

LABOR MARKETS AND SOCIAL POLICY  
IN A RAPIDLY TRANSFORMING AND AGING THAILAND

# TOWARDS SOCIAL PROTECTION 4.0

An assessment of Thailand's social  
protection and labor market systems



# TABLE OF CONTENTS

---

<b>ABBREVIATIONS AND ACRONYMS</b>	<b>VII</b>
<b>FOREWORD</b>	<b>XI</b>
<b>EXECUTIVE SUMMARY</b>	<b>XII</b>
<b>CHAPTER 1. INTRODUCTION</b>	<b>1</b>
1.1. Overview	1
1.2. Definitions	1
1.3. Report Structure	2
<b>CHAPTER 2. SOCIAL AND ECONOMIC TRENDS INFLUENCING SOCIAL PROTECTION POLICY</b>	<b>3</b>
<b>CHAPTER 3. OVERVIEW OF SOCIAL ASSISTANCE, SOCIAL INSURANCE AND LABOR MARKET PROGRAMS</b>	<b>9</b>
3.1. Overview	9
3.2. Evolution of policy settings	9
3.3. Summary of social protection and labor market interventions by life-stage	10
3.4. Enrolment coverage (by life cycle)	12
3.5. Social protection spending composition	13
<b>CHAPTER 4. SOCIAL ASSISTANCE</b>	<b>17</b>
4.1. Overview	17
4.2. Programs	17
4.3. Coverage (by income distribution)	21
4.4. Expenditure	24
4.5. Beneficiary Incidence	25
4.6. Impact	27
4.7. Adequacy	27
4.8. Social assistance and COVID-19	33
<b>CHAPTER 5. PENSIONS</b>	<b>35</b>
5.1. Overview	35
5.2. Pension schemes	36
5.3. Coverage	39
5.4. Expenditure	39
5.5. Adequacy	39
5.6. Sustainability	40
5.7. Towards better, more adequate coverage	41
<b>CHAPTER 6. LABOR MARKET PROGRAMS AND POLICIES</b>	<b>43</b>
6.1. Overview	43
6.2. Passive labor market policies	43
6.3. Active labor market programs	46

---

<b>CHAPTER 7. INSTITUTIONAL ARRANGEMENTS AND DELIVERY SYSTEMS</b>	<b>53</b>
7.1. Overview	53
7.2. Institutional arrangements	53
7.3. Legal framework	55
7.4. Delivery systems	55
7.5. Identification	56
7.6. Administrative databases	57
7.7. Social assistance program registries and Management Information Systems (MIS)	58
7.8. Enrolment, registration and verification	59
7.9. Strengthening data governance: towards a virtual social registry for Thailand	60
7.10. Payment systems	62
<b>CHAPTER 8. CONCLUSION AND RECOMMENDATIONS</b>	<b>63</b>
<b>REFERENCES</b>	<b>67</b>
<b>ANNEX</b>	<b>74</b>

---



## FIGURES

Figure 1: Old Age Dependency ratio 2000 to 2060	4
Figure 2: Informality rates by gender, education, urban and rural areas, and sector in 2018	4
Figure 3: Number of people affected by disasters 2008-2017 (millions)	6
Figure 4: Comparing the impact of COVID-19 on different income groups	6
Figure 5: Average family wage/business/farming per capita income (2017).	18
Figure 6: Number of SWC enrollments by income level (<B30,000 and B30-001-B100,000)	18
Figure 7: Social assistance coverage in Thailand and comparators	21
Figure 8: Social Assistance coverage over time (2006 to 2018) (percentage of population)	22
Figure 9: Coverage of types of social assistance (2006-2018) (Percentage of population)	22
Figure 10: Share of urban and rural social assistance beneficiaries (direct and indirect)	23
Figure 11: Social assistance expenditure, 2010 and 2018 (% GDP)	24
Figure 12: Social Assistance expenditure compared with peers (% GDP)	24
Figure 13: Thailand's social assistance expenditure composition	25
Figure 14: Distribution of social assistance program beneficiaries by quintile (2018)	25
Figure 15: Share of bottom 40 percent (Q1+Q2) that receive SWC programs, compared to major unconditional and conditional cash transfer programs in South East and East Asia	26
Figure 16: Share of bottom 40 percent (Q1+Q2) that receive SWC program, compared with unconditional cash transfers in Upper Middle-Income Countries	26
Figure 17: Value of social pensions as share of household welfare in UMICs (total population and poorest quintile)	28
Figure 18: Thailand's State Welfare Card	29
Figure 19: Recipients of B5000/month COVID-19 emergency assistance (by income)	34
Figure 20: Mapping Thailand's fragmented multi-pillar pension landscape	35
Figure 21: Enrolment in the Social Security Fund (2009-2019)	39
Figure 22: Number of persons receiving monthly unemployment benefits, 2019-20	46
Figure 23: Number of individuals trained (by training department/agency) 2018	49
Figure 24: Three key digital transformations	46



---

## TABLES

Table 1: Proposed sequence of actions and reforms	XVIII
Table 2: Thailand's social assistance, insurance and labor market policies and programs	11
Table 3: Proportion demographic registered for relevant social assistance programs	12
Table 4: Summary of enrolments and expenditure for COVID-19 Social Assistance programs in 2020	15
Table 5: Coverage of key social assistance programs (2018)	23
Table 6: Estimated value of SWC allowances, relative to consumption	29
Table 7: Estimated value of SWC Transportation Allowance in Bangkok and neighboring provinces	30
Table 8: Transfer frequency	31
Table 9: Share of the population receiving social assistance before and during the COVID-19 pandemic	33
Table 10: Public sector pension benefits pre and post 1997 reform	36
Table 11: Schemes for private sector workers	37
Table 12: Schemes for the informal sector	38
Table 13: Parameters of Thailand's unemployment insurance system	44
Table 14: Unemployment benefits in Asia	44
Table 15: Individual incomes post-SWC training, 2018	49
Table 16: Thailand's administrative databases	57
Table 17: Proposed sequence of actions and reforms	65

---

## BOXES

Box 1: Social Protection and COVID-19	XIII
Box 2: Social protection measures in response to COVID-19 crisis	14
Box 3: Thailand's Innovative Approaches to Caring for its Aging Population	20
Box 4: Estimating cumulative adequacy at the household level in Indonesia	32
Box 5: Achieving Universal Health Coverage	41
Box 6: An introduction to economic inclusion programs	50
Box 7: Mechanisms for inter-agency planning and coordination for social protection	55
Box 8: The Universal Health Coverage (UHC) virtual registry	58
Box 9: Social Registries	60
Box 10: Turkey's 'virtual' Integrated Social Assistance System (ISAS)	61
Box 11: Chile's Social Household Registry	62



## ABBREVIATIONS AND ACRONYMS

<b>API</b>	Application Programming Interface
<b>ASEAN</b>	Association of Southeast Asian Nations
<b>ASPIRE</b>	Atlas of Social Protection: Indicators of Resilience and Equity
<b>B</b>	Thai Baht
<b>BAAC</b>	Bank of Agriculture and Agricultural Cooperatives
<b>BORA</b>	Bureau of Registration Administration
<b>BOT</b>	Bank of Thailand
<b>CCT</b>	Conditional Cash Transfer
<b>CMHI</b>	Compulsory Migrant Health Insurance
<b>CODI</b>	Community Organization Development Institute
<b>COVID-19</b>	Corona Virus Disease 2019
<b>CSG</b>	Child Support Grant
<b>CSMBS</b>	Civil Servant Medical Benefit Scheme
<b>CWF</b>	Community Welfare Funds
<b>DB</b>	Defined Benefit
<b>DC</b>	Defined Contribution
<b>DEP</b>	Department of Empowerment of Persons with Disabilities
<b>DEPA</b>	Digital Economy Promotion Agency
<b>DOE</b>	Department of Employment
<b>DPA</b>	Department of Public Assistance
<b>DSD</b>	Department of Skills Development
<b>DSWD</b>	Department of Social Welfare and Development
<b>DWF</b>	Department of Women's Affairs and Family Development
<b>EAP</b>	East Asia Pacific
<b>EDC</b>	Electronic Data Capture
<b>EEF</b>	Equitable Education Fund
<b>EPRI</b>	Economic Policy Research Institute
<b>EQCCs</b>	Elderly Quality of Life Development and Career Promotion Centers
<b>ETDA</b>	Electronic Transactions Development Agency
<b>FEP</b>	Free Education Programme
<b>FPO</b>	Fiscal Policy Office
<b>FSAP</b>	Financial Sector Assessment Program
<b>G2P</b>	Government to Person
<b>GDP</b>	Gross Domestic Product
<b>GPF</b>	Government Pension Fund
<b>HIV/AIDS</b>	Human Immunodeficiency Virus/ Acquired Immunodeficiency Syndrome
<b>ILO</b>	International Labour Organization
<b>ISAS</b>	Integrated Social Assistance System
<b>LIER</b>	Low-Income Earner's Registry
<b>LMIC</b>	Lower Middle-Income Country
<b>LTC</b>	Long Term Care

<b>MIS</b>	Management Information System
<b>MOC</b>	Ministry of Commerce
<b>MOD</b>	Ministry of Defence
<b>MOE</b>	Ministry of Education
<b>MOF</b>	Ministry of Finance
<b>MOI</b>	Ministry of the Interior
<b>MOL</b>	Ministry of Labor
<b>MOPH</b>	Ministry of Public Health
<b>MSDHS</b>	Ministry for Social Development and Human Security
<b>NDID</b>	National Digital ID
<b>NEDA</b>	National Economic and Development Authority
<b>NESDB</b>	National Economic and Social Development Board
<b>NESDC</b>	National Economic and Social Development Council
<b>NHSO</b>	National Health Security Office
<b>NIK</b>	National ID Numbers
<b>NSF</b>	National Savings Fund
<b>NSO</b>	National Statistical Office
<b>OAA</b>	Old Age Allowance
<b>OCSP</b>	Old Civil Service Pension Scheme
<b>OECD</b>	Organisation for Economic Co-operation and Development
<b>OTOP</b>	One Tambon One Product
<b>PID</b>	Personal ID
<b>PISA</b>	Programme for International Student Assessment
<b>PLWHA</b>	People Living with HIV/AIDS
<b>PMT</b>	Proxy Means Test
<b>PVD</b>	Voluntary Provident Fund
<b>PWD</b>	People with Disabilities
<b>RMF</b>	Retirement Mutual Fund
<b>RR</b>	Replacement Rate
<b>RSH</b>	Registro Social de Hogares
<b>SA</b>	Social Assistance
<b>SCSP</b>	Sub-Committee for Social Protection
<b>SEC</b>	Securities and Exchange Commission
<b>SES</b>	Socio Economic Survey
<b>SI</b>	Social Insurance
<b>SMEs</b>	Small and Medium Enterprises
<b>SOEs</b>	State-Owned Enterprises
<b>SP</b>	Social Protection
<b>SSA</b>	Social Security Act
<b>SSF</b>	Social Security Fund
<b>SSO</b>	Social Security Office



---

<b>SSS</b>	Social Security Scheme
<b>SWC</b>	State Welfare Card
<b>TRDI</b>	Thailand Research Development Institute
<b>UCS</b>	Universal Coverage Scheme
<b>UCT</b>	Unconditional Cash Transfer
<b>UHC</b>	Universal Health Coverage
<b>UMIC</b>	Upper Middle-Income Country
<b>UNESCAP</b>	United Nations Economic and Social Commission for Asia and the Pacific
<b>UNESCO</b>	United Nations Educational, Scientific and Cultural Organization
<b>UNFPA</b>	United Nations Population Fund
<b>UNICEF</b>	United Nations Children's Fund
<b>USD</b>	United States Dollar
<b>VHV</b>	Village Health Volunteer
<b>VPF</b>	Voluntary Provident Fund
<b>WCF</b>	Workmen's Compensation Fund



## FOREWORD

This report is part of a series of reports and policy notes being produced by the World Bank Social Protection and Jobs Global Practice team on strengthening social protection and labor market policies in Thailand. Other reports and policy notes in the series will assess Thailand's pension schemes, evaluate the macro and fiscal implications of aging, investigate the aged care system, and assess the potential for lifelong learning. A labor market and aging in Thailand note is being finalized this month.

The report was led by Francesca Lamanna and Joanne Sharpe. The main authors are Joanne Sharpe, Himanshi Jain, Francesca Lamanna, Jonathan Marskell, Harry Morog, and Robert Palacios,

with valuable contributions from Nadia Belhaj Hassine Belghith, Benjamin Lavin, Jidapa Santipatee, Pam Sarulchana, Frieda Vaneninden, Judy Yang and Usama Zafar. The team was assisted by Corinne Bernaldez, Poonyanuch Chockanapitaksa, and Buntarika Sangarun. The team is grateful for the productive collaboration with the Office of the National Economic and Social Development Council in Thailand.

The work was conducted under the guidance of Philip O'Keefe and Yasser El-Gammal (World Bank Practice Managers for Social Protection and Jobs, East Asia and Pacific Region) and Birgit Hansl (World Bank Country Manager for Thailand).





## EXECUTIVE SUMMARY

**This paper reviews Thailand's social protection (SP) and labor market systems, to assess how they can be strengthened to address the key trends that will shape its society and economy in the coming decades.** Thailand's aging population, persistent high levels of workforce informality and the changing nature of work are already putting pressure on the current system, leaving most workers without protection from shocks or the ability to smooth consumption over their life cycle. For most of the growing elderly population, the small Old Age Allowance is the only form of income support. Although Thailand has made remarkable progress on poverty reduction

in the past two decades, the poverty rate ticked up in 2016 and again in 2018, due to a slowing economy, droughts and wage stagnation, and the economic impacts of COVID-19 will further erode hard-won poverty gains. Adapting to changing skill needs and increasing automation requires lifelong education and training to meet rapidly evolving labor demands.

