of labour market information are the Ministry of Labour and Social Welfare, the National Statistical Office, the Ministry of Interior, the Office of the National Economic and Social Development Board and the Bank of Thailand. Moreover, various agencies produce statistical data on education and training. Among these are the Ministry of Education and the Ministry of University Affairs.

The National Statistical Office (NSO) is responsible for conducting the Labour Force Surveys (LFS), which are the principal sources of regular comprehensive labour statistics. Since the 1997 financial crisis, the LFS has been published quarterly. The NSO also conducts the socio-economic survey every two years. It is a key source of information on household income, expenditure, assets, liabilities and so on. The overall coverage and broad methodology are similar to the Labour Force Surveys.

Moreover, the Ministry of Interior also obtains information on employment as part of its village census. Due to the large volume of obtained data and inexperience of data collectors, questions have been raised as to whether the resulting statistical data are reliable and accurate. Issues of overlapping and duplication with the Labour Force Survey are also in question.

In the formal sector, enterprise surveys are generally sources of statistical data on employment. The Ministry of Labour and Social Welfare and the National Statistical Office conduct these surveys. Some deficiencies of surveys in terms of sampling frame, questionnaire design and response rate have been noted. Suggestions from the International Labour Organization (ILO) have been made to improve the survey system.

In addition, information from the Social Security Fund records is compiled as supplementary estimates in terms of employment trends. These records are reported on a monthly basis and can be compared with those from the Labour Force Survey. In doing this, one could see the fact that a large portion of daily paid employees are not

covered by the social security system even if working in enterprises with ten or more employees.

1.3 Existing Institutional Framework

The existing institutional framework discussed in this section is associated with organized interest groups, ranging from ad hoc and informal to formal and permanent institutions. In this regard, labour unions are an institution that can protect worker interests. However, the labour union movement in Thailand is weak in terms of its capacity to protect the interests and rights of workers, especially after unions in state enterprises were disbanded after the 1991 military coup. According to the Labour Force Survey (1998), about 4.6% of all private sector wage employees in the country had a labour union in their workplace. Only 2.9% reported being members of a union. At present, there is the State Enterprise Labour Relation Act, which was enforced on 8 April 2000. The Act allows workers in state enterprise to form trade unions, but it still does not give the right to strike.

The low level of unionization is mainly due to the weakness of the legal protection system available to labour organizers. Frequently, their efforts are discouraged before the union is able to hold its first meeting. According to the World Bank (July 2000), labour unions are mostly present in large establishments (over 100 workers). Small (less than ten workers) and medium (between 10–99 workers) establishments hardly have a union because it is much easier for these establishments to discourage union organizing efforts among their workers without adverse external publicity.

In addition, the economic crisis has also affected union memberships, leading to an increasing number of workers losing their jobs. At the same time, economic restructuring and privatization policies have resulted in massive layoffs. Some prominent union officials have also lost their jobs. Under Thai labour legislation, once unemployed, union officials cannot continue to hold union positions. This has obviously affected the capacity of leadership. It has had a demoralising effect on other union leaders as well (ILO, 2000).

The role of civil society in Thai politics and society has made remarkable progress. Civil society organizations have developed and expanded in number since 1980 when the government relaxed its control. Civil society groups played a vital role when the new Constitution was being drafted. Since the onset of the crisis in 1997, the voice of civil society and its participation in vigorous development debates have been significant and recognized. The new role of the civil society organization is seen in the management of the Social Investment Fund (SIF), which was launched in late 1998 with World Bank financing. Its objective is to both address the impact of the crisis and to accelerate the empowerment of communities. The Social Investment Fund represented the first occasion when the Thai government channelled funds directly to civil society organizations in large sums. Civil society organizations are currently playing an important role in providing social protection at the community level. The Thai government and donors have allocated budgets to civil society organizations to implement several programmes such as HIV/AIDS prevention and treatment, care of

the elderly, small and medium enterprise development, and environmental protection.

Currently, approximately 18,500 non-governmental organizations are registered, and many more are operating without legal status. These NGOs have formed themselves into networks and participated in a variety of community organizations (World Bank, 2001). The most striking aspect of these NGOs is their effort to coordinate initiatives among community organizations in order to improve the economic situation of group members.

More recently, the Ministry of Labour and Social Welfare established 19 provincial NGO Coordinating Centres in order to coordinate the activities of NGOs working on social welfare and safety nets in each province. In addition, the Ministry has supported legislation that would strengthen the ability of civil society organizations to provide support in the areas of social welfare.

With respect to tripartism, there are 16 national tripartite consultative bodies in Thailand. Their roles cover a broad range of mandates in labour market management. They include workplace safety, minimum wage determination, and dispute settlement. In practice, tripartism in Thailand is very weak, due to the fact that government representatives dominate the tripartite bodies. As a result, tripartism cannot act as an effective voice for the workforce's concerns. During the crisis, the Prime Minister formed a Committee on the Alleviation of Unemployment in December 1997. In practice, worker and employer representation on the Committee was minimal. Moreover, the initiatives were placed under the responsibility of individual ministries. Programme implementation did not specify a role for the social actors nor has the process of implementation apparently been a tripartite one (ILO, 2000, p. 80).

In addition, Thai trade unions have expressed their concern over the matter of decentralizing wage fixing to the provincial level. The concern, however, is that trade union organizations outside the Bangkok metropolitan area and the neighbouring five provinces are relatively weak. Therefore, it would be difficult to ensure legitimate and competent worker participation in provincial dialogues on wages (ILO, 2000, p. 83).

1.4 Government Support

Thailand has made progress in the area of governance and human rights in the past decade. This has helped the nation to deal effectively with the many ramifications of the economic crisis. During the 1990s, the country launched a concerted process of change, most notably the 1997 People's Constitution and the Eighth National Economic and Social Development Plan (1997–2001). The new Constitution embodies a crucially important institutional framework that empowers people to realize their rights and liberties as well as to participate more effectively in political and public decision-making. In addition, the new Constitution launches a more open and accountable political environment, while enhancing the system of checks and balances. It also meets the expectations of the Thai people regarding their keen awareness and

interest in vital issues such as transparency, accountability, representation, participation, decentralization, self-governance, and the rule of law and human rights.

Along with the promotion of political accountability and transparency, new institutions such as the National Counter-Corruption Commission, the Electoral Commission, and the Administrative Courts have been established. The new Constitution not only creates the framework for the restructuring of national representative institutions and reform of the electoral process, it also emphasizes gender equality, community empowerment, and basic rights in education and health.

Politically, concepts of transparency, accountability, equity, and participation are the basic criteria for good governance. The challenge now is to incorporate good governance at all levels of society. Moreover, the current Thaksin government has also promised to fight political corruption and electoral fraud. Therefore, time is a crucial factor in proving the government's intentions.

1.5 Traditional and Contemporary Perception of the Social Protection System

Initially, social protection was introduced in Thailand and was known as 'social security' in early 1932, when the country changed from an absolute monarchy to a constitutional monarchy. At that time, the idea of establishing a social security system in Thai society was not possible due to general political instability during World War II. Until 1947, when Field Marshall Phibul-Songkram became Prime Minister, the Social Security Act, B.E. 2497 (1954) was promulgated. However, the Act could not be implemented because a Royal Decree was not issued and announced. This situation was related to the fact that the government at that time did not make enough efforts to materialize the idea of establishing a social security system. Meanwhile, many people did not understand the benefits since they placed high value on family responsibility and therefore disapproved of the idea. Moreover, they felt that such a system would put an unnecessary burden on public expenditure and government administration. Faced with strong opposition, the government eventually revoked the first draft legislature on social security.

In 1972, Revolutionary Decree No.103 was issued and announced, paving the way for the establishment of the first Workmen's Compensation Fund in 1974. The Fund provided basic guarantees and protection for workers in the formal private and public sector who suffered from occupational accidents, work-related injuries and diseases.

However, the Social Security Act of 1990 was passed by Parliament and enforced on 2 September, 1990. Workers in formal contractual employment were essentially targets under this Act.

Although the Social Security Act of 1990 has been in force for more than ten years, the system is still far from comprehensive. Large numbers of workers outside of formal employment, working mainly in the agriculture sector, are not yet covered by this system. Therefore, they have to rely on traditional or informal measures of so-

cial security, such as financial support from the family, village-based savings groups or cooperative savings.

2. Review of the Existing System

2.1 Social Protection in the Formal (Organized) Sector

2.1.1 Categorization of the Formal Sector

In Thailand, formal sector employees are classified into two categories: employees in the private formal sector (i.e. workers in private enterprises) and employees in the public sector (i.e. state enterprise workers and civil servants). Employees in the formal sector are identified as those who are employed with social protection coverage by law and regulations. They are not only protected by social security measures, but they also have a higher and regular income.

Recently, workers in small-scale enterprises (with less than 50 workers) have played an increasingly important role in Thai economy. In the enterprise sector, the prominence of small-scale enterprises can be observed. According to the Ministry of Labour and Social Welfare Survey (2000), 49.8% employ one to four workers; 83.8% employ one to 19 workers and 93.6% employ one to 49 workers (see Table 14, Appendix). At present, almost 50% (enterprises with one to four workers) of the surveyed enterprises have been identified as the 'informal sector'. At the moment, employees in this sector are not protected by law and regulations.

Government support appears to emphasize formal and large enterprises. For example, the Board of Investment under the Office of the Prime Minister is the principal government agency providing incentives to stimulate investment in Thailand. Many of the Board's activities have been oriented towards foreign investors and the development of medium and large-scale commercial and industrial operations. Little attention has been paid to small and less formal enterprises. This can also apply in particular to the area of social security. Formal and large enterprises are clearly privileged by the state. As we can see, employees in the formal sector do not only have a higher and regular income, but are also protected by social security measures. This is mainly due to the different characteristics of formal and informal sector employment. The implementation of social security schemes is rather straightforward in the formal sector, due to long-term employment, regular income, income records and so on.

However, workers employed in enterprises with one or more workers will be protected by the Social Security Act in accordance with the Cabinet's decision on 20 November 2001. The scheme will be implemented on 1 April 2002. Formal sector workers in Thailand face some significant problems, in particular with the health insurance system. The problem lies in the differences in the scope of coverage of the various insurance schemes. For example, employees in the private sector are entitled to claim medical benefits from the Social Security Fund only for themselves, whereas civil servants and employees of state enterprises are all entitled to claim medical expenses for their parents, spouse and children. However, an insured male worker is

entitled to receive maternity benefits of 4,000 baht for his spouse or for an unregistered wife. Moreover, the insured person is also entitled to claim for child allowances, which amount to 150 baht per month per child.

According to the 1994 Workmen's Compensation Act, all employees in enterprises with ten or more employees are covered by the Workmen's Compensation Fund. The Fund provides benefits in cases of work-related incidents such as injuries or diseases, loss of organ(s), disability, death or disappearance. The problems faced by employees in private enterprises are as follows:

- Accident and injury rates among workers are still high.
- Employers fail to take responsibility for providing adequate protection against accidents and injuries in the workplace. In many cases, workplaces are still equipped with outdated machines, and workers are not given a warning about possible hazards in operating machines. Moreover, emergency measures and escape routes may be substandard or lacking.
- A worker injured in a work-related accident is in many cases forced to seek medical care and service at hospitals registered with the Social Security Fund, instead of claiming benefits from the Workmen's Compensation Fund. This is commonly due to the fact that most employers do not want to have cases (injuries, or work-related accidents) reported to the authorities. Enterprises with frequent accident and injury reports would be subject to inspection or monitoring.
- A great number of workers have had work-related illnesses, but they are misdiagnosed by physicians. The results are chronic illness without proper treatment. This situation is due to the lack of specialized training on the part of physicians and medical personnel.
- In case of disability or partial disability, or the loss of a limb, most of these injured are not able to fully claim benefits and compensation. This is due to the fact that the degree of disability is not clearly defined, according to the Act, for subsequent compensation.