**The significant economic disruption caused by the COVID-19 outbreak tested Thailand's social protection system and offers lessons on how to strengthen it for the future.**

### Box 1 Social Protection and COVID-19

In 2020, the Government of Thailand initiated a rapid, comprehensive and effective social assistance response that is estimated to have reached more than 30 million individuals (approximately 81.5 percent of households). This included the mobilization of new emergency programs for informal workers and farmers, and through vertical expansion of existing social assistance schemes for the elderly, people with disabilities, children of poor families and for recipients of the State Welfare Card (SWC) program, Thailand's primary social safety net program for the poor and near-poor. **The total cost of transfers is estimated at B386 billion, or 38.6 percent of the government's one trillion Baht emergency response and recovery package.** This amounts to 2.29 percent of Gross Domestic Product (GDP) and is additional to regular social assistance expenditures.

**An additional 16.5 million mostly formal sector workers were also covered by social security schemes, and unemployment insurance provided through these helped to stabilize workers affected by the crisis.** The number of people receiving unemployment insurance benefits began increasing in the second quarter of 2020 during the height of the outbreak in Thailand rising to 491,000 in October 2020, almost three times the number a year earlier, before beginning to fall in the final two months of the year. Additionally, between April and November of 2020, 1.5 million people claimed unemployment benefits via special temporary measures put in place by the government. (MOL 2020a). **However, the impact of unemployment insurance was limited by the high proportion of informal workers in Thailand, who do not receive unemployment benefits, hence the establishment of temporary assistance for this group.**

**Like regular social assistance programs, emergency social assistance payments appeared to have been pro-poor and progressive – even though they were not explicitly poverty targeted.** Lower income groups were more likely to receive emergency benefits than higher income groups. Informal workers were the main recipients of the program, as intended.

**However, in contrast with regular social assistance, emergency B5,000 payments for informal workers and farmers were generous.** Median monthly wages in non-agricultural sectors range from B6,600 to B8,320 per month (Ariyapruchya et al 2020a). Top-up payments to regular programs increased their value significantly – in the case of the SWC, they increased from a basic B200 to B1,200 per month to spend on food and consumables between April and June 2020.

**Delivery of rapidly mobilized social assistance programs in response to COVID-19 has led to innovations.** These include online registration and the most comprehensive effort to date at cross-referencing social protection and other government databases to ensure broad coverage while avoiding duplication of COVID-specific payments. Even so, initial underestimates of how many people would need support due to COVID-19, delays in disbursement and public dissatisfaction due to data errors illustrate the need to improve beneficiary data management.

**While COVID-19 continues to impact Thailand's economy, continued assistance to the poor and vulnerable, including informal workers, will be necessary.** A new round of payments to informal workers, farmers and SWC-holders was announced in January during a 'second-wave' of infections and restrictions, along with reductions to mandatory social security contributions and other measures. Thailand should also consider ongoing top-ups for vulnerable groups like children, the elderly and PWD.

## **RECOMMENDATION 1: STRENGTHEN SOCIAL SECURITY COVERAGE AND ADEQUACY, INCLUDING BY SUBSIDIZING COVERAGE FOR INFORMAL SECTOR WORKERS.**

**As in many countries, the COVID-19 crisis has exposed the lack of coverage of informal sector workers.** Thailand's social assistance programs reach most categories of vulnerable groups, including the poor, and the majority of people working in the formal private sector in Thailand are covered by mandatory social insurance schemes. By contrast, schemes for the informal sector are voluntary and despite matching contributions and different contribution rates offered to workers, they remain under-subscribed. Of the estimated 21.2 million informal workers in Thailand, just 3.24 million (15 percent) made voluntary contributions to the Social Security Fund (SSF) in 2019, and none of these are eligible for unemployment insurance under the terms of their coverage.

**To address this gap, social security coverage should be de-linked from formal employment status, and social insurance premiums subsidized for most of the population.** This would emulate the Thai approach to achieving universal health coverage, which effectively covered the costs of accessing healthcare for the 70 percent of the population not covered by schemes for civil servants and the private sector through the Universal Coverage Scheme (UCS). This approach retains the insurance principle and budgeting can be done on the basis of transparent actuarial calculations. The subsidies can also be differentiated according to the capacity of the individual to contribute.

**Pension reforms are needed to ensure the adequacy of private sector pensions, and the sustainability of both public and private sector schemes.** Private sector benefits are less generous than those in the public sector and unless ceiling rules are revised, the benefits will amount to even less over time, so that benefits from the SSF alone will not provide retirement security for private sector workers. The number of pensioners drawing from the SSF is expected to increase to ten million by 2059. The actuarial estimates for the baseline scenario suggest that cashflow deficits will emerge in 2041, and reserves will be exhausted by 2054 (SSO 2017).

### **Proposed policy actions:**

- **Consider expanding minimum contingent coverage against shocks for informal sector workers, including for unemployment, as well as providing retirement income in old age.** This may mean further expanding government subsidies.
- **Improve the adequacy of existing pension schemes** by indexing retirement benefits to prices and indexing the wage ceiling on which SSF retirement benefits are calculated to wage growth (as is the case in most OECD countries).
- **Improve the sustainability and fairness of existing pension schemes** through parametric reforms including gradually raising the retirement age, actuarially fair adjustments for early or late retirement and raising the contribution rate once the COVID-19 crisis subsides.

## RECOMMENDATION 2: IMPROVE THE GENEROSITY, DESIGN AND TARGETING OF SOCIAL ASSISTANCE PROGRAMS.

Thailand spreads its social assistance broadly but thinly, through a combination of categorical and poverty targeted programs with relatively high thresholds for inclusion. However, low spending and benefit sizes limit the impact of regular social assistance programs on poverty reduction.

**Regular social assistance coverage in Thailand is high.** 71.9 percent of all Thais – and 93.5 percent of the poorest quintile – benefit directly or indirectly from some form of **social assistance**. However, **social assistance expenditure remains relatively low compared to its peers**. Thailand is one of the lowest spenders on social assistance compared with its peers, investing just 0.77 percent of GDP, compared with the East Asia and the Pacific average of 1.1, and 1.6 percent for Upper Middle-Income Countries.

**The value of benefits in Thailand are mostly low.** For example, Thailand's social pensions represent just seven percent of household income overall, and 14 percent for the poorest quintile. This makes them among the least generous in the East Asia Pacific region. Monthly benefits from most of the major programs (Old Age Allowance: B600-1,000, PWD Allowance: B800, Child Support Grant B600) fall far below the national per capita poverty line of B2,710 per month. Although the maximum value of monthly State Welfare Card (SWC) allowances for food, transport and utilities (B2,145) is high compared to other social assistance programs, allowances are not aligned with needs and therefore not always claimed. In 2018, the maximum food/household consumables allowance of B300 represented just 14 percent of household expenditure on food for the poorest 20 percent of the population, while allowances for transportation and utilities are significantly over valued.

**Access to a 'package' of benefits from multiple programs may increase adequacy but the system lacks the capacity to track what individuals and families receive.** The poorest 40 percent of the population is more likely to benefit from two or more programs than the top 60 percent, and total income from several small programs may add up to a higher proportion of poor household consumption. However, the different programs manage separate beneficiary databases and registries, creating fragmentation. This makes it difficult to plan or monitor how benefits accrue to families, and whether they are adequate.

There is evidence that this broad sweep of social assistance ameliorates poverty, although the impact of individual programs is less clear. Between 2015 and 2018, "public assistance income", primarily from social assistance programs including the SWC program and social pensions, served to offset the economic effects of the slowing economy, droughts and wage stagnation on households, even though poverty still increased overall (Yang et al 2020). An early impact evaluation of the Child Support Grant (CSG) showed promising results on human development indicators, especially on households living close to the poverty line, leading to the expansion of the program (EPRI 2019). However, studies have also found little or no impact of the social pension for the elderly on consumption expenditures and poverty (Paweenawat and Vechbanyongratana 2015, Giles and Huang 2017), due to the low value of transfers.

### Proposed policy actions:

- **Determine a maximum/minimum package of benefits that households may receive, based on assessment of how multiple benefits currently accrue to households, and where gaps, overlaps and opportunities for rationalization exist.** This will be critical going forward so ensure that beneficiaries receive **adequate support, and that the government is able to track what individual households receive. This may require raising benefit levels, and therefore spending, for some programs.**
- **Convert the current set of SWC allowances to a basic cash payment,** reducing the nominal value of the benefit while increasing its utility for recipients.
- **Consider adjustments to the way programs are targeted.** If reaching the poorest is a primary goal, attempting to narrow targeting may conversely lead to greater exclusion without other adjustments. Instead, Thailand could consider adjusting maximum thresholds for inclusion and greater affluence testing to reduce inclusion error, leveraging stronger data sharing and interoperability.
- **Harmonize targeting and enrolment for poverty targeted programs (primarily the SWC and CSG),** to create efficiencies.
- **Extend benefits to the informal sector and other vulnerable groups until the economy recovers.** This would represent a sound investment in poverty and inequality reduction, improving productivity, and enhancing resilience.

### **RECOMMENDATION 3: INVEST IN ACTIVE LABOR MARKET PROGRAMS TO TRANSITION TO DEMAND-DRIVEN SKILLS TRAINING AND EMPLOYMENT SERVICES INFORMED BY A REAL-TIME LABOR MARKET INFORMATION SYSTEM.**

Thailand has a range of active labor market policies and programs, however these need strengthening. Active labor market programs targeting specific, under-employed groups, including the poor, women, people with disabilities and the elderly are available, but generally have low uptake. Employment incentives are aimed at increasing the number of People with Disabilities (PWDs) and senior citizens in employment, but the effectiveness of these incentives is uncertain. Although impact evaluations are scarce, recent evidence indicates that training does not have a positive impact on earnings or employment (Chongcharoentanawata, Gassman, and Mohnen 2018). Employment services are available to the general public and to other target groups such as elderly workers to encourage continued workforce participation, however the use of public employment services to find jobs has declined in recent years.

**Short training courses offered to SWC holders appear to have had more success with uptake and with improving outcomes of beneficiaries.** More than three million welfare card holders (around 22 percent) participated in government-provided career training over two phases in 2018 and 2019. A follow up survey of the 2018 cohort revealed that 80 percent of those surveyed later reported receiving a higher income following completion of training (NESDC 2019).

In both the short and long term, social protection will need to be complemented by labor market policies tailored to the needs of a knowledge-based economy. **In the short term, upskilling and reskilling workers displaced by the labor market disruptions caused by the COVID-19 outbreak will be essential.** Skills training programs will need to be targeted to labor demand in sectors that are recovering more quickly as the economy recovers. Given the weakness in labor demand, however, these training programs may also need to focus on promoting livelihoods and self-employment skills, particularly in rural areas.

**In the longer term, Thailand's aging population and the changing nature of work will see the workforce shrink potentially creating skills shortages.** Adapting to increasing automation requires lifelong education and skills training to meet evolving labor needs, and an unemployment insurance system with wider

coverage to protect workers who lose their jobs as the nature of work changes. But weaknesses in matching training programs to labor market demands and in providing effective employment services present a challenge at the very time when changing skills needs require them most.

#### **Proposed policy actions:**

- **Invest immediately in upskilling and reskilling programs to help workers displaced by the COVID-19 outbreak to find jobs.** Training can be linked to wage subsidies that incentivize firms to hire workers or to startup support to stimulate livelihoods opportunities. This training can be targeted to vulnerable groups, including those receiving social assistance, to encourage moves into wage employment and more sustainable self-employment. This approach could build on the experience of providing training and other assistance to SWC holders. Support could be expanded to include financial services, job search assistance, and access to markets. While Thailand continues to impose transmission control restrictions to combat the COVID-19 outbreak that affect normal business activity, employment retention schemes that incentivize employers to retain workers can also be implemented. But these should be time-limited and phased out as the recovery from the COVID-19 pandemic takes hold.
- **Invest in a labor market information system that could serve as a backbone for delivering effective labor market programs.** An advanced labor market information system not only supports basic employment services functions such as job matching and career and skills guidance, but also serves as a platform to coordinate government support for unemployment insurance, active labor market programs, and other government programs, and to generate real-time, demand-driven labor market information and analysis. A high-performing labor market information system is a necessary step in creating an outcome-based employment services and training system that rewards the provision of skills that are in demand and lead to good jobs. A system such as this, that rewards service providers who deliver improvements to beneficiaries' employment and wages, should be the ultimate goal of reforming active labor market policies.
- **Evaluate the effectiveness of existing active labor market programs.** Evaluations of active labor market programs in Thailand are scarce. Undertaking high-quality impact evaluations could help determine where interventions should be scaled up, better targeted, or eliminated.



#### **RECOMMENDATION 4: ESTABLISH MORE COORDINATED AND COHERENT DATA GOVERNANCE AND POLICY MAKING FOR SOCIAL PROTECTION ACROSS GOVERNMENT.**

**Most foundational elements for social protection delivery – identification, financial inclusion, payment systems and mobile phone penetration – in Thailand are strong and well-established.** Near universal coverage of Thailand's population registry and ubiquitous use of the 13-digit Personal ID (PID) number throughout administrative databases allows for ad-hoc cross referencing between data sources, primarily to exclude people who exceed income and assets tests or who are covered by formal social insurance. Financial inclusion is also high, with an estimated 82% of the population having a bank or financial account (World Bank forthcoming).