2.1.2 Social Insurance and Savings Schemes

The Social Security Act was initially enforced to cover enterprises with 20 or more employees and extended to enterprises with ten or more employees on 2 September 1993. On 20 November 2001, the Thai Cabinet agreed to extend coverage to all enterprises with one or more employees. This agreement will be implemented on 1 April 2002. It is expected that a total of 9,490,000 workers will then be covered under the protection of the Social Security Act. It should be noted that workers in the informal sector and self-employed individuals are not included. This is because the implementation of the Social Security Act has not been extended to informal sector workers and the self-employed. At the same time, any person who becomes unemployed or resigns from his job can apply to become a voluntary insured person according to Article 39 of the Social Security Act.

However, the Social Security Act and Workmen's Compensation Act do not cover civil servants, other government employees such as soldiers, police officers, teachers,

and university staff, as well as workers in state enterprises. Instead, civil servants and workers in state enterprises are eligible for quite generous benefits in terms of pension and compensation by providing health care and services for self and family members (e.g. parents, spouse and/or children).

Regarding the Social Security Act, benefits are provided for insured persons, covering six types of benefits: illness or injury, maternity, disability, death, child allowance, old-age pension and unemployment. The provision to establish unemployment insurance has not been implemented. In case of emergencies and accidents, outpatients can be reimbursed for a maximum of two visits per year. Inpatients can get reimbursement for a maximum of two hospital stays per year. With regard to pension, an insured person will be paid an old-age pension benefit. The amount of pension benefits is calculated at the rate of 15% of the average wage of the last 60 months or 15% plus 1% per additional 12 months of contributions above 180 months.

Contribution to the Social Security Fund comes from employees, employers, and the government. According to the law, employers and employees each make contributions at the rate of 3% of wages to cover the six types of benefits. The government contributes at a rate of 2% of wages. Under such conditions, the employer has to deduct 3% from the wages of an insured employee as well as add his contribution (3% of wage) and pay the contributions of both within 15 days of the following month to the Social Security Office. Any employer who intentionally fails to comply with the Social Security Act (No. 2), 1994 is liable to imprisonment for a term not exceeding six months or to a fine not exceeding 20,000 baht (Friedrich-Ebert-Stiftung, 2002, pp. 53–54). However, since the Act was enacted in 1994, it was agreed that the designated 3%, 3%, and 2% contributions of the three parties are set as the goal. In 1994, when the programme was started, the contribution was only 1.5% for each of the three contributors. When the economic crisis hit, the contribution rate was dropped temporarily. Today the contribution rates stand at 3%, 3% and 2% for employees, employers and the government respectively. Workers not belonging formally to an enterprise such as the ‘self-employed’ and workers in the informal sector can become members and benefit from the Social Security Fund by making contributions for both employers and employees.

Employment is the most important form of social protection for workers. Prior to the crisis, Thailand did not have an unemployment insurance programme. In the aftermath of the crisis, the government began to consider introducing an unemployment insurance scheme for providing social protection to retrenched workers. However, it deliberately decided not to launch such a scheme due to some belief that it would run counter to traditional self-reliance and self-help. Moreover, many felt that a better government policy would be to set up initiatives to build up the capacity of communities and families so that they could help each other. After the crisis, the main features of the labour protection policy were as follows: First, the severance pay requirement was extended from six to ten months; second, a major job-creation or employment-generation programme was launched in the rural areas to absorb returning migrants; third, social security benefits were extended for laid-off subscribers from

six to twelve months and the tripartite contribution rate for such benefits was reduced by one-third. Moreover, pension and child allowance schemes were established under the social security scheme for private sector employees; finally, the government launched training programmes for upgrading the skills of workers laid off during the crisis (World Bank, 2000, p. 39).

For non-government enterprise employees, the Labour Protection Act of 1998 provides protection for unemployment in three cases:

(1) *Severance pay*. Severance pay is the money which the employer pays to the employee upon termination of employment, in addition to other categories of money which the employer agrees to pay the employee according to Section 5 of the Labour Protection Act 1998.

(2) *Provident Fund*. This fund is set up by both the employers and employees as protection for the employee in case of retirement, death, termination of employment, or termination of membership. The Provident Fund Act of 1987 states that the Provident Fund is voluntary and not required of all firms. Therefore, many firms do not establish a Provident Fund.

(3) *Employee Welfare Fund*. This fund was established to provide welfare for workers whose employment is terminated because of death or other reasons. The Labour Protection Act required that the Ministry of Labour and Social Welfare according to Section 126 establish an Employee Welfare Fund. The employee must be a member of the Employee Welfare Fund unless the employer has established a Provident Fund for the firm. Both employer and employee are required to make contributions to the Fund. In other words, workers should be protected by either the Provident Fund or the Employee Welfare Fund in case of termination of employment.

In the Ninth National Economic and Social Development Plan (2002–06), poverty reduction is recognized by the Thai government as a high priority area. A poverty eradication plan was drawn up in 2001. The Plan's goals are to provide equitable access to education and social services for the poor and disadvantaged. Key features towards these goals are (National Economic and Social Development Board, NESDB):

‘Improving the capability of the poor and ensuring social security for the poor by urging formation of occupational and/or saving groups among the poor. Through these forums, the poor will be able to learn from each other's experiences, to make collective decisions, and to establish networks of community welfare. Non-government organizations, local education institutions, and religious institutions will be encouraged to play an active role in the poverty-reduction process. The very poor will be guaranteed basic necessities such as food, health insurance, and a living allowance. The state will also help improve productivity of the rural poor. In addition, the local economy will be enhanced, so that the poor can be self-reliant and have more job opportunities within their own localities. For the urban poor, emphasis will be placed upon access to education and health services, securing a livelihood by linking community businesses with industrial businesses at various levels, and ensuring a healthy living environment.’

2.1.3 Social Assistance and Services: Benefits and Transfers

Apart from the social security or social insurance system as described in 2.1.2, the government also offers additional social assistance and services (non-contributory). Social assistance and services may be classified into three categories: in-cash transfer programmes, in-kind transfer programmes, and income generation programmes. The concept of social assistance and services is to provide assistance to specific groups with specific problems.

(1) *In-Cash Transfer Programmes.* The Department of Public Welfare in the Ministry of Labour and Social Welfare operates several cash assistance programmes, such as direct cash assistance to needy families, monthly cash assistance to the elderly without any means of support, and village community funds. Significantly, two cash transfer programmes are described as follows:

(1.1) *Student Loan and Government Scholarship Programmes.* An Education Loan Fund for the student loan scheme was established in 1996. The eligible beneficiaries include students studying at upper secondary and tertiary private and public educational institutions with an income below 12,500 baht per month (World Bank, 1999).

These programmes existed prior to the crisis. But with the crisis, the government put in additional effort to strengthen these projects both financially and administratively. The loan from the Asian Development Bank to support scholarships for children in need proved to be less effective than expected. During the first year of implementation, the identification of poor students was not properly carried out and needed improvement. However, evaluation reports are not available at the moment.

With respect to primary health care service, the services have been provided to people in both urban and rural areas. Very poor people can receive health care services from government hospitals and health care centres. But services may be slow and not fully adequate. Programmes for health care include the following:

(1.2) *Monthly Cash Assistance to the Elderly.* The programme pays 300 baht per month, as a pension, to each elderly poor. This income is considerably less than the minimum subsistence requirements implied by the NESDB poverty line for the elderly, which averaged around 700 baht per person in the rural areas in 1997.

(2) *In-kind Transfer Programmes.* The in-kind transfer programmes include the School Feeding Programme, which is administered by the Ministry of Education, and the Medical Services operated by the Ministry of Public Health. The following programmes are described as in-kind transfer programmes:

(2.1) *School Feeding Programme.* There are two main programmes – a free school lunch programme and a supplementary food programme (school milk). The school lunch programme applies to children in primary school, while the supplementary food programme is provided to pre-primary students and primary students through to the third grade.

(2.2) *Health Programmes.* Before 2001, most Thai families participated in one of the many public health coverage schemes, ranging from free health services to beneficiary co-payment or premium payment. These schemes include the public assistance scheme, the civil servants medical benefit scheme, the compulsory health insurance scheme for formal sector employees, and the voluntary health insurance programme for the needy. After 2001, the low-income health card and voluntary health card schemes are replacing the 30 baht Universal Health Scheme.

- *Low-Income Health Card.* The low-income health card is the public assistance scheme. This scheme covers low-income adults, children under 12 years of age, the elderly (60 years and above), the disabled, monks and war veterans. The low-income card programme and is targeted at poor adults within the 13–59 year age group, with a budget of 273 baht per capita for a period of three years. These individuals are entitled to free health care at hospitals and public health centres. The low-income card is provided to poor adults with the income ceiling of 2,000 baht per month for a single person and 2,800 baht per month for a family.
- *Voluntary Health Card.* This programme aims to serve the near poor and those who do not have mandatory insurance, such as civil servants and formal sector employees. Health cards can be purchased at 500 baht with a 1,000 baht government subsidy. Not more than five persons in the family can benefit from the card.
- *30 Baht Universal Health Programme.* This health care programme gives everyone (except people who have mandatory insurance such as civil servants and formal sector employees) access to medical services, requiring each person to pay only a fee of 30 baht per visit. Very poor individuals can apply for a special card that grants them free medical treatment. The 30 Baht Universal Health Programme began as a pilot programme in April 2001 in only six provinces. Recently, it has been expanded to all 75 provinces and 13 districts in Bangkok. The remaining districts in Bangkok are to be included on 1 April, 2002.

(3) *Income Generation Programmes.* There are wage-employment creation programmes that are open to the population at large within a given area, such as the Rural Job Creation Programme, the Green Earn Programme, and the Tambon Development Programme.

2.1.4 Others

Moreover, family and community networks are traditionally seen as a safety net mechanism to provide necessary support if and when necessary. His Majesty the King adopted a strategy to promote the concept of ‘self-sufficiency’ at the family and community level. This concept has encouraged the government to focus more on rebuilding and consolidating social capital eroded by economic growth. Thus, the approach is aimed at strengthening the unofficial, community-based ‘safety nets’ (World Bank, 2001). Much support now goes directly to community-based organizations such as savings and credit groups, and women’s and children’s groups.

2.2 Social Protection in the Informal Sector

2.2.1 Categorization of the Informal Sector

In Thailand, as in many other countries, there are no clear and standardized definitions of the informal sector in use currently. Informal sector workers are assumed to be individuals who work outside of 'conventional' office and factory forms of employment, and work without a regular contract.¹ The National Statistical Office (NSO) of Thailand uses criteria based on qualitative characteristics of the sector, and the number of employees (less than ten) to categorize workers and establishments as part of the 'informal sector.' By NSO definitions, more than 75% of Thailand's employed labour force is in the informal economy. The majority (52%) of enterprises in Thailand are informal enterprises and according to statistics issued by the NSO in 1997, 'employment generated by the informal sector in the manufacturing, trade and service sectors is approximately 3.5 times greater than that generated by the formal sector.'²

Moreover, as is apparent in the literature, the informal sector has been growing rather than shrinking in developing countries throughout the world, and there is a much higher proportion of women in the informal than in the formal sector, particularly in certain branches of the informal sector. In Thailand, for example, women constitute the great majority of workers involved in home-based production, particularly in the production of garments, textiles, food and beverages, and other goods that are made either in small neighbourhood home-based factories or in individual homes.

The following discussion will draw primarily from recent studies on home-based workers in order to illustrate certain points regarding the need for social protection. However, the general discussion will deal with concerns and programmes that apply to workers throughout the informal sector.