**However, there is a need to improve beneficiary data management, and opportunities to link social assistance databases with other administrative databases to create a virtual social registry.** Between Thailand's regular social assistance programs, its social security coverage and recent enrolment of 15 million informal sector workers for emergency COVID-19 benefits, the large majority of the population is likely now registered for some form of social protection. This is complemented by digitization of other registries, such as civil servants, taxpayer, land, vehicle, education and health information systems. The challenge is to harness this data through greater interoperability, sharing and matching capabilities, which will enable real-time and comprehensive decision-making. Furthermore, it will allow targeting to be automated, routine and more shock responsive. **Poor data quality in the Low-Income Earner's Registry, which is used for poverty targeting in the SWC program, has called its credibility into question and indicates a need**

**for improvement.** In the context of increased data exchange across government, personal data protection protocols should also be strengthened.

**Thailand's social protection and labor system is fragmented, creating inefficiencies in program management, lack of clarity over investment impact, and missed opportunities for synergies and referrals between programs.** Multiple agencies are responsible for planning, implementation and beneficiary data management, without a policy framework or strategy to show how multiple programs contribute to high-level goals, or effective inter-agency coordination.

**Improving coherence and coordination in the system, including in data governance, would give the Government of Thailand a picture of the impact of overall expenditures, how benefits accrue to individuals and households, and where overlaps, gaps and opportunities lie for synergies and efficiencies between social assistance, social insurance and labor market programs.**

#### **Proposed policy actions:**

- **Establish a virtual social registry** to support outreach, intake, registration and eligibility determination for all social assistance programs, **and introduce on-demand updating** to strengthen the collection of socio-economic data for programs targeting poverty.
- **Establish data sharing protocols and mechanisms for informed consent and put in place or strengthen privacy protections for personal data.**
- **Improve coherence of the social protection and labor systems** by developing a national social protection strategy and establishing inter-agency coordination, as well as leveraging the virtual social registry.

**Table 1** Proposed sequence of actions and reforms

<p><b>0-6 months</b></p>	<p>Extend emergency payments through the SWC program into the first half of 2021. Open enrolments for SWC to allow newly impoverished individuals to register for assistance. Trial online enrolments to supplement existing face-to-face options, building online registration undertaken during COVID-19 restrictions.</p> <p>Invest in upskilling and reskilling programs to help workers displaced by the COVID-19 outbreak to find jobs, linked to subsidies (vouchers) that finance training and act as wage subsidies. Implement time-limited employment retention measures to protect jobs in the short-term while transmission control measures remain in place.</p>
<p><b>6-18 months</b></p>	<p>Establish an inter-agency coordination mechanism for social protection and labor programs, under the auspices of the Office of the Prime Minister or the Ministry of Finance.</p> <p>Undertake further analysis of how regular and emergency social protection benefits and services accrue to individuals and households. Review social assistance registries, eligibility criteria and overlaps.</p> <p>Evaluate the effectiveness of existing active labor market programs. If appropriate, expand active labor market schemes for SWC holders, building on lessons from the first two rounds in 2018 and 2019.</p> <p>Draft social protection and labor market strategy, considering options for:</p> <ul style="list-style-type: none"> <li>• determining a maximum/minimum package for social assistance benefits at household level and improving adequacy;</li> <li>• expanding minimum contingent coverage for informal workers, including through greater government subsidies;</li> <li>• indexing retirement benefits to prices and indexing the wage ceiling on which SSF retirement benefits are calculated to wage growth;</li> <li>• gradually raising the retirement age, setting actuarially fair adjustments for early or late retirement and raising the contribution rate once the COVID-19 crisis subsides;</li> <li>• transitioning to a results-oriented training and employment services system;</li> <li>• expanding linkages and referral pathways between social assistance, social insurance and active labor market schemes.</li> </ul> <p>Prepare a road map for data governance reforms, including establishment of a virtual social registry.</p> <p>Transition to an electronic cash payment for SWC, with a view to eliminating other allowances.</p> <p>Invest in a labor market information system that could serve as a backbone for delivering effective labor market programs.</p>
<p><b>18-36 months (1.5-3 years)</b></p>	<p>Implement the road map for data reforms, including to:</p> <ul style="list-style-type: none"> <li>• harmonize targeting and registration for poverty targeted programs, and introduce on-demand updating to improve data quality and reduce exclusion error;</li> <li>• Establish a virtual social registry that links existing program and administrative datasets through Application Programming Interface.</li> <li>• Establish data sharing protocols and privacy protections.</li> </ul> <p>Implement social protection and labor market reforms, including to:</p> <ul style="list-style-type: none"> <li>• Roll out new schemes for informal workers; monitor and evaluate uptake and effectiveness;</li> <li>• Consolidate and improve the adequacy of social assistance schemes.</li> </ul>

# CHAPTER 1.

## INTRODUCTION

### 1.1. OVERVIEW

This paper reviews Thailand's Social Protection (SP) and labor market systems to assess how they can be strengthened to meet the challenges affecting its economy and society in coming decades. Thailand's aging population, persistent high levels of workforce informality and the changing nature of work are already putting pressure on the current system, leaving most workers without protection from shocks, and an increasing number of people more reliant on the tax-financed Old Age Allowance (OAA) for income in retirement. There is potential for Thailand's social protection and labor programs to better address lingering poverty and human capital development needs, in line with the Government of Thailand's aims of increasing incomes amongst the poorest 40 percent of the population by 15 percent and building skills at every stage of the life cycle to meet labor market needs for the twenty-first century. In line with the Thailand 4.0 vision for economic development, enhanced social protection and labor market strategies can contribute to a more inclusive society and human development, supporting the shift to a value-based economy driven by innovation, technology and creativity.

In 2020, the Government of Thailand initiated a rapid, comprehensive and effective social assistance response to cushion the economic impacts of COVID-19. This response is estimated to have reached more than 30 million individuals, or approximately 81.5 percent of households. This paper considers the strengths and weaknesses of the response and considers how it has created opportunities for strengthening systems, including to make them more shock-responsive, for the future.

### 1.2. DEFINITIONS

Social protection and labor systems, policies, and instruments help individuals and societies manage risk and volatility and protect them from poverty and destitution (World Bank 2012a, 2018a). This paper reviews the three categories of social protection and labor programs in Thailand.

**Social Assistance (SA) schemes are non-contributory, publicly financed programs designed to reach poor and/or vulnerable citizens.** Thailand employs a mix of poverty-targeted programs for the poor and near poor, along with categorical, tax-financed social pensions for the elderly and People with Disabilities (PWD), which are pensions-tested rather than poverty-targeted and reach a high proportion of 'not-poor' by design. Thailand also employs large scale school feeding programs, along with education stipends and scholarships. It also provides social care services to the elderly and PWD, although these are not discussed in detail in this report.

**Social Insurance (SI) schemes are contributory programs designed to help smooth individual consumption in the face of sudden changes in income because of shocks or life changes, such as old age, sickness, disability, or natural disaster.** By pooling risk, these schemes can mitigate the impact of shocks at a reasonably low-cost relative to alternative coping mechanisms, such as self-insurance, borrowing or selling assets. Several social insurance schemes exist in Thailand, which may provide coverage against death, disability, unemployment and some medical costs, depending on the scheme, as well as retirement income. They include Defined-Benefit (DB) and Defined-Contribution (DC) schemes for civil servants, compulsory employer and employee contributions towards retirement savings for private sector employees, and state subsidized schemes that aim to expand coverage of workers in the informal sector.

This report provides an overview of the key features of Thailand's pensions system, while a companion report provides a deeper technical analysis of Thailand's public pension system with a focus on three areas of performance, adequacy, sustainability and coverage. See World Bank 2020a.

**Thailand is notable for its universal health insurance coverage, achieved through a blend of publicly financed and contributory schemes.** The state-financed Universal Coverage Scheme (UCS) was introduced in 2002 and covers 75 percent of the population, with the remainder protected through contributory health insurance for civil servants and formal sector employees (Paek et al 2016). Although assessment of UHC is beyond the scope of this paper, this paper describes aspects of the health insurance system to provide comparisons and lessons for social protection programs.

**Labor market programs can be contributory or non-contributory and are designed to help workers manage risk in case of job loss (passive labor market policies) and to generate more and better employment opportunities for workers (active labor market policies).** Passive labor market programs can be classified into severance and unemployment insurance. Severance payments and unemployment insurance within the formal sector Social Security Fund (SSF) are both used in Thailand. Active labor market programs can be classified into training, employment subsidies, support for self-employment, and employment services such as labor market information and job search and placement assistance. Employment services provided by Provincial Employment Offices and subsidies for the employment of older people are examples of active labor market programs in Thailand.

### 1.3. REPORT STRUCTURE

Chapter 2 provides an overview of key trends affecting social protection policy making and its evolution over the past two decades.

Chapter 3 provides an overview of existing social assistance, social insurance and labor market programs.

Chapters 4, 5 and 6 describe and assess Thailand's social assistance programs, social security schemes, and labor market programs respectively. They analyze expenditure

and administrative data and Thailand's annual household survey (the Socio-Economic Survey, SES) to comment on Thailand's rates of social protection spending, program coverage, beneficiary incidence, adequacy and impact. The analysis also draws on public sources and the World Bank's ASPIRE database to benchmark performance against neighbors in the East Asia Pacific (EAP) region, and other Upper Middle-Income Countries (UMIC)<sup>1</sup>. These chapters also summarize available evidence of effectiveness and impact from evaluations and other literature.

Chapter 7 describes key features of social protection delivery systems, including for identity verification, payment and enrolment of beneficiaries in programs, and outlines implementation, governance and legal arrangements.

Chapter 8 makes recommendations about areas for further focus and investment.

This assessment was conducted between January and November 2020, with minor updates made in January 2021 to reflect policy announcements relating to COVID-19 assistance. The resulting paper is intended to provide the basis for discussion and may be corrected and amended following further consultation at a future date.

---

<sup>1</sup> More information on ASPIRE and the different country datasets can be found at <https://www.worldbank.org/en/data/datatopics/aspire>.

# CHAPTER 2.

## SOCIAL AND ECONOMIC TRENDS INFLUENCING SOCIAL PROTECTION POLICY

**Key trends influencing social protection policy making in Thailand include the slowing economy, inequality, the rapid aging of Thai society, the changing nature of work and a highly informal workforce not covered by social insurance schemes.**

This year, the COVID-19 crisis has put unprecedented pressure on Thailand's economy and workforce, requiring a rapid response to extend the social safety net to new groups, especially including informal workers.

**Although Thailand has made remarkable progress on poverty reduction in the past two decades, the national poverty rate ticked upwards in 2016 and 2018, due to a slowing economy, droughts and wage stagnation.** Overall, poverty in Thailand fell from 65.2 percent in 1988 to 9.85 percent in 2018 according to the national poverty line, and extreme poverty has been all but eliminated. However, the official poverty rate increased slightly in 2016 and again in 2018. Unlike previous periods of poverty rate increase, these did not coincide with financial crises. Instead, declining farm, business and wage incomes were the largest contributors (Yang et al 2020).

**Poverty is most concentrated amongst children and the elderly, and in rural areas.** Using the international poverty line for Upper Middle-Income Countries (UMICs), Thailand's poverty rate was 7.8 percent in 2017, but 12.9 percent for children aged 0-14 and 8.4 percent amongst elders aged 60 or above (OPM 2020). Two million children live in poor households and 21.5 percent of children, or over one in every five, live in multidimensional poverty (UNICEF 2019). Rural areas face a higher poverty rate of 10.8 percent, compared to 0.3 percent in Bangkok and 5.3 percent in urban areas outside Bangkok. The poverty rate is highest in the North-eastern (13.0 percent) and Northern (12.4 percent) regions (OPM 2020).

**Thai households carry a significant burden of debt, making them vulnerable to changed circumstances and loss of income.**

On average, Thai households have more debt than financial assets (B63,038 per household in debt compared with B60,548 in assets, not including real estate or vehicles), but poor households have twice the amount of debt (B13,387 per household) than assets (B6,145) (OPM 2020). The economic impacts of COVID-19 (discussed below) will further erode hard-won poverty gains.

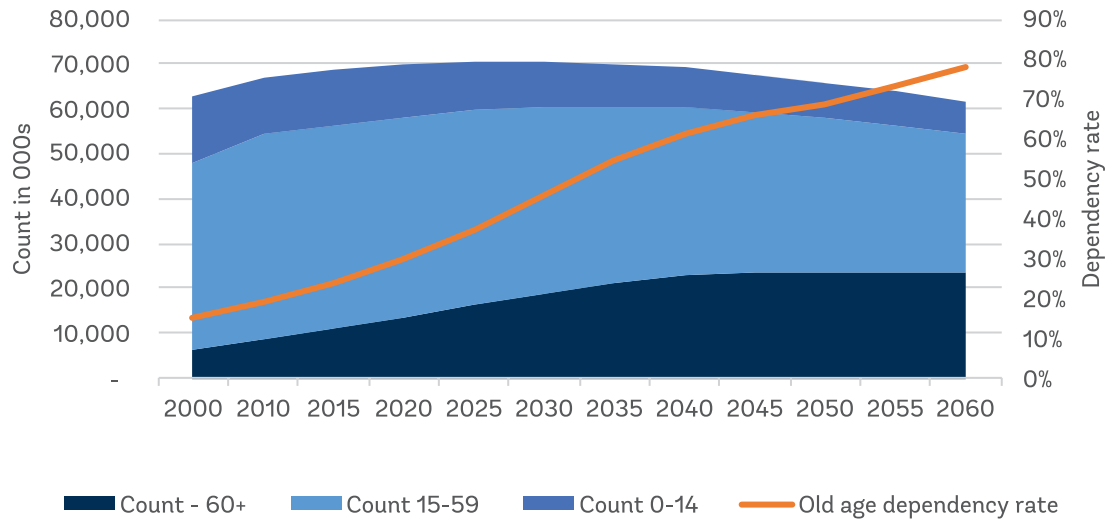
**The rapid aging of Thai society has significant implications for Thailand's economy, workforce and social protection system.**

Thailand has one of the highest shares of elderly compared to developing countries in the region, with the share of the population 65 or older projected to rise from 13 percent of the population today to 31 percent in 2060. The working age share of the population is already shrinking and is projected to decline from 71 percent of the population in 2020 to 56 percent in 2060. Reductions in fertility combined with increasing life expectancy are expected to lead to a growth in old age dependence from 30 percent in 2020 to 78 percent in by 2060 (Figure 1). Absent any adjustments to current policies and behavioral trends, changes in demographics will decrease growth in GDP per capita terms by 0.86 percent in the 2020s (Moroz and Naddeo 2020).

**There is sustained informality in Thailand's labor market, leaving most workers without protections under traditional social security systems.**

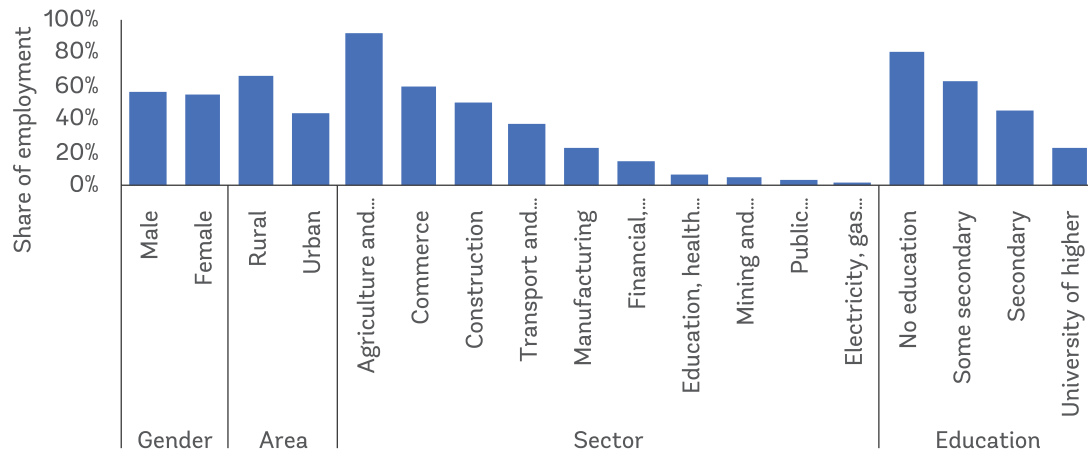
More than half of Thailand's workers are informal (21.2 million informal workers, compared with 17.1 million formal workers). Informality is highest in agriculture (92 percent) followed by commerce (59 percent) (Ariyaprichya et al 2020) (Figure 2). In Thailand as elsewhere, the rise of the gig economy has changed traditional employer-employee working relations. Additionally, labor intensive sectors like manufacturing are challenged by automation, resulting in fewer formal sector jobs. Private wage employment has not grown as a share of employment in the last two decades; 35 percent of the workforce was employed privately in 2001, compared to 36 percent in 2018 (Moroz and Naddeo 2020). This is in line with trends for low- and middle-income countries, where participation in employment-based, contributory social insurance has stagnated (Packard et al 2019).

Figure 1 Old Age Dependency ratio 2000 to 2060



Source: United Nations population prospects, 2019 revision. Dependency rate is defined as count of 60+ / working age populations.

Figure 2 Informality rates by gender, education, urban and rural areas, and sector in 2018



Source: Thailand Informal Employment Survey, 2018

Together, these trends mean that **an increasing number of people will be retiring without formal pensions**. Fewer elderly Thais live with extended families than previously, and expectations of government support in old age are growing (World Bank 2016). The percentage of older people reporting children as their main source of income declined from 54 percent in 1994 to 35 percent in 2017. In contrast, individual reliance on the Old Age Allowance (OAA), a social pension, has increased from three percent in 2007 to 20 percent in 2017 (Moroz and Naddeo 2020). Most Thais over the age of 65 are not covered by contributory pension schemes for retirement. With the Thai population aging faster than participation in social insurance is growing, this problem will worsen over time (Packard et al 2019).

**At the same time as Thailand's workforce is shrinking, the nature of work is changing.** Automation has increased in Thailand in recent years (Lipipatpaiboon and Thongsri 2018), and jobs involving manual work have decreased markedly; employment is now more than 100 percent less intensive in both routine and non-routine manual tasks than it was in 2001 (Moroz and Naddeo 2020). Consistent with the maturation of automation technologies associated with Industry 4.0, in much of the East Asia and Pacific region, demand is shifting from basic skills in literacy and numeracy to socioemotional skills such as teamwork and communication and higher-level cognitive and technical skills (Mason and Shetty 2019). However, no age group in Thailand is currently moving towards the types of nonroutine cognitive and interpersonal skills that tend to be more resistant to automation.

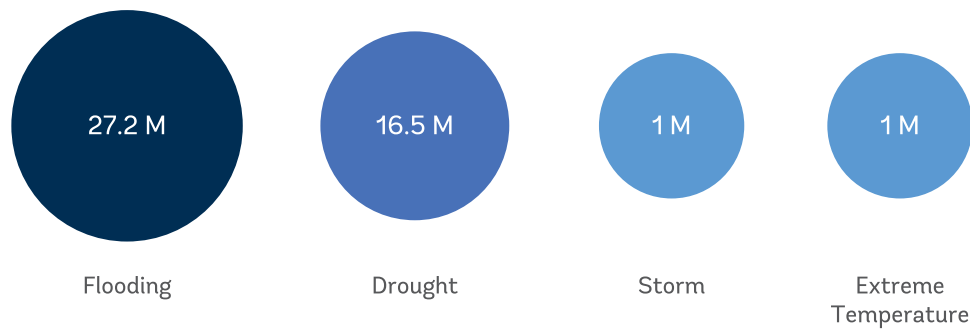
**Low education quality and growing inequity for school students in remote and underserved regions mean that Thai children may not be prepared for the jobs of the future.** In the 2015 Programme for International Student Assessment (PISA), Thailand's aggregate score was 436 out of 625, below the

ASEAN average of 451. Half of Thai students scored below basic proficiency levels in science, reading and math. A third of Thai 15-year-olds are functionally illiterate; in rural areas this rises to 47 percent (Ariyaprichya et al 2019). The 2018 PISA found that boys' performance in reading was one of the lowest among PISA-participating countries and economies. Learning gaps between the richest and poorest, and urban and rural students in Thailand had widened since the 2015 assessment (OECD 2019).

**The size of top incomes and public perceptions of inequality and economic mobility are political concerns for the Government of Thailand.** Although Thailand's Gini coefficient (36.2 in 2018) is comparable to its ASEAN peers, the under-representation of top income earners in household survey data may mask higher levels of inequality. The World Inequality Report, which uses multiple data sources, including income tax data, found that households in the top percentile accounted for 20.2 percent of pre-tax national income (Ariyaprichya et al 2019). Meanwhile perceptions of living standards have worsened since 2016, with many more respondents to a Gallup poll reporting insufficient money for food and shelter compared with the previous ten years (2006-2015). By this measure Thais are the most pessimistic amongst East Asian countries surveyed. Between 2015 and 2019, household consumption growth dropped for the bottom 30 percent, while it increased for the top 70 percent (Yang et al 2020).

**Thailand is exposed and vulnerable to natural disasters, floods, landslides, storms, and droughts** (OPM 2018). Although it is classified as being at medium risk for disasters, (World Risk Index 2020), it is highly exposed to flooding and records the highest average annual loss (AAL) for flooding in ASEAN (UNISDR 2015).



**Figure 3** Number of people affected by disasters 2008-2017 (millions)

Source: Thailand Country Profile, UNOCHA, ReliefWeb

### Impacts of COVID-19

In 2020, with the agricultural sector already hit by the worst drought in 40 years, **the global COVID-19 pandemic delivered a further shock to Thailand's economy.** The World Bank forecast economic growth of negative five percent for 2020 (Ariyapruchya et al 2020). During the second quarter of 2020, at the height of COVID-19 related restrictions, the economy contracted 12.2 percent compared to the same quarter in 2019 (IMF 2020). Thailand's borders closed in March and the tourism sector, which accounts for 15 percent of GDP and is a major employer in many parts of Thailand, was largely shuttered. Downturns in the retail and accommodation sectors also affected employment and income, and remittances from Thai migrant workers fell. Comparing financial assets to consumption expenditure per person, an average household was estimated to be able to last for up to nine months without income, while poor households could only last three (OPM 2020).

**COVID-19 containment measures and their economic flow-on effects had a major impact on livelihoods and incomes.** In June, a rapid survey conducted by The Asia Foundation estimated that 70 percent of the national workforce had seen their monthly income fall by an average of 47 percent, with informal sector workers reporting average income contraction of 67 percent.

49 percent of small business owners indicated their business was at high risk of permanent closure (Parks et al 2020). While the economic downturn has been felt by all income levels, the lowest income earning groups had the highest percentage of people experiencing a decline in their income; 70.7 percent of those earning B0-5,000 and 85 percent of those earning B5,000 to B10,000 (Figure 4). The scale of impact on individual income was also most significant in the poorest segments surveyed, with those reporting earning between B0-5000 per month saying their monthly incomes had decreased by 63 percent, and those earning between B5001-10,000 per month reporting 57.4 percent less income. 'Middle' income-earners were also affected, albeit to a lesser extent. Survey respondents that reported earning between B15,000 and B30,000 per month reported that their incomes declined by 37.7 percent (Parks et al. 2020).

**The economic impacts of COVID-19 will likely erode poverty gains.** Under a scenario where labor market and remittance income diminish by 75 percent for a quarter among affected groups, the World Bank estimated that share of middle-class Thais will fall from 40 percent pre-COVID-19 to 24 percent, and the share of the population in economic insecurity will rise from six to 20 percent for those in households relying on income from affected sectors (Ariyapruchya et al 2020).



Figure 4 Comparing the impact of COVID-19 on different income groups



Source: Parks et al 2020. Income estimates include any government assistance received.



# CHAPTER 3.

## OVERVIEW OF SOCIAL ASSISTANCE, SOCIAL INSURANCE AND LABOR MARKET PROGRAMS

### 3.1 OVERVIEW

Through a combination of categorical and poverty targeted schemes established over the past two decades, **Thailand's social assistance programs are designed to cover most categories of vulnerable groups, including children, the elderly, People with Disabilities and the poor and near poor.**

**The majority of people working in the civil service and formal private sector are covered by mandatory social insurance schemes, and voluntary schemes seek to allow informal workers to save for retirement and receive some other protections.**

**However, in practice, the low uptake of voluntary schemes means that only a small fraction of informal workers, who in turn represent over half of the overall workforce, are covered by social insurance schemes.** This is the most significant gap in Thailand's social protection system, which came into sharp focus as the result of the COVID-19 pandemic.

### 3.2. EVOLUTION OF POLICY SETTINGS

#### *Late 90s to mid 2010s: social security reform and establishment of universal programs*

**The late 1990s saw major reforms to Thailand's social insurance schemes for civil servants and the private sector.** In 1997, in response to rising costs and concerns about fiscal sustainability, a defined-benefit (DB) scheme for public servants funded from public revenues was overhauled, becoming a hybrid DB/defined contribution (DC) scheme with compulsory contributions from employers and employees. In 1999, the establishment of the Social Security Fund (SSF) by the Social

Security Act (SSA) extended social security benefits (pensions, disability, unemployment, maternity, sickness and death benefits) to private sector workers.

**The early 2000s to the mid-2010s were characterized by the expansion of previously targeted programs to achieve near-universal coverage for people not otherwise covered under public and private sector insurance schemes.** Universal Health Coverage (UHC) was established in 2002, with the creation of the B30 co-payment scheme for all citizens not already covered by civil service and private sector medical insurance. This replaced schemes for poor and vulnerable citizens as well as for informal workers, that had failed to achieve comprehensive coverage (Paek et al. 2016). Similarly, the Old Age Allowance (OAA), a social pension for the elderly, was established in 2003 as a poverty-targeted scheme for people aged 60 and over without enough income to meet necessary expenses, or who were unable to work, abandoned or were without caregivers. Local authorities were charged with identifying beneficiaries, but the program lacked a uniform approach or national guidelines for targeting, resulting in poor coverage (Dijkhoff and Lethokwa 2018). During this phase, more than 50 percent of the elderly living below the poverty line and without support from their families did not receive the allowance (Prachuambmoh et al. 2009). As a result, the OAA was expanded in 2009 to include anyone over 60 not otherwise covered by a public or private sector retirement scheme (ILO 2016).

In the same period, the People With Disabilities (PWD) Allowance, a social pension for PWDs, was established in 2010 for anyone holding a Person With Disabilities Card, obtained through medical assessment and certification (MSDHS 2016).