2.2.2 Problems and Features of the Informal Sector

The problems faced by informal sector workers have generally been invisible to policymakers in Thailand, as in other countries, until very recently. During the Asian

1 According to the criteria for informal sector activities developed by Sethuraman and the ILO in 1976, economic activities that can be classified under the informal sector under the following circumstances: family members work in a business; less than ten people are employed in a business; there are no legal regulations, or existing regulations are not observed; there are no regular working times; the workers have less than six years of schooling; the work is seasonal; no electricity is available in the workplace; and there is no dependency on regular loans. Although some of these criteria are not relevant to the Thai case (e.g. electricity is generally available in places of work in Thailand), the other features are not uncommon in the informal sector in Thailand. Some of these features are used by the NSO (in particular, the number of employees being less than ten, as discussed above). It should be noted that currently ILO publications refer to the 1993 (15th International Conference of Labour Statisticians) definition of an informal sector enterprise as 'a private non-agricultural business which is household-operated and has a total of, at most, five paid employees'. See for example, International Labour Organization (Bangkok), 'Decent work for all: Targeting full employment in Thailand', August 2000, p. 27. However, the ILO acknowledges that the 'less than ten employees' definition is also commonly used in many countries throughout the world.

2 M. Allal, 'Micro- and small enterprises in Thailand: Definitions and contributions', Working paper 6 for the ILO/UNDP Project on Micro- and Small Enterprise Development and Poverty Alleviation in Thailand, THA/99/003 (Bangkok, ILO/EASMAT). Quoted in ILO (Bangkok), *ibid*, p. 30.

financial crisis, for example, the impact of the informal sector was virtually ignored by most government offices in Thailand and by most of the large-scale development-oriented international organizations, as the focus was almost exclusively on the impact of the crisis on the formal sector.

This focus on the formal sector was true even of studies dealing with the 'social impact' of the crisis, particularly in late 1997 and 1998 when reports began to be written. A few analysts noted the impact of the crisis on the informal sector (and speculated about the impact without doing any actual empirical research); however, their general assumption was that the sector was doing reasonably well and could expand and absorb unemployed workers who had been in formal sector occupations. Moreover, some writers thought that the financial crisis might even be a 'golden opportunity' for women in the informal sector in Thailand, since they could now work more and 'take greater charge of the household finances.' Needless to say, this view did not go down well with women in Thailand, who were already working long hours for very little pay, and now faced difficulties keeping their family's real income from falling too sharply in the face of rising costs and falling earnings.

Besides being invisible to policymakers, informal workers in Thailand face other significant problems.³ Their primary problems are tied to their lack of legal rights and their lack of access to resources (capital, education, training, and others) that would give them more options. In addition, social and family constraints often limit women in particular to informal sector work.

Both work- and non work-related health concerns are also very important to informal workers in Thailand. For many, occupational safety and health and other risks are a big concern due to their unregulated and unprotected work. In addition to health hazards directly related to their jobs, low-income informal workers are also often exposed indirectly to environmental hazards associated with the physical locations in which they live and work (hazards associated with poverty, unsafe buildings, overcrowding, pollution, etc.). Among the most vulnerable informal workers are those who deal with garbage and waste processes or manufacturing processes involving the use of chemicals and other substances in an unregulated environment without any kind of protective measures or equipment. The poverty of so many informal workers forces them to ignore the risks and work in this way for as long as they can. They do not feel that they have the luxury of considering the hazards involved, at least until

3 Other problems often noted include the ideas that informal workers are non-legal and therefore outside the scope of official statistics and government regulation as well as labour and social protection legislation; have irregular workplaces and working hours; work long hours with low productivity; often have little training so that the chances of finding a job in the formal sector are low; face a lack of assets and capital and no access to the formal financial markets; face low entry barriers and growing competition when the informal sector expands, which in turn reduces the chances of making a living; often are in poor working conditions; and, as a rule, have no work safety and have no access to social security systems, among other concerns. (From FES-Singapore, Background Information for Country Studies on Social Protection, p. 14.) These features and problems are generally applicable to informal workers in Thailand at the present time, albeit with a great deal of variation across different occupations and industrial sub-sectors.

something dramatic happens – and then the work just goes to others, who do it in the same unprotected way.

Informal workers' risks also tend to be very high because their employment is often irregular and without enforceable contracts. They have no recourse if what they have produced is not accepted (in the case of subcontracting) or not sold at an acceptable price (in the case of self-employment). They have no job security or workers' benefits, and they are not covered by most labour legislation. In some cases, they may be subject to harassment, and they often face delayed payments of wages – and here again, they have no effective legal recourse, and so are forced to turn to relatives or moneylenders to meet immediate needs. Moreover, without access to new markets or resources, they may be left without options when conditions change, either due to declines in demand or supply, increases in costs, or other unpredictable events that endanger their assets and livelihoods.

In Thailand, the financial crisis exposed the vulnerability of this sector because it brought about sudden and dramatic reversals for large numbers of informal workers. Not only were they faced with rising costs of living and production and declining demand, but their invisibility also meant that they were largely left out of the 'social response packages' to the crisis. Homenet, a NGO network working closely with homeworkers in the informal sector in Thailand, carried out a study on the impact of the financial crisis on homeworkers. The study showed that very few knew about the response package initiatives implemented by government and non-government agencies. Those who knew about them generally were not able to gain access to these programmes. For example, almost none of those surveyed were able to take advantage of the key Social Investment Fund initiatives that were devised in reaction to the crisis, at least in the initial years.⁴

In the years following the crisis, however, informal workers were able to benefit from some ongoing government programmes, particularly those sponsored by the Department of Public Welfare and other governmental and non-governmental organizations.⁵ They also benefited from a few other short-term programmes that eventually were formulated in response to the crisis (e.g. the Bangkok Metropolitan Authority's public works programmes for poor communities). Nonetheless, the crisis made it very clear that informal workers could not be expected to just fend for themselves. They could not easily find new job opportunities, and the sector could not expand to meet

4 HomeNet Thailand, 'Impact of the economic crisis on homeworkers in Thailand', International Labour Organization (Bangkok), January 2002. The Social Investment Fund (SIF), a World Bank loan in response to the financial crisis, aimed at providing financial support for community organizations with projects promoting income-generation, emergency and social support for the poor, environment and cultural preservation and community strengthening. Access to SIF appears to have increased in the period after the surveys were conducted. The main controversies remain (1) how much has actually reached informal workers, and (2) what the timing has been (i.e. the long delays in gaining access to these funds).

5 As an example of this, homeworkers (subcontracted home-based workers) in the artificial flower and garment industries in Thailand reported receiving a multitude of services from governmental and non-governmental organizations during this period, for details see Table 17, Appendix.

the needs of displaced workers. Moreover, as noted earlier, women in the sector did not generally find this a ‘golden opportunity’ for their own personal growth.

Instead, rising costs and declining demand throughout the country and the region had a very serious effect on informal workers. This included not only those in service but also in manufacturing sub-sectors, since their position at the low wage/low productivity end of their respective industries and occupations meant that they could not respond to export opportunities to countries not affected by the crisis, but rather had to face deteriorating conditions in local and regional markets. Many had to give up their regular informal sector employment to become casual workers under adverse circumstances. Moreover, those who were able to maintain orders or customers were often forced to work under even more hazardous conditions and for much longer hours to compensate for the significant fall in their real incomes.

In the wake of the financial crisis and subsequent economic downturns, it became clear that formal and informal workers also cannot simply fall back on family and community members for help, as the latter themselves have difficulty trying to cope with the dislocations of a troubled economy. For this reason, it has become apparent that social protection programmes need to be expanded, and extended to the informal sector. This idea had been discussed during Thailand’s high growth period, and at that time there seemed to be the political will to move in that direction. However, the financial crisis brought this momentum to a halt as government spending was cut back.

In the past year or two the issue of extending social protection to the informal sector has again come up, and new initiatives are being pursued in promising ways; how the current global economic slowdown will affect these new initiatives is as yet unclear. The following sections will discuss existing government and voluntary schemes that deal with the different aspects of social protection for informal workers.

2.2.3 Social Assistance and Services: Benefits and Transfers

In principle, there are many things *government agencies* at different levels (national, provincial, and local) can do to promote social protection for the informal sector. This could include such things as social insurance programmes to deal with unemployment, health, disability, old age, death, and other life reversals; social assistance and welfare programmes to cover particular groups; child protection (including child care) aimed at the welfare of children whose parent or parents work in the informal economy; and labour regulations and employment/income generating policies to protect against the uncertainties and hazards of work in the sector.

In Thailand, during the high growth years, there were serious discussions regarding the extension of labour and social protection programmes that are in place for formal sector workers (through the Labour Protection Law and the Social Security Act) to informal workers as well – i.e. to those working in establishments of less than ten employees, and who register with the Ministry of Labour and Social Welfare. In fact, the Eighth National Plan (1997–2001) originally projected that social security provi-

sions would be extended to the informal sector. However, with budget cuts in the wake of the financial crisis, these measures were put on hold. In principle, social security benefits were extended to all establishments with one or more workers as of April 2002. Despite great efforts to influence the government to extend social security provisions to the informal sector, this provision still does not cover workers in informal units (particularly unregistered ones).

In recent years, informal workers' access to the social security system has been, in principle, mainly through the 'self-employment' scheme in Thailand, as discussed above. This holds true even for subcontracted workers who are not self-employed. In reality, however, to obtain death, disability, maternity and accident benefits through this scheme, informal workers have to pay double premiums (one for themselves, and another for 'employers'), which places the programme out of the reach of most informal workers, who often earn less than the minimum wage. Moreover, this programme does not cover illness, which is the main need and concern of informal workers, particularly the large numbers who work in hazardous and unhealthy environments. Interestingly, in the case of subcontracted workers, employers/contractors deduct a withholding tax of 3% from the amount earned by workers, but the latter do not benefit from insurance plans sponsored by either the government or by employers.

For these reasons, most informal workers feel that the formal inclusion (beginning in September 1994) of the 'self-employed' in the social security scheme on a voluntary basis is something that is largely irrelevant to them. This is because even though the Social Security Office states that workers in the informal sector can be covered by the Social Security scheme by registering themselves as self-employed, they have to make two contributions on behalf of both the employer and employee. This option is not attractive to informal workers. In fact, the only really affordable *government-sponsored* social protection plans that low-income informal workers have had access to until recently are (1) the health card programme from the Ministry of Public Health, and (2) in a limited number of cases, the welfare programmes of the Ministry of Labour and Social Welfare and other ministries. However, these programmes are designed to aid impoverished families and individuals, rather than low-income workers in general.

With regard to the health system, which is a critical concern for informal workers, a 30 baht health scheme has been enacted that is promising but still largely untested, as it is being extended slowly throughout the country (see also Section 4 regarding innovative programmes). For most informal workers, the health plan in place until recently has involved participation in a voluntary health scheme (with 500 baht health cards that cover a family of up to five members); having a low-income health card ('low-income' here refers to an individual making less than 2,000 baht per year, or a family with an income of less than 2,800 baht per year); or having no coverage at all. Even in the case of health card holders, 80% claim that they would be in serious trouble if they became seriously ill. This is due in part to the referral system used in the programme that, it is said, may not give patients the care they need. It is also due

in part to the spending limits imposed for each patient.⁶ It is the hope of the government of Thailand, as well as the informal workers and their families, that the new universal health coverage plan – along with the one million baht revolving fund for villages (also discussed in Section 4), and new initiatives regarding occupational health and safety and other measures that are still in the pre-programme stage – will improve the government-sponsored provision of social protection to the informal sector.

2.2.4 Voluntary Schemes: Savings, Credit and Micro-insurance Schemes

Attempts involving organizations *outside of the government* to provide certain types of social protection to informal workers are extremely diverse, and they depend upon the type of informal worker and the geographic region. There are legal barriers to some types of voluntary social insurance and social welfare programmes such as the handling of community-based insurance schemes through cooperatives, and these barriers have inhibited their growth to some extent. Nonetheless, the financial crisis created a great deal of insecurity and turmoil throughout the country, and one of the reactions was the creation of many new voluntary programmes, particularly through community-based organizations (CBOs) and credit unions, among other organizations.

In fact, for decades villages in every part of the country have been setting up independent schemes to provide local people with social benefits. Depending on the village or CBO, the benefits may be in the form of medical, life/funeral, old age, disaster, education, or other benefits (usually a combination of these). In Thailand, the costs of funerals are high and are culturally and socially important; moreover, the costs associated with transportation to and from hospitals, particularly in rural areas, may be far greater than the costs in public hospitals. Funeral/life and medical (including transportation) costs are thus among the most important costs to be covered, along with survivor benefits, disability, and other concerns.

Because of the diversity of these local, voluntary programmes, we will note here only a few that have been discussed in some detail. Among credit union cooperatives, for example, the Soon Klang Thewa Credit Union has provided loans for middle- and low-income members, including informal workers, for decades.⁷ Similarly, the Sri Haruetai Klung Credit Union Cooperative offers savings and loan programmes, a children's education fund, and medical, maternity, death, disaster, and old age benefits as part of its welfare fund. The Klongprea Saving Group, the Praephan Group, the Maepruk Village Bank, the Noensai Saving Group, and the Urban Community Welfare Fund are also examples of self-help CBO-initiated groups that deal with saving and lending (micro-finance) services, small enterprise support, and welfare fund services (mostly related to medical, death, and old age benefits).⁸ Employment-based

6 This point was made in the Workshop Report of the ILO-STEP Technical Workshop on the Extension of Social Insurance and Assistance to Homebased Workers in Thailand, June 7–9, 2000.

7 Cf. HomeNet Thailand (*op. cit.*), Chapter Three.

8 Regarding these organizations, cf. Daonoi Srikajon, 'An approach to social protection schemes for home-based workers in Thailand.' HomeNet Thailand, March 2001. The author points out that there

groups have also experimented with mutual assistance and social insurance card schemes, among other approaches, in specific small-scale social protection coverage.

In each case, a certain amount is paid by members in order to maintain the group fund, and a group leader is appointed to manage the fund. Savings schemes operate in a similar way, with a specified amount (e.g. 20 baht per month) paid by all members each month. In some cases, e.g., for funeral expenses, all members contribute a specified amount upon the death of a group member. The contributions tend to increase as costs increase over the years.

Many of these programmes have been in place for up to 25 years, and although their coverage is limited, they have provided members with financial assistance when government programmes were completely out of the informal workers' reach. However, poorly managed local programmes, or programmes that suddenly face large amounts of unexpected costs or a serious drop in membership (e.g. due to an economic downturn or crisis) can suddenly collapse as the programmes simply run out of funds altogether. Other problems regularly facing local CBO-sponsored social insurance and assistance schemes include:

- the fact that low-income members may not be able to contribute much to the fund;
- the programmes may not at any point gain enough members to sustain the fund for long; and
- the local community may not have adequate information regarding the micro-finance- and micro-insurance-related experiences of groups in other parts of the country, which includes the practices that can either make schemes viable or lead them to ruin.

It is important to keep in mind that these schemes are almost never government-supported in Thailand. Moreover, it must be recognized that although the local, voluntary programmes can provide adequate coverage for some limited needs, they will not be able to meet the wide-ranging needs of informal workers for social protection. Given the uncertainties and lack of resources available to the majority of informal workers, it is clear that some combination of voluntary and government-provided programmes is needed.

2.2.5 Others

As in most developing countries, informal workers will turn first to family members and community groups for help in case of need, particularly in times of unexpected life upheavals (unemployment, death, illness). However, as the financial crisis made clear, family members and community groups are not likely to be able to help when

are over 40,000 CBOs in Thailand, with a capital flow of approximately 30,000 million baht. Not all of these currently have welfare fund programmes, but CBO-sponsored programmes are seen by many as a potential means of providing certain types of social protection that can complement (rather than substitute for) government-sponsored social protection initiatives.

they themselves are adversely affected by an economic downturn. Even in times of economic growth, low-income informal workers may not have sufficient family or community resources on which to draw, particularly when costs are high and needs are great.

There have been some accounts of informal workers, e.g. subcontracted workers, turning to employers for loans or help with illness or other difficulties.⁹ There may certainly be some employers that try to maintain family-like ties with their informal workers. However, it is unlikely that most employers will go very far for individual workers. In the case of homemaker groups in Thailand (groups of subcontracted home-based workers), it was found that some group leaders tried to protect group members from economic downturns or delayed payments as much as possible (e.g. by going to moneylenders themselves). However, once again, there is not much that group leaders can do for large numbers of individuals or individuals with sizeable needs. The situation is all the more difficult for migrant workers, given that they often lack family members nearby, and they are less likely to be members of community-based organizations. For all informal workers, it is clear that what is required is a combination of public, private, and personal means for dealing with times of need.

Fortunately, the informal economy has become somewhat less 'invisible' to policy-makers, and new initiatives have been proposed. A few of these will be discussed in Section 4.

2.3 Labour Market Policy

2.3.1 Active Labour Market Policy

The labour market policy in Thailand has been affected by the 1997 economic crisis and the economic recession of the past few years. The admission of China into the WTO has also impacted the labour market in Thailand. It was realized earlier that Thailand could no longer rely on unskilled labour. Programmes to provide technical training for semi-skilled and skilled workers have to be implemented. But this can be done only when the market and production trend is identified. Even the present compulsory education requirement is not sufficient to prepare Thailand for the future. The economic crisis has also created college graduate unemployment.

College graduate unemployment has been another labour market problem. There are many projects with the objective of creating employment, both short term and long term for fresh graduates. A new graduate employment programme hires new graduates to work on assigned community development projects for more than six months

⁹ Vagneron asserts, for example, that 'Many entrepreneurs help their workers financially (by paying them in advance) or when they are ill; this remains true no matter the size of the enterprise. Such family-like relations are more widespread among the small subcontractors making low quality products, but also because informal relations are necessary in order to soften the working conditions, which bear the mark of harsh competition, and are thus quite difficult.' In I. Vagneron, 'How can the situation on the domestic labour market shape subcontracting arrangements? Evidence from the garment sector in Thailand.' Workshop on Subcontracting Labour in Asia: Historical and Global Perspectives, Bangkok, 22–24 November 1999 (CLARA-IISH-IIAS), p. 11.

to support their families. However, with incomes below government wages, it is not clear what percentage of the hiring was truly 'productive' employment. Assessment needs to be made on a project by project basis. Since there are many different projects, project evaluation will have to be made separately.

Rural employment projects provide only 3,000 baht per person, too small an amount to have any impact on individuals or households. It is a short-term/one-time relief only. It was reported that for the fiscal year 1999, 7,856 persons were employed. Still, the amount is not substantial enough to have a significant impact.

With regard to skills development, there are many training projects in the Unemployment Mitigation Package. For the fiscal year 1999/2000, the following targets were identified: Children and women vocational training projects were aimed at 8,000 persons, homemaker leader projects targeted 7,500 persons, and vocational training as a prostitution prevention measure had a target of 2,500 persons. Most training programmes identified a number of trainees as the target. There is no output/outcome identified. Similar to the employment creation projects, 'productive training' should be the objective of all training programmes/projects, not the mere number of those who attended the sessions. This is especially important for the computer training projects implemented. Preliminary assessment indicated that computer-training projects need a special design and should include post-project activities to ensure a successful outcome. Post-training evaluation in the form of beneficiary satisfaction is needed to evaluate the training projects. One indicator is the ability to use the skills learned in the training projects to earn income.

Regarding the minimum wage, it is largely set up by two tripartite mechanisms, namely the National Wage Committee and the National Labour Department Advisory Council (NLDAC). With this process, workers have relied on national wage decisions rather than seeking enterprise-based social dialogue through trade unions and collective bargaining. This could be a factor determining efforts towards labour organization because some of the incentives for trade union membership are diminished.

The government is promoting international labour migration to provide employment opportunities for those who are willing to travel abroad to earn a living. Training programmes to prepare workers are being considered. At the same time, labour attachés stationed in other countries are actively seeking employment opportunities for Thai workers.

Foreign workers are allowed to work in Thailand only when permits are granted. Official channels are created to reduce the number of illegal foreign workers and expand the labour market for Thai workers. This programme is not very popular among employers because they prefer foreign workers. This sector involves low unskilled workers, which the Thai people are not willing to allow into the country.

2.3.2 Passive Labour Market Policy

The 1997 Constitution provides the foundation for reforming the education system by giving all Thai citizens the right to 12 years of publicly financed education as

evident in the 1998 National Education Act. Currently, the average educational level of the labour force in Thailand is at the primary level of education. The primary and secondary education systems will need to change to support the development of a flexible workforce. A 'learning-to-learn' approach has become more widespread, with students researching their own information and learning to work in teams. At the secondary school level there should be greater efforts to expose students to the world of work, using systems such as the school-to-work programme.

In the context of a passive labour market policy, the implementation and operation of the Labour Protection Law is generally low. According to the Labour Force Survey in August 1999, 15% of Thai workers reported being protected by the Labour Protection Act. Large enterprises (with more than 100 workers) follow the law fully. Workers in large establishments have near-universal coverage (91%), while only 43% of employees in medium-sized establishments (10–99 employees) are covered (World Bank, 2000, p. 42). Small enterprises are not covered under the Labour Protection Act at the moment.

With respect to the implementation of a minimum wage policy, there are a large number of workers earning less than the minimum wage in Thailand. For instance, Labour Force Survey data indicate that, in the third quarter of 1999, 3.6 million workers (about 30% of all wage employees) earned a wage that was less than the minimum wage (World Bank, 2000, p. 34). However, there are wide regional variations in the proportion of workers earning less than the minimum wage. As would be expected, Bangkok has the smallest proportion of workers earning less than the minimum wage (15–20%), followed by the Southern and Central regions (23–25%). In addition, private employees are also paid less than the minimum wage. Among private employees, it is mostly those who work in small and medium enterprises that are at risk of being paid less than the minimum wage. Data on labour inspections published by the Ministry of Labour and Social Welfare (1999) confirm that 14% of small and medium enterprises were found to be in violation of the minimum wage laws in 1998.

3. Assessment of the Effectiveness and Efficiency of the Existing System

3.1 Coverage¹⁰

Unemployment Protection

The question is whether the existing laws are adequate to provide unemployment protection for workers, but since the existing laws are not fully operational, the answer cannot be given at this stage. One difficulty in answering the question lies in the fact that only six of the seven unemployment benefits provided in the existing Social Security Act have been implemented. It is therefore clear that the existing Social Security Act has not adequately provided for unemployment coverage. Coverage for other

10 Pongsapich, 2001, pp. 18–20.

benefits is usually satisfactory. The expansion of the number of people in the programme is therefore necessary. The question then is whether the Labour Protection Act provides unemployment protection for retrenched workers, i.e. whether severance pay and a provident fund (or Employee Welfare Fund) sufficiently cover unemployment benefits. Here, the difficulty lies in the implementation and operation of the laws. At present, especially because of the financial crisis, severance pay and a provident fund (or employee welfare benefits) are not provided for employees in all cases. Many firms are still not following the law in providing severance pay to retrenched employees. Many firms have neither the provident fund nor registration with the Employee Welfare Fund.

Coverage in Case of Subcontracting

The implementation of Section 12 of the Labour Protection Act, 1998 is also problematic. In the case of subcontracting, employers must make subcontractors at all levels responsible for providing benefits to their employees. In reality however, both the employers and the subcontractors ignore the law and therefore employees of subcontractors are not protected. Section 12 states: In cases where the employer is the subcontractor, all subcontractors of all levels along the line, if any, to the primary contractor shall be jointly liable with the subcontractor who is the employer for the payment of wages, overtime pay, holiday pay, holiday overtime pay, severance pay, special severance pay, accumulated funds, contributions, or additional payments.