**Responding to the twin challenges of Thailand's aging population and highly informal workforce, Thailand also made efforts to expand social insurance to the informal sector. In 2011, the Social Security Act was amended to allow informal workers to voluntarily contribute to social insurance, with the government providing matching contributions as incentives.** In 2015, the National Savings Fund (NSF) began operations to enable informal workers to save towards retirement, by making annual contributions as small as B50 (USD 2) (ILO 2016).

### Current policy priorities

**Over the past five years, Thailand's policy priorities have regained a focus on targeting the poorest.** The twenty-year National Strategy (2018-2037) for Thailand's development includes a target of increasing incomes for the bottom 40 percent by 15 percent (NESDB 2018). It sets out the need to “conduct targeting of social investment to provide assistance to poor and underprivileged people”, including by developing measures to “accurately identify” those who need support.

**Accordingly, social assistance programs established since 2015 employ means-tested poverty targeting to determine eligibility.** The State Welfare Card (SWC) program, a broad-based basic social safety net, was launched in 2016, and in 2019 provided cash and credits to 14.6 million poor and near-poor citizens. The Child Support Grant (CSG), an unconditional transfer for poor families with children aged six and under, was piloted in 2015 and subsequently expanded to cover 1.5 million children by 2020.

**The National Strategy also highlights Thailand's poor education outcomes, and the need to improve skills at every stage of the life cycle to meet labor market needs for the twenty-first century.** (NESDB 2018). The Equitable Education Fund (EEF), established in 2018, comprises a number of initiatives aimed at reducing educational disparity, including a conditional cash transfer, scholarships targeting the poorest school students, and skills training. Skills training also forms part of the SWC

program, with lowest earners entitled to free training schemes. The Strategy emphasizes the need to “creat[e] comprehensive social insurance schemes that are adequate for everyone regardless of gender and age” and encourage more formal and informal workers to enter the social security system. It also sets out the need for tax incentives and employment opportunities to increase the self-reliance of poor and vulnerable citizens, including the elderly and disabled.

**The medium-term Twelfth National Economic and Development Plan (2017-2021) covers similar themes,** and further flags the need for fiscal and budgetary reforms to social protection including to reduce duplication of social welfare benefits and establish sustainable public financing of the social protection system, especially for retirement and health coverage, in order to reduce financial dependency on government revenues (NESDB 2017).

### 3.3. SUMMARY OF SOCIAL PROTECTION AND LABOR MARKET INTERVENTIONS BY LIFE-STAGE

**Table 2 summarizes key social assistance (in purple), social insurance (in green) and labor market (in blue) interventions across the life cycle** (see Annex 1 for complete list and detailed information on their coverage and spending)<sup>2</sup>.

<sup>2</sup> Other forms of government assistance that do not fall under the definition of social assistance include small and medium enterprise loans, micro credit programs, loan and debt relief schemes for farmers and rice and other commodity price guarantees.

**Table 2** Thailand's social assistance, insurance and labor market policies and program

Key:	Social Assistance	Social Insurance	Labor market programs
<b>Children</b>	<p>Early years (0-6):</p> <ul style="list-style-type: none"> <li>• Child Support Grant (CSG) – unconditional cash transfer for children aged six and under in poor families.</li> <li>• <i>Lump-sum childbirth grant paid to formal workers through SSF.</i></li> </ul> <p>School aged (3-18):</p> <ul style="list-style-type: none"> <li>• Free School Lunch Program: Cash/in-kind transfers for uniforms and learning materials, provided as part of the Free Education Program.</li> <li>• Various schemes under the Equitable Education Fund, including conditional cash transfers targeting poorest students; cash transfers targeting out-of-school students; scholarships.</li> </ul>		
<b>Working age</b>	<p>Poor and near poor:</p> <ul style="list-style-type: none"> <li>• State Welfare Card program (SWC) – ‘near-cash’ allowances for food, public transport and utilities bills for poor- and near-poor individuals.</li> <li>• Skills training targeted at the poor, including: training packages for SWC holders; training through the National Village and Urban Community Fund; skills training for vulnerable women; community-based career development programs.</li> </ul> <p>Working age:</p> <ul style="list-style-type: none"> <li>• <i>Civil servants covered by the defined benefit legacy Old Civil Service Pension Scheme (OCSP) or reformed defined benefit/defined contribution Government Pension Fund (GPF).</i></li> <li>• <i>Private/formal sector employees are eligible for benefits in the case of death, disablement, maternity, childbirth, unemployment and retirement through compulsory enrolment in the Social Security Fund (Sections 33 and 39), and through voluntary contributions to provident funds for retirement savings.</i></li> <li>• <i>Informal sector employees may voluntarily contribute to the SSF (Section 40) to receive death and disablement benefits, or to the National Savings Fund for retirement savings.</i></li> <li>• SSF includes unemployment insurance with links to job placement services and skills training. Formal employers must provide severance pay.</li> <li>• Employment services are available to the general public, such as labor market information, job fairs, and online job search and matching.</li> </ul>		
<b>Elderly</b>	<ul style="list-style-type: none"> <li>• Old Age Allowance – social pension for anyone over the age of 60 and not covered by formal social insurance schemes.</li> <li>• <i>Retirement income from various contributory social insurance and pension schemes.</i></li> <li>• Tax incentives to employ older workers; skills training and job search assistance for older workers.</li> </ul>		
<b>PWDs</b>	<ul style="list-style-type: none"> <li>• People with Disabilities allowance – social pension for anyone assessed as having a disability and holding a PWD card.</li> <li>• <i>Lump-sum benefits provided to those disabled by worth through SSF and NSF</i></li> <li>• Tax incentives and quotas for employing PWDs.</li> </ul>		

### 3.4. ENROLMENT COVERAGE (BY LIFE CYCLE)

**Comparison of program beneficiary data with population data provides insights into levels of social protection coverage over the lifecycle<sup>3</sup>.** Higher levels of coverage are desirable for social insurance schemes and social pensions, where their purpose is to extend protections for the majority of people in specified demographics. For poverty targeted programs like the SWC and CSG, higher levels of coverage may come with higher rates of inclusion error but are less likely to exclude the poorest.

**Social assistance programs reach high proportions of their relevant demographic categories.** Nearly 40 percent of Thai children are supported directly by the CSG. The Government of Thailand is reportedly seeking to increase this to 1.8 million children by 2024 in order to minimize exclusion error, which

was estimated at 30 percent before the income threshold was raised in line with the SWC (UNICEF 2019). 26.9 percent of the population over the age of 18 is enrolled for the SWC. Coverage of the 'elderly' population and of PWDs by their respective social pensions is appropriately high given the categorical nature of those programs.

**Social insurance coverage of informal sector workers, representing over half the workforce, is the most significant gap in Thailand's social protection system.** Of the estimated 21.2 million informal workers in Thailand, just 3.24 million (15 percent) made voluntary contributions to the SSF in 2018 (see Chapter 5 for further discussion).

<sup>3</sup> This table looks only at demographic (age-based) and categorical (PWD) criteria for program eligibility, to give a sense of what proportions of the potentially eligible are actually enrolled in social protection schemes. It does not take into account poverty-targeting or pensions-testing criteria so does not assess targeting accuracy.

**Table 3** Proportion demographic registered for relevant social assistance programs

Age range/ demographic	Registered Population (2019)	SP program (latest year available)	Total enrolments	% demographic registered for program
All ages (total population)	66,558,935			
0 to 6	3,914,717	Child Support Grant (2020)	1,500,000 (approx.)	38.3%
6-18	10,220,138	Equitable Education Fund Conditional Cash Transfer (CCT) (2018)	510,040	5.0%
18 and over	51,589,247	State Welfare Card (2020)	13,900,000 (approx.)	26.9%
"Working age population"	56,279,137	Social insurance (Civil Servants 2019, Social Security Fund Sections 33,39,40 (2019)	17,677,090	31.4%
60 and over	11,136,059	Old Age Allowance (2019)	9,090,000 (approx.)	81.6%
PWD	2,027,500 (2020)	PWD allowance (2020)	1,840,000 (approx.)	90.8%

### 3.5. SOCIAL PROTECTION SPENDING COMPOSITION

**Overall spending on social protection (social assistance and social insurance) is increasing.** Spending on social assistance increased by over 50 percent between 2010 and 2018, from 0.5 percent of GDP to 0.77 percent of GDP (see 4.4). Social security expenditure amounted to 1.8 percent of GDP in 2019, of which 1.33 percent was taken up by the cost of social security for civil servants (see 5.4). Labor Market program expenditure in 2019 was less than 0.002 percent of GDP.

**Although not examined in detail as part of this assessment, Thailand's universal health coverage forms a critical and fundamental part of its overall social protection system.** Thailand has succeeded in expanding the coverage of health protection schemes, with the universal health coverage having been achieved through three major public health insurance schemes by 2002. 75 percent of the population is covered by the Universal Health Coverage (UHC) scheme (Paek et al 2016), at a cost of 0.8 percent of GDP (2018). The remainder are covered by contributory social health insurance through the SSF (16 percent) and a separate scheme for civil servants (nine percent) (Paek et al 2016). These efforts have broadened access to health services, contributed to greater and more equitable utilization, and helped reduce financial burden and risk of impoverishment associated with health care expenses. Reflecting these trends, the incidence of "catastrophic" health expenditure (defined as more than ten percent of household expenditures) declined from 7.1 percent in the year 2000 (pre-universal health coverage era) to just two percent thereafter. (Paek et al 2016).

### 3.6 CRISIS AND COVID-19

**Social protection systems evolve in times of economic crisis and political change** (World Bank forthcoming). This has been the case in Thailand, as elsewhere. During the 2008-09 financial crisis, civil servants and formal sector workers

in Thailand earning less than B15,000 per month received the 'Save the Nation Cheque', a one-off economic stimulus payment of B2,000. The Old Age Allowance was originally expanded beyond its narrow base as another stimulus measure in 2008, before becoming permanent policy in 2009 (ILO 2016). Other responses included labor retention and job stimulation measures and extended unemployment benefits (ASEAN Secretariat 2010). The Tonkla Archeep program provided a month of vocational training and a cash allowance for three months to encourage beneficiaries to start businesses or find jobs (Ariyapruchya et al 2020).

**To cushion the economic impacts of the COVID-10 crisis on Thailand's economy, the government mobilized a one trillion Baht economic recovery package,** focused on providing relief to vulnerable households and affected firms. Representing 12.9 percent of GDP, this response was unprecedented for Thailand in terms of size, coverage and the variety of instruments employed. In the first phase, between March and July 2020, relief programs provided cash transfers to households and infrastructure projects. The Bank of Thailand established a corporate bond market stabilization fund to help firms roll over maturing bonds (2.4 percent of GDP) and provide soft loans to Small and Medium Enterprises (SMEs) (2.9 percent of GDP). Tax relief and debt restructuring for firms and households was also included (IMF 2020, Ariyapruchya et al 2020). In the second half of 2020, the government also introduced economic stimulus measures, including subsidies to encourage travel to assist the ailing tourism industry and the 'let's go halves' scheme for general consumption.

**A rapid, comprehensive and effective social assistance response formed a major part of Thailand's overall response.** This included the mobilization of large new emergency programs for informal workers and farmers, and through vertical expansion of existing social assistance schemes for the elderly, people with disabilities, children of poor families and for recipients of the SWC program. (see Box 2 and Table 4 below).

**Box 2** Social protection measures in response to the COVID-19 crisis**Social assistance**

- The 'No-One Left Behind' program provided cash transfers of B5,000 per month for three months for workers not otherwise covered by one of Thailand's social insurance schemes (Bangkok Post 2020a). According to the Fiscal Policy Office (FPO), as of mid-May 2020, 28.8 million people had registered for the transfer, of which 15 million were determined to be eligible for assistance. The FPO reported having made the first payment to 14.2 million people in May. As of August 2020, 15.3 million had reportedly received payments (Thairath 2020a).
- A separate, temporary cash transfer of B5,000 for three months was made available to farmers, fishers and herders that were already registered for pre-existing forms of government assistance (primarily loans and debt-relief schemes) provided through the Bank of Agriculture and Agricultural Cooperatives (BAAC). As of July 2020, funds had been transferred to just under 7.5 million farmers, with data discrepancies given as the reason for the lower than anticipated coverage (Prachachat 2020).
- In early July 2020, top-up payments of B1,000 per month for three months were provided to beneficiaries of four pre-existing social assistance programs covering vulnerable groups: children, the elderly, people with disabilities. SWC program beneficiaries also received top-up payments if they had not otherwise qualified for other forms of assistance (Thai PBS 2020 and Bangkok Big News 2020).
- Further transfers of B500 per month between October and December were provided to SWC holders (Bangkok Post 2020b).

**Social insurance**

- Under SSF rules, employers and employees are mandated to pay five percent of wages each (wage ceiling of B15,000) to contribute to old age pensions and the government contributes 2.75 percent of salary. In mid-April 2020, contribution rates were reduced to four percent for employers (up to 600 baht a month from 750 baht) and one percent for employees (up to 150 baht from 750 baht) for March, April and May. The government contribution at 2.75 percent of wages remained unchanged. Therefore, the total contribution for the three months period went down from 12.75 percent of wages to about three percent of wages (Bangkok Post 2020c).
- The SSF covered the medical costs of those infected with COVID-19 and enrolled in the fund. Personal income tax deductions for health insurance were increased from B15,000 (USD460) to B25,000 (USD760) for the 2020 tax year onwards.