The primary contractor or the subcontractors under paragraph one shall have a right of recourse against the subcontractor who is the employer for refund of payments already made pursuant to paragraph one.

In reality, one finds that protection in case of subcontracting has not been recognized in Thai society, regardless of what the law states. No employer takes responsibility for the protection or welfare of workers who are not directly employed by the company. Almost all companies treat subcontractors as service providers, exchanging services for fees. This arrangement does not recognize that services involve workers at all. Therefore, regardless of the law, there is no social protection in the case of subcontracting in Thailand.

Exemptions from the Provision

In addition, the Labour Protection Act 1998 also allows certain works to be prescribed differently from the provision of this Act. Section 22 states: Agricultural work, sea fishery, loading or unloading of goods on sea vessels, work to be performed at home, transport work and other work, as prescribed in the royal decrees, may be prescribed differently from the provisions of this Act, in the ministerial regulations for the labour protection in these various cases.

Additional prescriptions for the different kinds of work identified in Section 22 have been announced under ministerial regulations except for agricultural work and work to be performed at home. 'Work to be performed at home' is a form of subcontract-

ing. Therefore, it is clear that homeworkers and subcontractors are not sufficiently protected under the present Labour Protection Act.

Protection coverage under the present schemes is therefore insufficient. The Social Security Act needs to be implemented in full and coverage for subcontractors and homeworkers needs to be clarified. In addition, monitoring of the implementation and operation of the existing laws need to be carried out more seriously.

Reasons for Termination of Employment

The Labour Protection Act, Section 75 allows for the temporary termination of the operation of a firm if acceptable reasons other than for *force majeure* are given. Sometimes, employers claim lack of new orders for temporary termination of production to lay off workers. This means that employers have the leeway to get out of paying for compensation. Section 75 states: In the case that it is necessary for the employer to temporarily halt its operations wholly or partially for any cause other than for *force majeure*, the employer shall pay the employee at least 50% of the normal working day's wages that the employee received before the cessation of operations for the entire duration of the period during which the employer does not allow the employee to work. The employer shall give notice to the employee and the labour inspection official in advance prior to the halting of operations under paragraph one.

On this issue Chalit Meesit makes three observations (Chalit Meesit, 1999, pp. 15–16):

- Many employers use Section 75 to argue for temporarily halting production, reducing employees' pay by 50% and reducing other operating expenses by curtailing benefits for employees.
- If employees do not agree to the 50% pay cut and decide to terminate employment, employers need not provide severance pay.
- If temporary halting of operations is due to a financial crisis, not because of technical and complex problems; and if the problem cannot be solved after temporarily ceasing operations, termination of employment may be necessary. But some employers prefer to use Section 75 of the Labour Protection Act to avoid severance pay.

In effect, employers have been able to reduce the wages of workers and create underemployment conditions in order to solve their financial crisis. The question of reasons for termination of employment by employers is an issue that was heavily debated during the economic crisis. Many employees feel that they have been treated unfairly. But because the crisis created an unusual environment, employees have been agreeing to unemployment benefits at a value lower than normal or agreeing to be underemployed instead of unemployed.

3.2 Feasibility

With respect to the social security system, some deficiencies in management are noted, in particular to medical care and services. Insured persons who are under the system are generally not entitled to select their own preferred hospitals for treat-

ment. In most cases, employers often choose hospitals for their employees. Apart from this, it is found that many hospitals continue to make excuses to deny treatment or delay medical attention in cases of emergency or serious injury.

With regard to unemployment, the government has been reluctant to launch an Unemployment Insurance System. Therefore, regarding the benefits identified in the Social Security Act, unemployment coverage should also be considered. The proposed scheme for unemployment insurance is to ask for an additional 5% contribution from the three parties (employees, employers, and government). Implementation of this scheme awaits legislative and political procedures before finalization.

Currently, much debate is focused on how the existing social protection systems in Thailand should be improved. The following considerations should be made to improve management. First, the Social Security System should be extended to those employed in the agriculture sector. Second, the government must not draw money from the Social Security Fund for the 30 baht Universal Medical Care Fund because it would not be fair to both the insured workers and employers who have made contributions to the Social Security Fund. Third, insured workers must be given adequate information so that they are able to make informed choices about hospitals. Fourth, stringent measures must be imposed on hospitals in case of their refusal to provide proper medical care and treatment to insured workers, or their demand for medical fees from insured workers. Fifth, workers should have a participatory role in the Medical Board, the Appeals Board, the Workmen's Compensation Fund Board, and the Social Security Board. Finally, civil society organizations (CSO) should play an active role in monitoring and in the evaluation process, in particular in the 30 Baht Universal Health Programme, as this project is implemented in a top-down manner.

At present social protection schemes need to be carried out by government agencies. Civil society groups can only monitor the implementation process and efficiency of the programmes. In the future, if the decentralization processes achieve their goals, local governments may have the capacity to manage some of the social services and social assistance programmes. At the moment, this situation is far from being a reality.

Since unions are weak in Thailand, their achievements are few. Their immediate goals are to push for unemployment coverage. Progress will be made when the present government is receptive to the proposal to consider unemployment coverage. But it is not near finalization. Other social protection schemes are not being initiated by the unions since workers in the unions are covered under the same social scheme and enjoy the same benefits as workers in the formal sector generally do. Some schemes are fragmented and provide very small benefits to workers in the informal sector (together with the general population of Thailand). Support for the elderly is being advocated and the government is considering the second long-term plan for the elderly. These plans are advocated by civil society groups.

3.3 Financial Sustainability

With respect to financial sustainability, some programmes are not economically feasible or sustainable, even though they may be socially appropriate and necessary. An

example is the voluntary health card programme. The cost of health care per card is 2,138 baht, but the card is sold to the public at 500 baht per card and a government subsidy is continually required. The Ministry of Public Health, therefore, is in the process of designing different health service and assistance programmes. The 30 Baht Universal Health Programme is being implemented and scrutinized by the people, the media and academics. Financial sustainability of the 30 baht scheme is being questioned. Preliminary analysis suggests that financial sustainability will not be possible.

On the other hand, many of the unfeasible and unsustainable programmes have been abandoned. For example, the fishing enterprise promotion for returned migrants proved to be unsuccessful when returned migrants had no intention of adopting fishery as an occupation. Another example was the programme of promoting short-term employment in the form of daily wages. These programmes only provided jobs for a few days; hence the problem of unemployment was not solved. Therefore, these types of programmes need to be redesigned with the aim of providing 'productive' employment.

At the moment, financial sustainability of the social security scheme by itself is reported to be achievable. But if part of the social security fund is transferred to support the universal health coverage scheme, sustainability will not be achieved.

Other social services and assistance programmes are supported by the annual government budget and are not self-supporting. Therefore, the issue of financial sustainability is not applicable. In general, social protection programme financing is being studied and there is much debate among those involved.

3.4 Gender Equity

According to the Social Security Act, there is a slight difference in coverage between men and women. This difference is observed in terms of maternity benefits, which are specifically provided for female employees in the formal sector. However, different standard benefits between female employees in the formal sector and those who work in the informal sector and homeworkers are recognized. For example, the law gives women in the formal sector the opportunity to request for social security, whereas those in the informal sector are mostly left without protection.

In terms of access to training, it is difficult to assess women's access to workplace-based training because of unavailable data. However, discrimination against women is reported. According to ILO data (ILO, 2000), employers are often reluctant to provide training for women. The employers simply cite that a woman is unreliable since she will resign after getting married and having children.

The Labour Protection Act of 1998 stipulates equality in wages for males and females for the same kind of work. Practically, wages for men are 15–20% higher than those for women in Thailand. According to the Social Monitor IV, the wage gap between men and women narrowed to about 14% during the 1997 crisis. However, by the third quarter of 1999, with recovery underway, the male-female gap had increased

to 19%. This illustrates that the structural problems in the labour market continued to prevent women from earning more. The law also offers protection to female employees against sexual harassment. However, there are some problems with the enforcement of the law. For instance, protection does not cover women outside the industrial sector and also the definition of sexual harassment defined in the 1998 Labour Protection Act needs to be strictly enforced. Several provisions by the Labour Protection Act to protect women are not effectively implemented. Therefore, discrimination against women is still seen at work and in society as a whole.

The glass ceiling is still very much evident in Thailand. Only 20% of high-ranking personnel in government offices, state-enterprises, and the private sector are women.

3.5 Costs of Administration

Costs for staff and administration related to the amount of money allocated and spent by the government for social protection are considerably high. According to the Bureau of Budget, 15.2% of the budget in fiscal year 2001 allocated for the Ministry of Labour and Social Welfare went into employees' salaries and wages. For the Ministry of Public Health, 49% of the budget was spent on salaries and wages. Moreover, 66.2% of the budget allocated for the Ministry of Education went to salaries and wages (see Table 13–15, Appendix). Many comment that the costs for staff and administration of the three above-mentioned ministries are not reasonable considering the availability, coverage and the duties performed by the administration. These people support the argument that public bureaucracy in Thailand has grown too big and costly to maintain. Overall, about 42% of the budget now goes towards the salaries of public sector employees. Besides being too large to be affordable, the public bureaucracy has proven to be inefficient. Therefore, bureaucracy reform should be implemented so that it becomes smaller in size and more performance-oriented. At present, Thailand is facing a number of problems; especially after the crisis, people demand more services from the government. The challenge is how these services are to be efficiently expanded.

3.6 Targeting

Generally, social security or welfare for civil servants and state enterprise workers is not based on the principles of the Social Security Act. The civil servant or employee does not pay any contribution to the fund. Instead, the state covers all expenses. These funds come directly from the government's budget, which is allocated by the Ministry of Finance and the Bureau of the Budget. In the private sector, firms with ten or more employees contribute as follows: Employees, employers, and government each contribute to the Social Security Fund at a rate of 3%, 3% and 2% respectively. The goal is to increase the contribution of employees, employers and government to 4.5%, 4.5% and 2.5% respectively. The revised rates will start on 1 January 2003.

Before the crisis, it was felt that the social protection system in Thailand was adequate. In the formal sector, the Social Security Act and the Labour Protection Act

were in place to provide coverage. The protection system was established according to scope, size, and desired objectives. Limited protection was identified to minimize cost for employees, employers, and government. As a result, coverage and compensation were also limited.

During the crisis, great efforts were made towards economic recovery and a comprehensive plan for social protection programmes. The poor, unemployed and vulnerable groups were to be included into the social protection programmes.

However, a major problem in the social protection system, in particular in health care and educational assistance services programmes, has been the target problem. For example, there is no agreeable target criterion for identifying the poor. Many have criticized identification of the poor in quantitative terms by using the poverty line concept. Due to the lack of database information on the poor, identification of projects and desired beneficiaries has proven to be difficult. Scholarship projects are an example. These projects were criticized for not reaching those who really needed the scholarships. However, when students whose parents earn incomes of less than 120,000 baht per year were considered, it was found that 90% of students who were granted scholarships came from families with incomes of less than 50,000 baht per year.

Similarly, in training programmes, identification of trainees also requires careful planning. Computer training programmes proved to be inappropriate and did not respond to the needs of those targeted, i.e. the poor and unemployed graduates. Instead of providing training service for retrenched and unemployed persons, regular students became trainees instead. Voluntary health cards also ended up with the general public and not the needy. Graduate volunteer projects did not focus on poor graduates and recruited regular graduates instead.

3.7 Accountability & Transparency

In Thailand, the Constitution requires the State to decentralize service delivery and financing to local authorities. It is argued that decentralization can result in increasing efficiency because local level governments have better information regarding local needs and preferences. Furthermore, decentralization strategies and mechanisms can bring about poverty reduction. Currently, the progress of decentralization in the country has been slow. Participation of civil society at the local level in the decision-making and monitoring processes still needs strengthening. In terms of allocating money to social protection, in particular to social assistance and services programmes, the role of civil society organizations has actively increased since the crisis. Corruption and personal or political gain are discouraged, while transparency and accountability are being highlighted. The media has also played a very important monitoring role in the implementation of social assistance and services programmes (i.e. village funds, the 30 Baht Universal Health Programme). Through many channels, the public has been told of the mismanagement or misuse of certain funds, resulting in an ever-growing demand for transparency.

4. Development of Innovative Programmes and Alternative Social Protection Schemes

In Thailand, a number of new ideas regarding social protection are currently being explored and, in some cases, put into practice in the form of both government-sponsored and locally-based initiatives. We will note a few of these new programmes, focusing in particular on the 30 Baht Universal Coverage Health Plan and government initiatives regarding occupational safety and health; the one million baht assistance to villages (to the extent that this may tie in with social protection concerns); and new micro-insurance ideas coming from CBOs and other organizations and networks.

As noted previously, there have been long-term discussions in Thailand regarding the need to extend legal and social protection to the informal sector. In fact, expectations that this would be done were raised, up until the time of the financial crisis. In the past year, these ideas have been pursued again, along with such proposals as the provision of universal health coverage by the end of 2001. However, the economic slowdown beginning in late 2001 has again raised questions regarding when these changes will be made, including whether there would be adequate financing and, of equal importance, enforcement of these measures.

Even though these changes have not yet fully materialized, the new government in Thailand did initiate a number of programmes that have a potentially significant impact on social protection for informal workers. The first is the 30 Baht Universal Coverage Health Plan. The idea behind the plan is to provide health care services for all, with a charge of 30 baht per patient per visit. Although there was early criticism that the programme does not focus enough attention on preventive health and has other serious funding and referral-related drawbacks, the programme is evolving over time and is attempting to place more emphasis on prevention and adequate care for all patients. At the moment, expectations are high for the new universal health coverage plan, but there are worries as to whether the system can maintain a high standard of medical care. Again, it will be interesting and important to see how this innovative government programme evolves in the future.

Another aspect of the health issue is the growing focus on problems associated with environmental and occupational safety and health. One such new government initiative, the WISE (Work Improvement for Small Enterprises) project involving the Thai government and the International Labour Organization, along with local NGOs, has, at the moment, limited scope as an experimental programme. But it is expected that the project will be extended to different parts of the country in the future.

Another well-known initiative on the part of the present Thai government is the One Million Baht Village Fund Policy to assist community-based activities. It is an innovative programme, and the plan centres on a one-time revolving fund given out to each of the 70,865 villages and approximately 2,000 urban communities. Its primary use is to extend credit at low interest rates, with a priority placed on education, debt repayment, and investments. It will be overseen by the Government Savings Bank, and is expected to promote small and medium enterprises, among having other uses.

Besides potentially helping the employment generation and stabilization aspect of social protection, part of the village fund could potentially also serve as a means of government support for, or else complement, the welfare fund programmes run by CBOs. As noted above, at present the CBO-initiated programmes are not financially supported by the government (e.g. through co-financing). If part of the One Million Baht programme funds were used in a way that would help provide this support, it would satisfy the desire of many to see good locally-sensitive community-based welfare programmes gain the strength that only government participation can provide.

In addition to government-sponsored programmes, a number of provincial and local CBOs, as well as employment-based groups (e.g. networks or organizations representing informal sector workers) are also pursuing new strategies to ensure social protection to community members. For example, the Urban Community Welfare Fund's micro-insurance scheme is seen as a promising programme, in large part because it is supported by the Urban Community Development Office, which is now called Community Organization Development Institute (CODI), and thus may represent a blending of government and local CBO strengths. Another interesting initiative involves local organizations working with private insurance companies to set up micro-insurance schemes. As an example, HomeNet North, a network of homebased workers in the Northern region of Thailand, has been negotiating with several companies. These companies offer members fixed life, accident, disability and hospital insurance packages at a premium of 2,000 baht per person annually. Although HomeNet North would ideally like a programme that costs only 50 baht per person per month, this approach to micro-insurance is very promising and needs to be studied further.

The Bank of Agriculture and Agricultural Cooperatives (BAAC) has also established programmes in rural areas that are worth studying in more detail. In addition to offering loans and other financial support, the BAAC has developed a micro-insurance scheme to help provide for funeral costs. Members of the bank, those who have a savings account or have taken out a loan, pay a fixed rate. Because these programmes have a large number of members, the payment to the family of the deceased can be substantial, and they can thus be very helpful to a family in need. These and other innovative ideas should be studied to see whether similar programmes could or should be duplicated in other parts of the country.

Regarding employment generation and stabilization programmes to help informal workers as a form of social protection, the Bangkok Metropolitan Authority initiated an innovative public works programme that was specifically designed to help poorer communities. Low-income informal workers did benefit after the economic crisis from this and similar public works programmes. However, it is not clear if there is a political will to keep these programmes going beyond the immediate post-crisis years. More general skills-training programmes have continued, but these are not always designed in a way that will benefit specific groups of informal workers. Moreover, the country has not yet been able to plan for the continuing decline of labour-intensive industries in the face of new international competition, and it is the labour-inten-

sive industries that employ many informal workers. More comprehensive approaches to education, access to resources (financial, marketing, and others), training, and related concerns will be needed.

5. Policy Recommendations

The following recommendations are not original, nor is the list exhaustive. However, these recommendations represent commonly held ideas (from the viewpoint of organizations of and representing informal workers) about social protection in Thailand.

- It is important to extend both *labour and social protection* to the informal economy. If necessary, this can be done in stages (e.g. starting with subcontracted workers who have an employer/contractor, and then progressing to the self-employed and other categories of informal workers), but preferably this would be done all at one time.
- For subcontracted workers, a clear *legal relationship* between employers (contractors) and subcontracted workers needs to be established, identifying their mutual obligations. Part of this will involve having employers (e.g. company or factory managers) register the informal subcontracted workers they employ either on or off the premises. The employers should then make social security contributions for these workers, either in a form similar to that for formal workers, or as a fixed amount per informal worker employed, payable into a general fund administered by the government for informal employees and their families.
- Certain *laws regarding social protection* in Thailand need to be amended, e.g. to easily allow community-based insurance schemes administered through cooperatives.
- Regarding *health policies*, the Thai government should continue moving toward adequate universal coverage, and should monitor and improve over time upon the 30 baht health policy. An immediate need is to inform particularly the low-income individuals and families that could most benefit from the plan. Other concerns centre on the referral system (where smaller health centres transfer patients to larger centres with better health services, relying exclusively on the judgment of local health practitioners to determine whether specialists can be seen) and the quality of care and benefits available through the plan. However, since this is a new programme, these aspects need to be evaluated carefully.
- The government, along with non-governmental, private sector, and other national and international organizations, should continue working toward the implementation of better policies and institutions that deal with *occupational safety and health*. Among other efforts, these institutions should help monitor current conditions, using readily accessible information about safety and health problems and their causes, and help create and enforce new legislation and programmes that try to find effective ways to deal with hazardous conditions in the informal economy.

- Governmental, non-governmental, private sector, and other national and international organizations will need to coordinate their activities and focus very clearly on *education, training, and employment generation and stabilization* activities for informal workers, particularly those in declining industries and services. With respect to employment generation as a means of ensuring social protection: there is a serious need to consider long-term trends regarding informal sector employment, and to ensure that the educational and training systems meet the needs of these workers in a rapidly changing national and global economy. As a minimum, there is a need to recognize that the low wage/low productivity work in which very large numbers of informal workers are currently engaged in is not likely to continue in Thailand in the future.
- Connected to education, training, and employment initiatives is the need for adequate *childcare and child protection, as well as access to information, transportation, and other resources* (e.g. loans, insurance, and other financial services) for informal workers and their families in order to allow them to move into new productive areas of employment. Government financing or co-financing of some of these programmes and activities will be important, at least in the initial stages until the programme or fund is strong enough to operate without any government backing or support. In addition, a stronger database regarding who is in informal employment, where these workers are, what their skills are, and what their primary needs are, is always important information to have in order to facilitate re-training and a shift in employment.
- **In a more general sense, the government, along with the non-governmental, private sector, and other national and international organizations will need to work together to develop a multifaceted system of social protection that meets the varied and diverse needs of different subgroups within the informal sector.** Government programmes, private sector offerings, CBO-sponsored initiatives, and other measures (e.g. sponsored by NGOs or international organizations) are not in any way mutually exclusive, and each has its strengths and limitations. The exact combination of programmes that is most appropriate for a particular group, family, or individual will vary according to very specific needs and circumstances. Such initiatives as government and/or NGO co-financing of CBO-sponsored forms of social protection (and assistance with the design and administration of such programmes) are also desirable, at least in the initial stages.
- **Finally, it should be emphasized that the promotion of informal workers' organizations will help substantially in carrying through these policies in an effective way.** It is clear that informal workers who are not organized generally do not have effective access to the programmes that are already in place. Informal workers' organizations and networks can help disseminate information, reduce the sector's overall invisibility, and act as a voice for informal workers who would not otherwise be heard. Informal workers' organizations can also help administer some aspects of social protection plans for their members. The size of the organization, and the strength and commitment of its members and its leadership are

very important considerations in determining how successful the organization will be; for instance, whether it is a 'group' in name only, or whether the members and leaders have long-term commitments to the organization and to each other.

These are a few of the recommendations that come up regularly in discussions about social protection and the informal economy. The details of proposed plans and approaches to social protection vary widely, but it is clear that something needs to be done. Informal workers are currently legally unprotected against reversals and even the more predictable changes in the life cycle (e.g. old age and death). These problems become very severe as industries, and the economy as a whole, suffer declines.

Particularly because the financial crisis exposed the vulnerability of informal workers along with the critical need for this sector, it has become clear that a great deal must be done for this growing and very important segment of the workforce in Thailand. **This will involve helping to promote membership-based informal workers' organizations and networks, and it will involve public, private, and 'third sector' (local and international NGO/civil society) organizations and institutions working together to implement programmes that reach informal workers and meet their needs for social protection as effectively as possible.**

For formal sector employees, the policy recommendations are as follows:

- The role and impact of the Social Security Act and the Labour Protection Act need to be assessed to identify effective and ineffective measures and make recommendations on the necessary improvement strategies required.
- Since not all aspects of the two Acts are in operation, and because of the economic crisis, a revised implementation plan to bring about the full implementation of the two Acts is necessary. Three items which have been identified are:
 - Extension of protection coverage to firms with less than ten employees. The cabinet has now adopted this policy and the extension will be effective on 1 April 2002.
 - Extension of protection coverage to employees in the agriculture and subcontracting/homeworking sectors.
 - Implementation of the unemployment protection scheme of the Labour Protection Act.
- Consider the social safety net programmes introduced by the government during the crisis and identify alternatives to incorporate them into the regular social protection schemes already in existence. The additional budget allocation for the social safety net programmes should be considered as a possibility to increase the budget for regular social protection programmes.
- A study on expenditures on all social protection programmes of the government should be carried out. This should include expenditures of all sectors on social security, social welfare, social services, skills development programmes and other employment-related activities. The findings from this study will complement the

above recommendation and provide the basis for a comprehensive programme for employment promotion for the whole country.