**Social insurance**

- Prior to COVID-19, the unemployment benefit from the SSF was set at 50 percent of daily wage with a maximum of B7,500 and benefits were provided for 180 days. SSF members who were furloughed due to COVID-19 outbreak received an unemployment benefit of up to 62 percent of daily wage with a maximum of B9,300 per day, for three months (March to May). Those laid off were eligible to receive up to 70 percent of their daily wages up to B15,000 for up to 200 days (Bangkok Post 2020c).
- Small and medium enterprises were able to deduct three times the cost incurred for salary payment from April to July 2020 for the employees who were members of the Social Security Office and received a salary of up to B15,000/person/month. To qualify, SMEs had to maintain the same level of employment during that period as the number of employees at end-December 2019.
- For Thai workers forced to return from other countries due to the outbreak, members of the Overseas Workers Fund were entitled to B15,000 compensation. In Korea, the Ministry of Labor coordinated with labor offices in Korea to make sure that Thai laborers received pending wages and benefits (the Department of Employment identified over 81,562 domestic jobs for Thai laborers returning from overseas) (World Bank 2020b).
- Migrant workers in the formal sector who contributed to social security for more than six months were also entitled to these unemployment benefits, and to severance pay if they had worked at least four months. Work permits were extended for migrant workers (ILO 2020).



**Following a resurgence of local COVID-19 cases in late 2020 and early 2021, further social protection measures were announced.**

These included further transfers of B3,500 per month for two months (February and March 2021), targeting up to 30 million informal workers, farmers and SWC holders (Bangkok Post 2021a). Mandatory social security contributions were again reduced for employees from three percent to 0.5 percent for February and March (Bangkok Post 2021b). Plans were announced to develop an employment database for tourism workers, linked with training for upskilling and reskilling in online marketing and languages for unemployed workers in the sector (Bangkok Post 2021c). For the first time, COVID

response measures also included transfers of B4,000 (B1,000 per week for four weeks) for 9.3 million formal workers registered for social security. Benefits for formal workers, and a proportion of benefits for informal workers, were paid via an application developed by the Ministry of Finance. The app limits the use of payments to approved vendors. (Bangkok Post 2021d).

**Together, new emergency programs for informal sector workers and farmers along with top-ups of existing social assistance schemes are estimated to have reached 30.7 million individuals** (see Table 4), or approximately 81.5 percent of households (World Bank 2021)

**Table 4** Summary of enrolments and expenditure for COVID-19 Social Assistance programs in 2020

	Target group	Program	# receiving COVID-19 payments	Value benefits for 3 months (baht) 15,000	Implied expenditure (baht)	% of GDP	% of total COVID-19 response package
New emergency social assistance payments	Informal sector workers	"No-one left behind"	15,300,000	15,000	229,500,000,000	1.36%	17.00%
	Farmers, fishers, herders*	Farmer's assistance	7,466,527	15,000	111,997,905,000	0.66%	11.20%
Top-up payments through existing programs	Elderly	Old Age Allowance	4,056,596	3,000	12,169,788,000	0.07%	1.22%
	PWD	PWD Allowance	1,330,529	3,000	3,991,587,000	0.02%	0.40%
	Children in poor families	Child Support Grant	1,394,756	3,000	4,184,268,000	0.02%	0.42%
	Poor/vulnerable individuals	State Welfare Card Program (Apr-Jun)	1,164,222+	3,000	3,492,666,000	0.02%	0.35%
	Poor/vulnerable individuals	State Welfare Card Program (Oct-Dec)	All SWC recipients	1,500	20,922,777,000	0.12%	2.09%
<b>TOTAL SOCIAL ASSISTANCE</b>			<b>30,712,630</b>		<b>386,258,991,000</b>	<b>2.29%</b>	<b>38.6%</b>

Sources: Thairath 2020a, Prachachat 2020, Thai PBS 2020 and Bangkok Big News 2020 (quoting official sources); World Bank staff calculations. GDP in current market prices 2019.

\*Note that while the temporary cash transfer scheme for farmers was strictly a new program, it went to farmers already registered for other forms of government assistance (loans and debt relief), and in that sense could be considered a modification of pre-existing schemes.

+ In the first round (April-June), SWC card holders could also apply for the more generous schemes for informal workers and farmers. This would appear to explain why so few SWC holders (1,164,222 from a possible 13.9 million SWC holders in 2020) were recorded as receiving top-up benefits. All SWC holders were eligible for benefits in the second round (October-December 2020); this figure is omitted from the table to avoid double counting of COVID-19 benefit recipients in the total.

Assuming programs reached their target beneficiaries, and all beneficiaries received payments, **the total cost of transfers in 2020 would have been B386 billion, or 38.6 percent of the government's one trillion Baht emergency response and recovery package. This amounts to 2.29 percent of GDP (2019), additional to regular expenditures of 0.77 percent of GDP for social assistance programs.**

**Unemployment insurance effectively acted as an automatic stabilizer for formal sector workers during the COVID-19 crisis.**

The number of people receiving unemployment insurance benefits began increasing in the second quarter of 2020 during the height of the outbreak in Thailand rising to 491,000 in October 2020, almost three times the number a year earlier, before beginning to fall in the final two months of the year. Additionally, between April and November of 2020, 1.5 million people claimed unemployment benefits via special temporary measures put in place by the government. (MOL 2020a).

**Between these social assistance and social insurance schemes, 42.4 million Thais (of a total population of 66 million) have been directly protected or compensated to some degree.** Factoring in indirect beneficiaries, i.e., members of the households receiving benefits, would mean that Thailand's emergency safety net had an even broader – likely near universal – reach.

**Even so, the crisis has thrown the lack of protections for informal workers into sharp relief.** The SSF voluntary contribution scheme for informal sector workers is undersubscribed, and in any case does not confer unemployment benefits. This reinforces the need to reconsider coverage and policy settings for this unprotected sector, while the large-scale identification and registration of workers to receive payments creates opportunities to target this group for new or modified instruments in the future.

**The COVID-19 crisis has also revealed the strengths and weaknesses of Thailand's social protection delivery systems.**

The Government of Thailand was able to effectively and rapidly mobilize an entirely new social assistance program and identify a large new cohort of social assistance recipients, aided by ubiquitous National ID coverage, and disseminate payments through its well-established PromptPay electronic payment platform. At the same time, authorities initially underestimated the number of people who would qualify for payments. Also, verification of eligibility was reportedly fraught with cases of disqualification of applicants when they were erroneously flagged as receiving other benefits or working in unsupported sectors (Bangkok Post 2020d and 2020e). This points to weaknesses in data management and governance for social protection, that should now come into focus for improvement (see Chapter 7 for further discussion).

# CHAPTER 4.

## SOCIAL ASSISTANCE

### 4. 1. OVERVIEW

**Thailand's social assistance coverage has increased significantly over the past decade**, particularly for the poorest quintile. In 2018, an estimated 71.9 percent of the population received some form of social assistance, increasing to 93.5 of the poorest 20 percent of the population. High coverage is a function of the combination of categorical programs such as the Old Age Allowance, and poverty-targeted programs with relatively high thresholds for inclusion.

**Although social assistance spending has increased from 0.49 percent of GDP to 0.77 percent between 2010 and 2018, this expenditure is relatively low compared to the averages for the region and for upper-middle income countries.** Inadequate benefits limit the impact of programs on poverty.

**Thailand's COVID-19 pandemic response was very generous, reaching a high proportion of the population with significant transfers.** Like responses globally, it was more generous than regular social assistance, and represented a significant increase in spending equal to 2.29 percent of GDP on top of regular transfers.

### 4. 2. PROGRAMS

#### **Poverty-targeted programs**

**The State Welfare Card (SWC), Thailand's basic social safety net for the poor and near-poor, employs an income and assets test to determine eligibility.** To qualify, applicants must demonstrate that they earn less than B100,000 per year, own assets worth less than B100,000, and own property below specified thresholds. If beneficiaries earn less than B30,000 per year, they receive higher benefits and may be eligible for other programs. The SWC program employs a 'near-cash' modality, providing monthly allowances for food, transportation and utilities linked to a chip card (further described under 4.7 'Adequacy' below).

The lower B30,000 income threshold for inclusion in the SWC

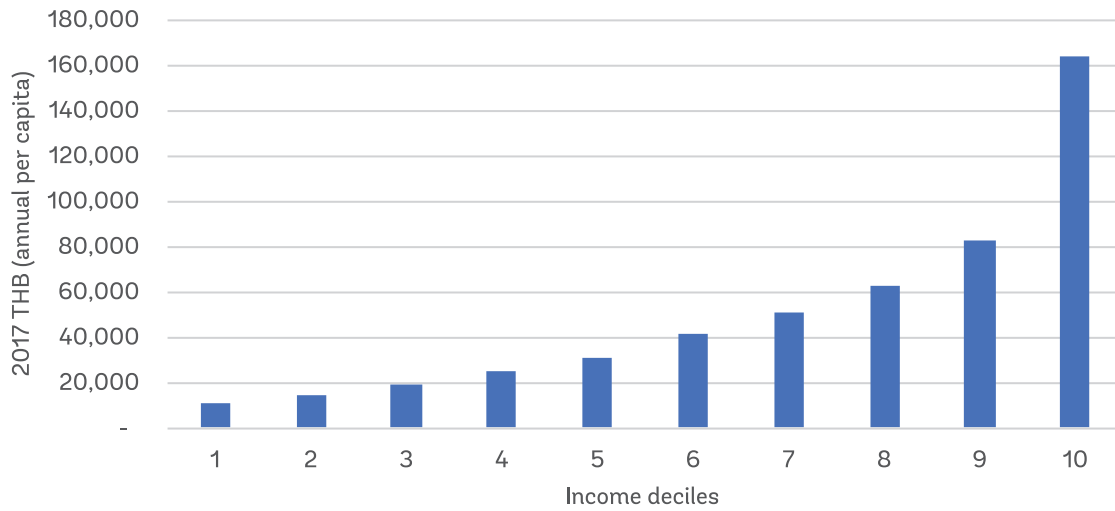
roughly approximates the national per capita poverty line of B2,710 per month, or B32,520 per year. **The B100,000 threshold for inclusion is therefore significantly higher than the national poverty line.** In fact, average per capita incomes in only the highest decile exceed B100,000 (see Figure 5), although additional asset limits further reduce the actual number of individuals eligible for the SWC.

**In practice, the majority of SWC-holders fall into the lower-income category.** In 2017, just under three quarters of SWC holders (74 percent) had declared their incomes to be between B0 and B30,000 per month, and 26 percent declared incomes of between B30,001 and B100,000 (FPO 2019a).

**Inclusion in the SWC program also confers eligibility for other benefits and services, in line with the trend towards greater poverty targeting:**

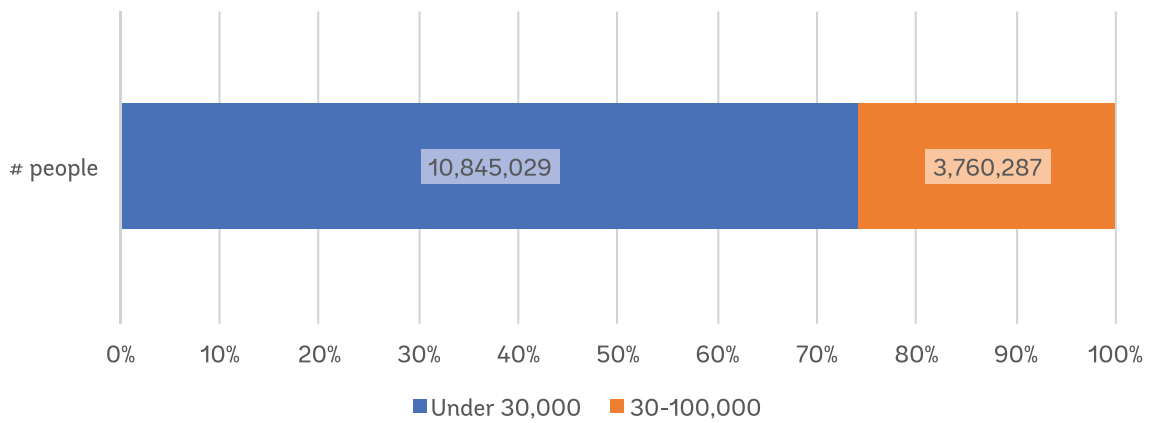
- In 2019, the income threshold for inclusion for the Child Support Grant (CSG) was raised to B100,000 per person per year, to bring it into line with the SWC program. If all the adults in a household applying for the CSG hold an SWC, the previous process for assessing income and assets is no longer applied. Previously, the threshold was B36,000 per year.
- Elderly SWC holders earning less than B30,000 per year are eligible for top-up cash assistance of B100 per month. Those with incomes between B30,001 - 100,000 per year receive B50 per month on top of regular benefits (NCOP 2019).
- Card holders earning less than B30,000 per year are eligible for free vocational training courses under a program designed to promote employment for the poorest cohort (see Chapter 6 on Labor Market Programs).
- In late 2019, SWC holders received a top-up benefit of B500 per month for three months as part of an economic stimulus package.
- In 2020, in response to the COVID-19 crisis, SWC holders received top-up benefits of B1000 per month for the months of April, May and June, and of B500 per month for three months between October-December 2020.

Figure 5 Average family wage/business/farming per capita income (2017).