- Consider projects of programmes that can absorb unemployment from large enterprises through subcontracting. The possibility of linking large enterprises to small enterprises with adequate unemployment protection will help relieve hardship of the retrenched workers. Coordinating mechanisms to link together different size firms which allow for flows of workers from one level to another may provide flexibility, which may reduce the impact of the crisis to a certain degree. Special efforts should be made to find alternatives to protect workers in agriculture and subcontracting work.
- Carry out a feasibility study for the establishment of a loan fund to support investment of small enterprises in connection with the above recommendation. Alternatively, establish a loan fund to be operated similarly to the Bank of Agriculture and Agricultural Cooperatives for small enterprises. Commercial banks are not willing to grant loans to small and medium enterprises in the current economic environment. Special programmes need to be initiated. The existing loan programme for vocational training for retrenched workers may be reviewed and considered together with the policy to promote investment in small and medium enterprises.
- Improve the social protection management system through the establishment of mechanisms for:
 - Database on unemployment, employment, and labour projection schemes to provide the government and the public with a good warning system against unemployment.
 - Establish a Management Information System that can monitor the employers' labour practices as well as actual benefits received by employees. Job-seeking behaviour of those receiving unemployment benefits should be monitored. This is to prevent misuse or abuse of the laws on either side.
 - Establish a coordinating mechanism which allows for flexibility for flows of workers between large enterprises and subcontracting units as well as small enterprises.

Appendix

Table 1: Population Projection by Age and Sex (thousand)

Age group	2000			2016 ^{Estimate}		
	Total	Male	Female	Total	Male	Female
0–4	4,387	2,267	2,120	4,099	2,083	2,016
5–9	5,031	2,611	2,420	4,301	2,181	2,120
10–14	5,203	2,621	2,582	4,634	2,348	2,286
15–19	5,341	2,709	2,632	4,917	2,498	2,419
20–24	4,932	2,463	2,468	4,813	2,463	2,350
25–29	5,248	2,536	2,712	4,763	2,429	2,334
30–34	5,449	2,605	2,844	4,976	2,526	2,450
35–39	5,387	2,616	2,771	5,542	2,798	2,744
40–44	4,850	2,386	2,464	5,708	2,857	2,851
45–49	3,877	1,916	1,961	5,783	2,881	2,902
50–54	2,915	1,417	1,498	5,370	2,672	2,698
55–59	2,284	1,095	1,190	4,495	2,197	2,298
60–64	1,998	946	1,052	3,489	1,650	1,839
65–69	1,526	705	821	2,438	1,119	1,319
70+	2,189	958	1,231	4,568	1,922	2,646
Total	60,617	29,850	30,767	69,896	34,625	35,271

Source: Office of the National Education Commission, 1999 and NSO, 2000.

Table 2: Population Projection by Age, 1999–2016 (thousand)

Age group	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
0–4	4,907	4,942	4,958	4,948	4,916	4,827	4,742	4,660	4,583	4,510	4,442	4,377	4,318	4,263	4,213	4,168	4,131	4,099
5–9	4,878	4,863	4,841	4,830	4,830	4,878	4,914	4,932	4,922	4,891	4,804	4,719	4,639	4,563	4,491	4,423	4,360	4,301
10–14	4,755	4,763	4,800	4,840	4,866	4,870	4,855	4,833	4,823	4,823	4,871	4,907	4,925	4,916	4,885	4,798	4,714	4,634
15–19	5,350	5,191	5,023	4,880	4,784	4,744	4,752	4,789	4,830	4,856	4,859	4,845	4,824	4,814	4,814	4,863	4,899	4,917
20–24	5,676	5,644	5,608	5,551	5,461	5,333	5,174	5,008	4,866	4,770	4,730	4,739	4,776	4,817	4,844	4,848	4,834	4,813
25–29	5,913	5,860	5,803	5,747	5,695	5,655	5,623	5,587	5,531	5,442	5,315	5,157	4,992	4,851	4,756	4,717	4,726	4,763
30–34	5,983	5,997	5,988	5,963	5,929	5,886	5,834	5,778	5,723	5,672	5,632	5,601	5,567	5,511	5,423	5,297	5,140	4,976
35–39	5,454	5,596	5,723	5,827	5,902	5,946	5,961	5,952	5,929	5,896	5,854	5,803	5,748	5,694	5,644	5,606	5,576	5,542
40–44	4,581	4,752	4,922	5,088	5,247	5,399	5,541	5,668	5,773	5,848	5,893	5,910	5,903	5,881	5,850	5,810	5,761	5,708
45–49	3,671	3,835	3,995	4,156	4,320	4,488	4,657	4,823	4,986	5,141	5,290	5,429	5,554	5,656	5,730	5,774	5,789	5,783
50–54	2,687	2,851	3,031	3,215	3,391	3,558	3,717	3,871	4,025	4,184	4,346	4,508	4,668	4,824	4,974	5,117	5,251	5,370
55–59	2,163	2,203	2,257	2,334	2,438	2,571	2,729	2,904	3,081	3,252	3,413	3,568	3,717	3,868	4,023	4,181	4,339	4,495
60–64	1,901	1,919	1,934	1,952	1,978	2,009	2,048	2,101	2,174	2,273	2,400	2,550	2,715	2,883	3,045	3,198	3,345	3,489
65–69	1,480	1,535	1,583	1,624	1,657	1,681	1,699	1,714	1,732	1,757	1,787	1,824	1,873	1,941	2,033	2,149	2,286	2,438
70+	2,244	2,369	2,500	2,634	2,770	2,911	3,055	3,200	3,342	3,478	3,612	3,744	3,875	4,007	4,140	4,276	4,417	4,568
Total	61,644	62,320	62,968	63,589	64,185	64,754	65,299	65,821	66,319	66,794	67,248	67,681	68,094	68,489	68,865	69,224	69,567	69,896

Source: Office of the National Education Commission, 1999.

Table 3: Projections on Population and Urban Population Ratio by Region, 1995–2010 (million)

Population	1995	2000	2005	2010
Whole country				
Total	59.4	62.4	65.0	67.2
Urban	21.9	25.8	30.6	35.3
Rural	37.5	26.8	34.5	31.7
Percentage urban	36.9%	41.0%	46.9%	52.8%
Bangkok	8.0	9.1	10.3	11.5
Vicinity	3.3	3.6	4.2	5.0
Northeast				
Total	19.4	19.9	20.0	20.1
Urban	3.4	4.5	5.9	7.5
Rural	16.0	15.4	14.1	12.6
Percentage urban	17.5%	22.6%	29.5%	37.4%
South				
Total	7.8	8.2	8.6	8.7
Urban	1.5	1.7	2.0	2.2
Rural	6.3	6.5	6.6	6.5
Percentage urban	19.1%	20.8%	23.2%	25.2%
North				
Total	10.9	11.1	10.8	10.6
Urban	2.6	3.0	3.4	3.7
Rural	8.3	8.1	7.4	6.9
Percentage urban	23.8%	27.1%	31.6%	35.0%
Eastern Seaboard (2)				
Total	5.8	6.3	6.9	7.2
Urban	2.0	2.7	3.5	4.0
Rural	3.8	3.6	3.4	3.2
Percentage urban	34.5%	42.9%	50.7%	55.6%

Source: NESDB, 1997.

Table 4: Rate of Illiterate Population (age 15 years and over) by Sex (percent)

Year	Female	Male	Total
1985	15.5	6.7	11.1
1990	8.8	4.4	6.7
1994	9.4	3.9	6.7
2000	9.0	4.6	6.9

Sources: NSO, 2001b; NSO, 1994; NSO, 1990; and NSO 1985.

Table 5: Gross Enrollment Ratio by Sex and Level of Education (percent)

Year	Pre-primary			Primary			Secondary			Tertiary		
	F ¹	M ²	F-M	F	M	F-M	F	M	F-M	F	M	F-M
1990	44	43	1	99	100	-1	30	31	-1	n.a. ³	n.a.	n.a.
1999	77	76	1	105	106	-1	77	69	8	34	30	4

1 Female; 2 Male; 3 Not available.

Sources: NSO, 2001c. Bureau of Registration Administration, Department of Local Administration, Ministry of Interior.

Table 6: Educational Attainment within the Workforce, 2001 (thousand)

Educational attainment	Labour force			% of total		
	Male	Female	Total	Male	Female	Total
Total	18,577.8	14,634.1	33,211.9	100.0	100.0	100.0
None	468.5	675.2	1,143.7	2.5	4.6	3.4
Lower primary	7,141.7	5,958.0	13,099.7	38.4	40.7	39.4
Primary	4,449.2	3,201.3	7,650.5	23.9	21.9	23.0
Secondary	4,594.3	2,852.7	7,447.0	24.7	19.5	22.4
<i>Lower secondary level</i>	2,657.9	1,582.1	4,240.0	14.3	10.8	12.8
<i>Upper secondary level</i>	1,936.4	1,270.6	3,207.0	10.4	8.7	9.7
General/Academic	1,248.3	861.5	2,109.8	100.0	100.0	100.0
Vocational	674.3	397.0	1,071.3	100.0	100.0	100.0
Teacher Training	13.8	12.1	25.9	100.0	100.0	100.0
Higher level	1,896.4	1,929.4	3,825.7	10.2	13.2	11.5
Academic	905.0	923.1	1,828.0	100.0	100.0	100.0
Higher Technical Education	655.8	552.0	1,207.8	100.0	100.0	100.0
Teacher Training	335.6	454.3	789.9	100.0	100.0	100.0
Others	4.7	4.7	9.4	0.0	0.0	0.0
Unknown	23.2	12.9	36.0	0.1	0.1	0.1

Source: NSO, 2001a.

Table 7: Labour Force Status, February 1996–2001 (thousand)

	1996	1997	1998	1999	2000	2001
Total population	59,750.4	60,350.6	60,949.0	61,551.2	62,192.1	62,741.1
Total labour force	31,702.6	31,809.9	31,978.2	32,623.0	32,856.7	33,211.9
Labour force participation rate (%)	73.1	72.2	71.4	71.7	71.0	70.9
Employed	29,919.9	30,101.8	29,271.0	29,864.9	30,299.8	30,444.7
Unemployed	634.7	684.0	1,470.2	1,700.6	1,411.1	1,582.4
<i>– Looking for work</i>	119.4	176.8	401.9	473.8	354.7	443.5
<i>– Not looking/available for work</i>	515.3	507.3	1,068.4	1,226.7	1,056.4	1,139.0
Seasonally inactive	1,148.0	1,024.0	1,237.0	1,057.4	1,145.9	1,184.8
Unemployment rate (%)	2.0	2.2	4.6	5.2	4.3	4.8

Source: NSO, *Labour Force Survey*, various years.

Table 8: Unemployment Rates, 1996–2001 (percent)

	1996	1997	1998	1999	2000	2001
Whole Kingdom	2.0	2.2	4.6	5.2	4.3	4.8
Males	1.8	1.9	4.7	5.0	4.1	4.8
Females	2.3	2.5	4.5	5.5	4.6	4.8
Rural	2.2	2.3	5.1	5.4	4.6	5.5
Urban	1.2	1.4	2.8	4.3	3.3	3.3

Source: NSO, *Labour Force Survey*, various years.

Table 9: Employment by Status, February 1996–2001 (million)

	1996	1997	1998	1999	2000	2001
Employers	0.84	0.77	0.78	0.94	0.96	0.97
Government employees	2.31	2.42	2.67	2.64	2.79	2.88
Private employees	11.61	11.58	10.63	10.16	11.00	11.56
Own-account workers	9.36	9.30	9.48	10.09	9.74	9.55
Unpaid family workers	5.80	6.03	5.71	6.04	5.81	5.45
Member of producers' cooperatives	—	—	—	—	—	0.04
Total	29.92	30.10	29.27	29.86	30.30	30.44

Source: NSO, *Labour Force Survey*, various years.