Source: World Bank staff calculations using SES 2017

Figure 6 Number of SWC enrollments by income level (<B30,000 and B30-001-B100,000)



Source: FPO 2019a

**The Child Support Grant (CSG) is an unconditional cash transfer (UCT) targeted at children under the age of six living in poor families.** Coverage and benefit values have progressively increased since it was piloted in 2015. Initially, children aged 0-1 in families earning less than B36,000 per year were eligible for B400 per month per child. In 2016, eligibility was expanded to children up to the age of three, and the benefit raised to B600 per month. In 2019, children up to the age of six became eligible and the income threshold for inclusion was raised to families with income of less than B100,000 per year. In 2020, 1.5 million children qualified for the benefit, representing 38.5 percent of the population of children aged 0-6. Further planned expansion of the program aims to ensure that 1.8 million children, close to half of all Thai children aged six and under, receive the grant by 2024 (UNICEF 2019).

**Thailand's Primary School Feeding program is notionally poverty-targeted, although inclusion appears to be at the discretion of schools and, like other poverty-targeted programs, reaches a large number of recipients.** Established in 1952, the Primary School Lunch program is a school feeding program that aims to improve the nutritional status of poor children. Schools can apply for B20 per student per day to provide free lunches to children deemed by the school as being in need. The program is implemented in all of Thailand's approximately 30,000 schools, reaching 1.8 million primary school children and nearly 700,000 in early years education.

**A Conditional Cash Transfer (CCT) established under the Equitable Education Fund (EEF), uniquely employs much narrower targeting.** The EEF CCT has very specific targeting ambitions, aiming to reach the "569,000 poorest primary and secondary aged students" (EEF 2018) in order to address education disparity. It uses a Proxy Means Test (PMT) to target this narrow group of beneficiaries that takes into account the condition of family housing, land and vehicle ownership, and the number of dependent family members to determine eligibility for the transfer. In 2018, the CCT reached 510,000 students, which equates to five percent of the total primary and secondary school-age population. This narrow target is likely to result in significant exclusion errors and would need to be expanded over time to achieve its aim of reducing educational disparity.

**The EEF CCT is also the only social assistance program in Thailand to apply conditions that beneficiaries must meet in order to maintain benefits.** Funds are disbursed annually in two tranches, with the second released upon submission of financial statements, attendance and health statistics of the students, and records

of school meal provision and skills development activities (EEF 2018). Other social assistance programs described in this paper are unconditional.

### **Social pensions**

Social pensions are provided to three categories of vulnerable people: the elderly, People with Disabilities, and people living with HIV/AIDS.

**The Old Age Allowance (OAA)** is a social pension for Thais over the age of 60. It is 'pensions-tested', meaning that individuals otherwise receiving income from public and private sector social insurance schemes are excluded. Benefits start from B600 per month for elderly aged between 60 and 70 years, increasing in B100 increments for every subsequent decade up to a maximum value of B1,000 per month (Suwanrada 2013). In 2019, 9.09 million elderly people were registered for the Old Age Allowance (NCOP 2014), making it the second largest social assistance program after the SWC.

**The Allowance for People with Disabilities** is a social pension, providing People with Disabilities (PWD) a cash allowance of B1,000 per month, having increased from B800 per month in October 2020 (Bangkok Post 2020f). The PWD Allowance is an entitlement for anyone holding a PWD card, which can be obtained by anyone who has undergone medical assessment and certification (MSDHS 2016). In addition to the pension, PWDs in Thailand can also access social care services and equipment lease programs and there is also a small program providing benefits for families with children with disabilities.

**People Living with HIV/AIDS (PLWHA)** may be eligible for a monthly living allowance of B500, provided by local government authorities, if they are deemed to be without caretakers or means of supporting themselves. In 2018, 87,683 people received this benefit. Families of PLWHA may also apply for payments of up to B2,000, on no more than three separate occasions, to cover essential expenses, medical bills or occupation-related costs. HIV/AIDS-affected families with children may also be eligible for one-off payments of B1,000 for families with one child, and B3,000 for families with more than one child with both parents deceased.

**Social pensions for the elderly and PWD are also supplemented by social care services (see Box 3 below), as well as active labor market schemes aiming to increase workforce participation among these groups (see Chapter 6).**

**Box 3** Thailand's Innovative Approaches to Caring for its Aging Population

The proportion of the Thai population surviving past age 80 is estimated to rise tenfold between 2000 and 2050. These additional years of life will come with increasing periods of frailty, chronic illness, and disability for which routine care will be needed. In 2017, 25.5 percent of individuals over 80 (around 400,000 people) reported requiring some assistance to conduct their daily activities. In the next two decades, the number of those requiring assistance is projected to increase over six-fold to almost 2.5 million. Around 180,000 people were bedridden in 2017, and this number is also projected to increase to almost 500,000 in the next two decades.

The country has already made considerable progress in recognizing these challenges and putting in place innovative policy reforms and development programs in the areas of income security for the elderly and their access to health services. As the traditional model of elder care by family members has come under strain, formal care services will play an increasing role and the government is developing mechanisms to deliver elder care services at the community level.

Building on the strong Universal Health Coverage (UHC) scheme, Thailand's community-based approach to deliver elderly care services is financed through grants to local administrative organizations (LAOs) and relies on the existing network of Village Health Volunteers (VHVs) who work with the local public health promotion hospitals. Volunteer community-level elder care services include multi-purpose day-care centers, elderly home visit programs, home healthcare services and local transportation services. In 2018, Thailand launched the Time Bank initiative, under which volunteers can provide care to the elderly to earn credits that would entitle them to similar help in their old age. By June 2019, over 2,000 volunteers had signed up for the initiative, which currently covers 2,300 elderly participants in 28 provinces.

The delivery of social care is coordinated with health service delivery at the local level that is carried out by a 'care team' comprised of personnel from the Division of Public Health, health practitioners from sub-district health promotion hospitals and community hospitals, and VHVs. The team conducts a care needs assessment for the elderly person, and refers them to volunteer and, sometimes, paid service providers. Hospital care and the volunteer care program are financed through the UHC. Palliative care, too, is integrated with community-level care services under the hospital-community network and is covered under the UHC.

At the same time, the "high end" elderly care services are developing as well, fuelled by private investments that are concentrated on hospital care, assisted living, and nursing homes. In 2020, 385 registered businesses were providing elder care in Thailand. Private home care services are less prevalent than nursing home services but are rapidly becoming more popular. Between 2012 and 2017 the home care market grew by an average of seven percent per year. Moreover, in the 2015-2017 period, home care revenue has doubled. Market forecasts indicate strong growth in demand for private care services in coming years, for which provider registration processes and quality standards will need to be strengthened.

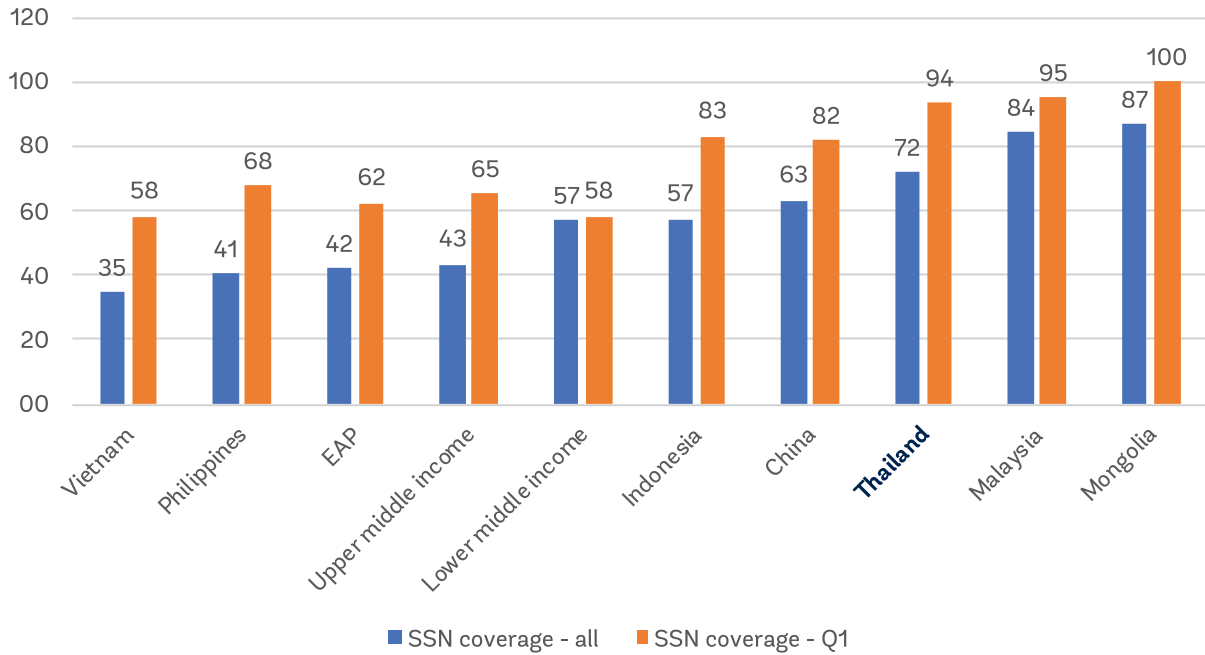
Source: World Bank 2020c

### 4. 3. COVERAGE (BY INCOME DISTRIBUTION)

Through this combination of large categorical and poverty-targeted programs, **regular social assistance coverage in Thailand is high**. 72 percent of all households receive at least one social assistance program, rising to 93.5 percent of the poorest quintile. This surpasses coverage of most countries in the region (EAP average of 42 percent), as well as coverage of countries with similar income level (UMIC average of 43 percent).

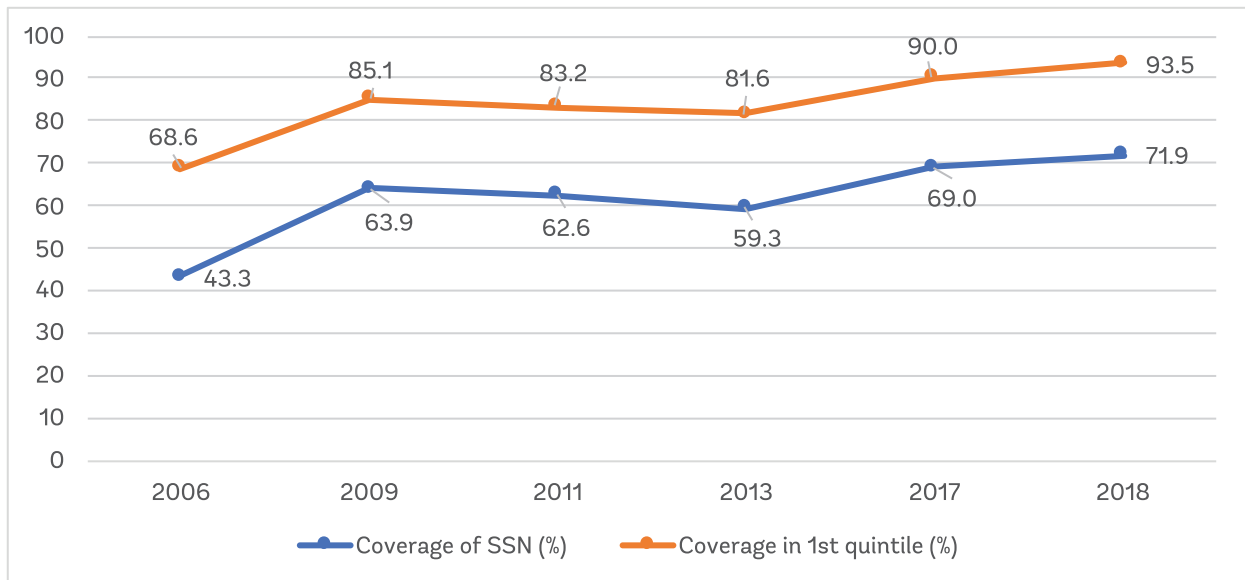
**Coverage has increased markedly over time, for both the overall population and the poor.** A large increase in coverage was due to the expansion in coverage of the OAA in 2009. Coverage increased again significantly from 59.3 percent in 2013 to 69 percent in 2017 and continued to increase in 2018 (Figure 9), coinciding with the introduction of new programs in 2015 and 2016 and their subsequent expansion. As a program category, coverage of cash transfer programs has increased most markedly, climbing from one percent of the population in 2006 to 35.9 percent in 2018 (Figure 10), and 68.8 of the poorest quintile.