Table 10: Inequality of Per Capita Income

Year	Gini Coefficient Index	1 st Quintile	2 nd Quintile	3 rd Quintile	4 th Quintile	5 th Quintile
1988	48.5	4.6	8.1	12.5	20.7	54.2
1990	52.4	4.2	7.3	11.5	19.2	57.8
1992	53.6	3.9	7.0	11.1	19.0	59.0
1994	52.7	4.0	7.2	11.6	19.6	57.7
1996	51.5	4.2	7.5	11.8	19.9	56.7
1998	51.1	4.2	7.6	11.9	19.8	56.5
1999	53.3	3.8	7.1	11.3	19.3	58.5

Source: NSO, *Socio-economic Survey*, processed by DED, the NESDB.

Table 11: Expenditures on Community and Social Services, FY 1998 – FY 2001
(million bath)

	1998	1999	2000	2001
Education affairs and services (% change)	206,944.5 (0.4)	207,316.5 (0.2)	220,620.8 (6.4)	221,603.3 (0.4)
Health affairs and services (% change)	64,071.2 (-0.4)	60,106.4 (-6.2)	63,501.2 (5.6)	64,791.0 (2.0)
Social security and welfare affairs and services (% change)	34,047.6 (-0.5)	36,544.7 (7.3)	46,101.1 (26.1)	51,553.1 (11.8)
Housing and community amenity affairs and services (% change)	39,538.3 (-1.3)	35,681.9 (-9.8)	37,165.5 (4.2)	37,056.9 (-0.3)
Religious, cultural, and recreation affairs and services (% change)	12,420.5 (-0.1)	8,255.2 (-33.5)	7,452.1 (-9.7)	6,753.7 (-9.4)
Total community and social services (% change)	357,022.1 (-1.9)	347,904.7 (-2.6)	374,840.7 (7.7)	381,758.0 (1.8)
Percentage of the total budget	43.0	42.2	43.6	42.0

Source: Bureau of the Budget, Thailand's Budget in Brief, Fiscal Year 1998 – 2001.

Table 12: Number and Percentage of Enterprises for Each Enterprise Size, 2000 (number and percent)

Industry	Total	Size of enterprises								
		1-4	5-9	10-19	20-49	50-99	100-299	300-499	500-999	1,000+
Total	343,576 (100.0)	170,992 (49.8)	69,308 (20.2)	47,471 (13.8)	33,523 (9.8)	10,320 (3.0)	8,261 (2.4)	1,828 (0.5)	1,171 (0.3)	702 (0.2)
Mining and quarrying	1,515 (0.4)	236 (15.6)	392 (25.9)	335 (22.1)	356 (23.5)	122 (8.1)	60 (4.0)	5 (0.3)	5 (0.3)	4 (0.3)
Manufacturing	93,663 (27.3)	33,814 (36.1)	21,177 (22.6)	15,209 (16.2)	12,075 (12.9)	4,548 (4.9)	4,397 (4.7)	1,156 (1.2)	793 (0.8)	494 (0.5)
Electricity, gas and water	2,459 (0.7)	1,224 (49.8)	465 (18.9)	321 (13.1)	238 (9.7)	58 (2.4)	102 (4.1)	21 (0.9)	11 (0.4)	19 (0.8)
Construction	14,821 (4.3)	2,681 (18.1)	2,916 (19.7)	3,549 (23.9)	3,605 (24.3)	1,099 (7.4)	748 (5.0)	123 (0.8)	65 (0.4)	35 (0.2)
Commerce	148,508 (43.2)	88,657 (59.7)	29,098 (19.6)	16,818 (11.3)	9,626 (6.5)	2,365 (1.6)	1,468 (1.0)	290 (0.2)	144 (0.1)	42 (0.0)
Services	82,610 (24.0)	44,380 (53.7)	15,260 (18.5)	11,239 (13.6)	7,623 (9.2)	2,128 (2.6)	1,486 (1.8)	233 (0.3)	153 (0.2)	108 (0.1)
<i>Transport, storage and Communication</i>	<i>11,656 (3.4)</i>	<i>3,779 (32.4)</i>	<i>2,824 (24.2)</i>	<i>2,196 (18.8)</i>	<i>1,729 (14.8)</i>	<i>564 (4.8)</i>	<i>428 (3.7)</i>	<i>57 (0.5)</i>	<i>41 (0.4)</i>	<i>38 (0.3)</i>
<i>Financing, insurance, real estate and business services</i>	<i>25,867 (7.5)</i>	<i>8,513 (32.9)</i>	<i>5,911 (22.9)</i>	<i>5,900 (22.8)</i>	<i>3,819 (14.8)</i>	<i>946 (3.7)</i>	<i>593 (2.3)</i>	<i>90 (0.3)</i>	<i>48 (0.2)</i>	<i>47 (0.2)</i>
<i>Community, social and personal services</i>	<i>45,087 (13.1)</i>	<i>32,088 (71.2)</i>	<i>6,525 (14.5)</i>	<i>3,143 (7.0)</i>	<i>2,075 (4.6)</i>	<i>618 (1.4)</i>	<i>465 (1.0)</i>	<i>86 (0.2)</i>	<i>64 (0.1)</i>	<i>23 (0.1)</i>

Source: Ministry of Labour and Social Welfare, 2000.

Table 13: Budget Appropriations by Objects of Expenditures for Ministry of Labour and Social Welfare (million bath)

Year	Salaries and wages	Temporary wages	Remuneration services other than personal, and supplies	Public utilities	Equipment properties and construction	Subsidies	Others	Total
1997	2,184.1 (17.3)	184.4 (1.5)	1,974.0 (15.6)	155.6 (1.2)	2,897.0 (22.9)	5,224.9 (41.3)	28.1 (0.2)	12,648.1 (100.0)
1998	2,309.6 (23.1)	220.4 (2.2)	2,314.7 (23.1)	144.3 (1.4)	2,462.8 (24.6)	2,453.6 (24.5)	95.0 (0.9)	10,000.4 (100.0)
1999	2,446.3 (22.0)	216.0 (1.9)	2,063.1 (18.5)	146.9 (1.3)	1,110.5 (10.0)	4,990.8 (44.9)	153.6 (1.4)	11,127.2 (100.0)
2000	2,508.7 (14.7)	227.6 (1.3)	2,014.7 (11.8)	156.1 (0.9)	1,325.5 (7.7)	10,471.8 (61.2)	402.2 (2.4)	17,106.6 (100.0)
2001	2,574.7 (15.2)	234.0 (1.4)	2,131.6 (12.6)	158.6 (0.9)	1,107.3 (6.5)	10,431.0 (61.6)	299.9 (1.8)	16,937.1 (100.0)

Source: Bureau of the Budget, Fiscal Year 1997–2001.

Table 14: Budget Appropriations by Objects of Expenditures for Ministry of Public Health (million bath)

Year	Salaries and wages	Temporary wages	Remuneration services other than personal, and supplies	Public utilities	Equipment properties and construction	Subsidies	Others	Total
1997	22,591.3 (33.0)	48.0 (0.1)	10,495.8 (15.3)	1,088.4 (1.6)	26,751.2 (39.1)	7,325.2 (10.7)	138.4 (0.2)	68,438.3 (100.0)
1998	24,458.0 (39.1)	45.3 (0.1)	8,552.8 (13.7)	843.5 (1.3)	17,333.1 (27.7)	10,709.5 (17.1)	682.9 (1.1)	62,625.1 (100.0)
1999	26,361.6 (46.1)	45.9 (0.1)	9,491.5 (16.6)	811.2 (1.4)	9,002.4 (15.7)	10,708.9 (18.7)	749.8 (1.3)	57,171.3 (100.0)
2000	28,310.0 (48.5)	45.8 (0.1)	9,755.4 (16.7)	851.8 (1.5)	6,981.0 (11.9)	11,391.0 (19.5)	1,091.0 (1.9)	58,426.0 (100.0)
2001	28,757.0 (49.0)	50.6 (0.1)	9,728.1 (16.6)	848.0 (1.4)	5,379.0 (9.2)	11,771.5 (20.1)	2,163.0 (3.7)	58,697.2 (100.0)

Source: Bureau of the Budget, Fiscal Year 1997–2001.

Table 15: Budget Appropriations by Objects of Expenditures for Ministry of Education (million bath)

Year	Salaries and wages	Temporary wages	Remuneration services other than personal, and supplies	Public utilities	Equipment properties and construction	Subsidies	Others	Total
1997	91,840.0 (56.4)	565.7 (0.3)	14,656.6 (9.0)	1,157.4 (0.7)	40,324.2 (24.7)	13,959.0 (8.6)	450.1 (0.3)	162,953.0 (100.0)
1998	95,742.8 (62.4)	1,072.6 (0.7)	10,244.2 (6.7)	1,255.0 (0.8)	20,855.0 (13.6)	23,232.7 (15.2)	939.3 (0.6)	153,341.6 (100.0)
1999	101,106.4 (66.9)	1,516.6 (1.0)	13,679.6 (9.1)	1,112.0 (0.7)	15,042.7 (10.0)	17,618.3 (11.7)	949.4 (0.6)	151,025.0 (100.0)
2000	105,637.0 (66.4)	1,882.4 (1.2)	14,383.7 (9.0)	1,168.4 (0.7)	13,667.9 (8.6)	21,422.1 (13.5)	980.0 (0.6)	159,141.5 (100.0)
2001	106,536.6 (66.2)	2,158.2 (1.3)	12,854.4 (8.0)	1,193.6 (0.7)	12,156.1 (7.6)	25,025.2 (15.6)	929.7 (0.6)	160,853.8 (100.0)

Source: Bureau of the Budget, Fiscal Year 1997–2001.

Table 16: Macro Economic Indicators, 1998–2002

	1998	1999	2000	2001	2002q1
GDP (billion baht)	4,626	4,632	4,905	5,099
GDP per capita (baht)	72,979	72,901	77,362	80,083
Growth rate (%)	–10.2	4.4	4.6	1.8
Inflation (%)	8.1	0.3	1.6	1.6	0.6

Source: Bank of Thailand, 2001.

Table 17: Services from Governmental and Non-governmental Organizations for Homeworkers

Types of organizations	Names of organizations	Types of services
Governmental Organizations	The Accelerated Rural Development Office	Training, credit, raw materials/equipment
	Provincial Health Care Office	Low-income health card
	Community Development Department	Training
	Non-formal Education	Credit
	Industrial Promotion Centre	Market linkage
	Provincial Labour Protection and Welfare	Training
	Bank of Agriculture and Agriculture Cooperative Ltd. (BAAC)	Credit
	Bangkok Metropolitan Authority (BMA)	Health Insurance Card
	National Housing Authority (NHA)	Training, raw materials/equipment
	Department of Public Welfare	Loan fund
	Skill Development Department	Training
	Urban Community Development (UCDO)/Community Organizations Development Institute (CODI)	Credit, training
Non-Governmental Organizations	Credit Union Cooperative	Credit
	Forward Foundation	Training, seeking for orders
	World Vision Foundation	Training, obtain order, provide raw materials
	HomeNet Thailand	Training, group organizing, research and study
	Friedrich Ebert Stiftung	Donation of equipment

Source: From HomeNet Thailand, *ibid*, chapter three.

Acronyms

BAAC	–	Bank of Agriculture and Agricultural Cooperatives
CBO	–	Community-Based Organization
CODI	–	Community Organization Development Institute
CPI	–	Consumer Price Index
CSO	–	Civil Society Organization
DED	–	Development Evaluation Division
GDP	–	Gross Domestic Product
GNP	–	Gross National Product
ILO	–	International Labour Organization
LFS	–	Labour Force Survey
NESDB	–	National Economic and Social Development Board
NGO	–	Non-governmental Organization
NLDAC	–	National Labour Department Advisory Council
NSO	–	National Statistical Office
SIF	–	Social Investment Fund
TFR	–	Total Fertility Rate
WISE	–	Work Improvement in Small Enterprises
WTO	–	World Trade Organization

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