**Figure 7** Social assistance coverage in Thailand and comparators



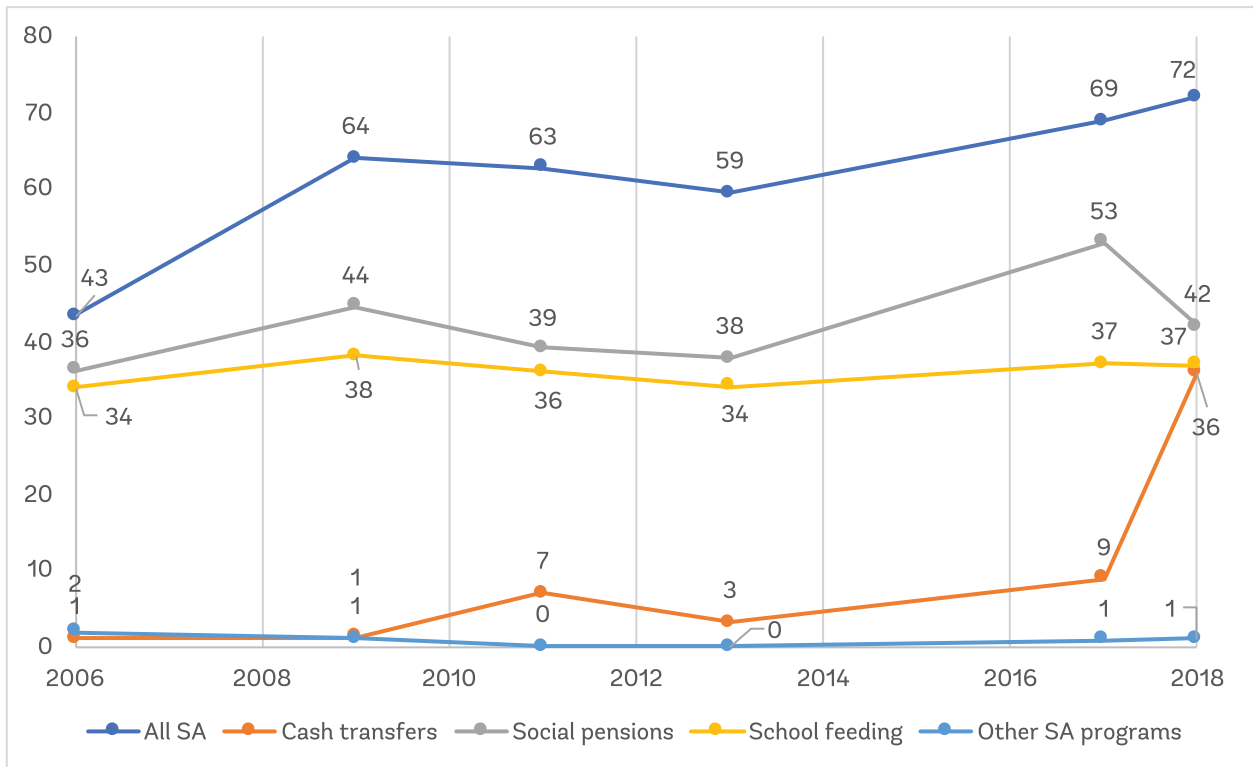
Source: ASPIRE, Authors' calculation for Thailand and Mongolia (Forthcoming)  
 Note: Years are 2013 for China, 2014 for Vietnam, 2015 for Philippines, 2016 for Malaysia, 2017 for Indonesia and 2018 for Thailand. EAP, LMIC and UMIC average use latest years for each country, ranging from 2008-2018.

**Figure 8** Social Assistance coverage over time (2006 to 2018) (percentage of population)



Source: ASPIRE and Authors' calculation

Figure 9 Coverage of types of social assistance (2006-2018) (Percentage of population)



Source: ASPIRE and Authors' calculation



Looking at individual programs, the SWC program has the highest coverage (57.2 percent) of all programs for the poorest 20 percent of the population. This is fairly high compared with unconditional cash transfers globally, which on average cover just 23 percent of the poorest group (World Bank 2018a). Even so there is room for improvement, as all households in this poorest quintile should be eligible for the SWC by design. Relatively high coverage of the bottom 60 percent of the population by

the Old Age Allowance is unsurprising given the near-universal nature of the program.

Beneficiaries of all major social assistance programs are more likely to live in rural areas than urban areas, reflecting the greater concentration of poverty in rural areas. 77.1 of the poor population live in rural areas, compared with 22.9 percent in urban areas.

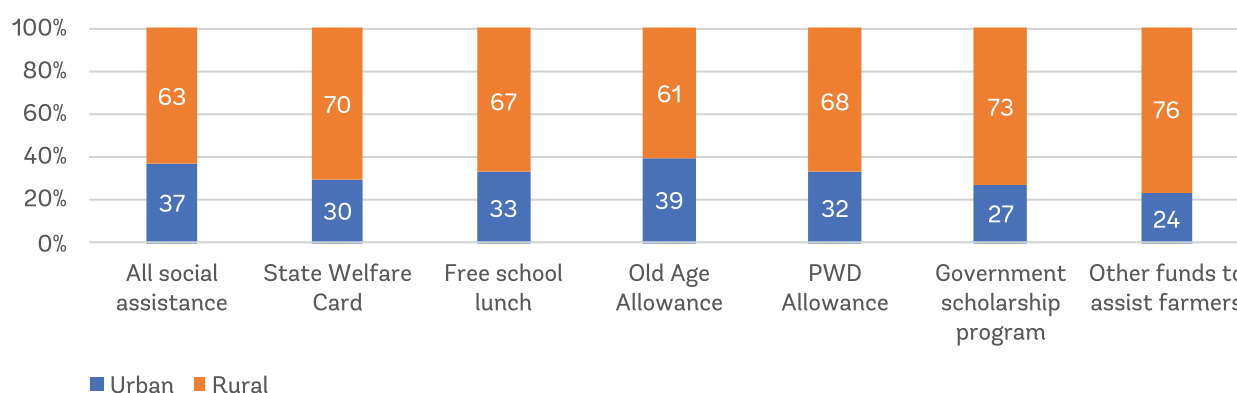
**Table 5** Coverage of key social assistance programs (2018)  
Quintiles of per capita consumption, net of all SP transfers

	Total	Total	Q1	Q2	Q3	Q4
<b>Direct and indirect beneficiaries</b>						
All social assistance	71.89	93.5	89.2	77.5	60.6	38.7
State Welfare Card	31.1	57.2	47.4	30.4	15.3	5.0
Primary School Lunch	36.8	56.7	47.8	37.6	27.4	14.6
Old Age Allowance	40.2	54.9	49.2	40.4	33.0	23.3
PWD Allowance	6.7	14.8	8.3	5.8	3.4	1.4
Government scholarship program	1.1	1.6	1.4	1.0	0.8	0.5
Other funds to assist farmers <sup>4</sup>	12.2	24.2	17.3	11.6	5.4	2.6

Source: World Bank staff calculations using SES 2018

<sup>4</sup> Unlike other cash and in-kind transfer programs listed in this table, government assistance to farmers takes the form of various government-backed loans and debt-relief schemes, as well as commodity price guarantees, made available to farmers through the Bank of Agriculture and Agricultural Cooperatives (BAAC).

**Figure 10** Share of urban and rural social assistance beneficiaries (direct and indirect)



Source: World Bank staff calculations using SES 2018

#### 4. 4. EXPENDITURE

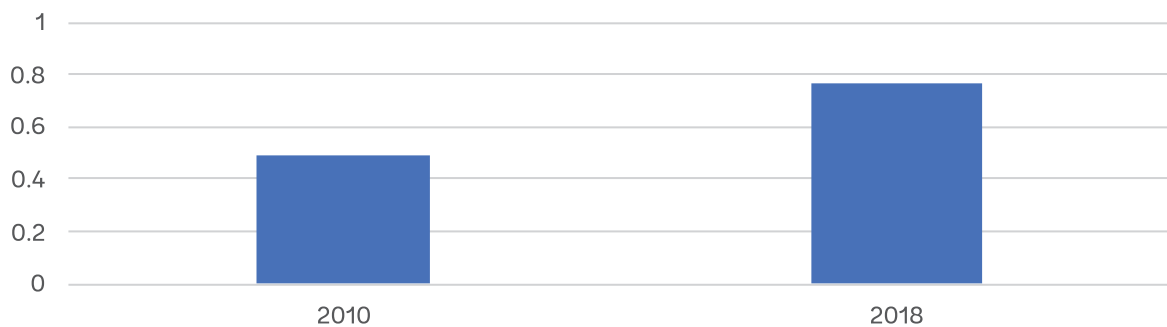
**Social assistance spending has significantly increased over the past decade.** In 2010, Thailand spent about 0.5 percent of GDP on SA programs. Spending has increased due the introduction of the SWC (representing 0.15 percent of GDP in 2018) and the CSG (representing 0.02 percent of GDP in 2018), along with the expansion of the Old Age Allowance (from 0.3 percent in 2010 to 0.39 in 2018). Overall, SA spending in 2018 is estimated at 0.77 percent of GDP.

**Even so, Thailand's spending on social assistance programs remains relatively low compared to its peers.** Thailand's investment of 0.77 percent of GDP is well below the East Asia

Pacific regional average (1.1 percent of GDP) and average expenditure of countries with similar income levels (1.6 percent of GDP in Upper Middle-Income countries). SA spending is comparable to China (0.76) and Indonesia (0.84).

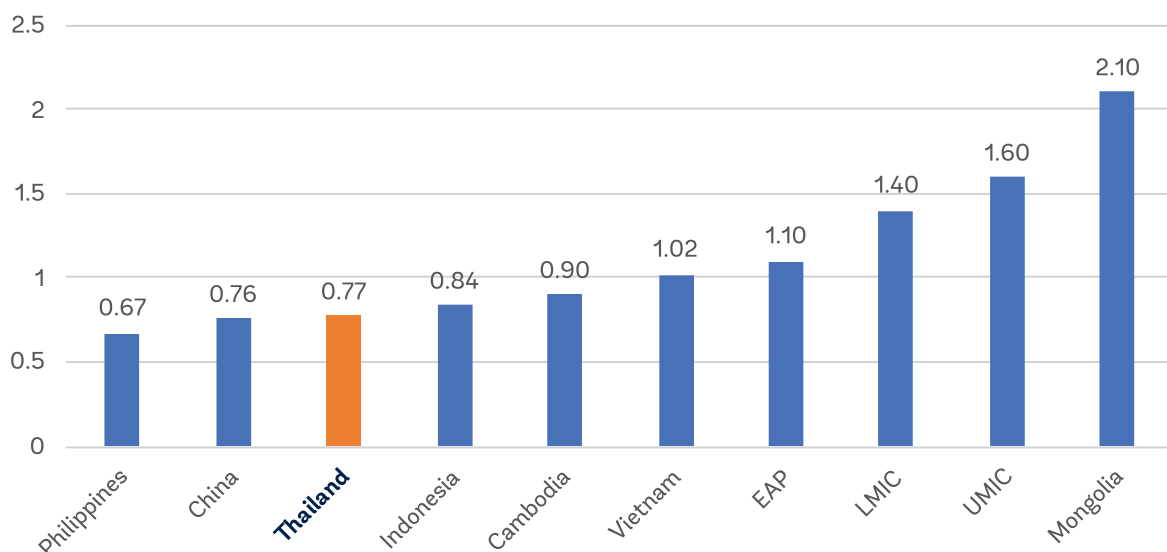
**Overall, the OAA accounts for more than half of Thailand's social assistance spending** (51.5 percent of the total). The next highest share goes towards the cash and in-kind transfer components of the 15-years free education program (21.2 percent), followed by the Social Welfare Card (SWC) program (19.8 percent). The Child Support Grant (CSG) accounted for 2.3 percent of social assistance spending in 2018, although this has likely increased with the more recent expansion of that program.

**Figure 11** Social assistance expenditure, 2010 and 2018 (% GDP)



Source: Authors' estimations in 2018 and ASPIRE for 2010.

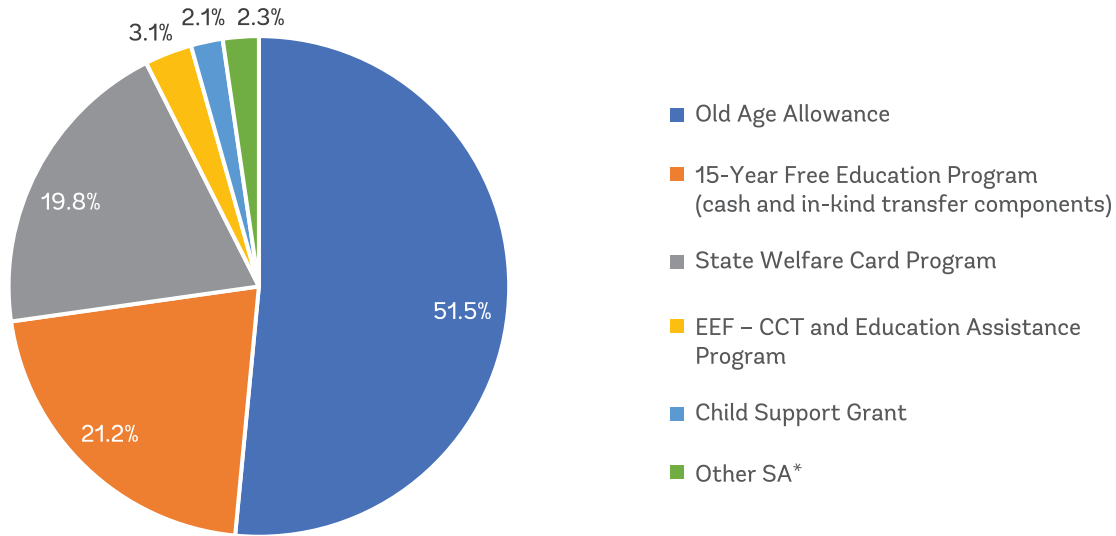
**Figure 12** Social Assistance expenditure compared with peers (% GDP)



Source: Authors' estimations for Thailand, WB SSN review in Mongolia (forthcoming) and World Bank 2018 (State of SSN).

Note: Data for China is from 2015 for Cambodia and Vietnam, 2016 for Philippines, 2018 for Mongolia and from 2013-2015 for Indonesia. EAP, LMIC and UMIC spending are based on simple averages of latest years available.

Figure 13 Thailand's social assistance expenditure composition



Source: Authors' estimations based on administrative data 2018.

\*Other SA' includes the Reducing Inequality Community Welfare program, the Fund for Primary School lunches, Baan Mankong (Housing) Program, Child Subsidies for Poor Households, and the Allowance for PLWHA.

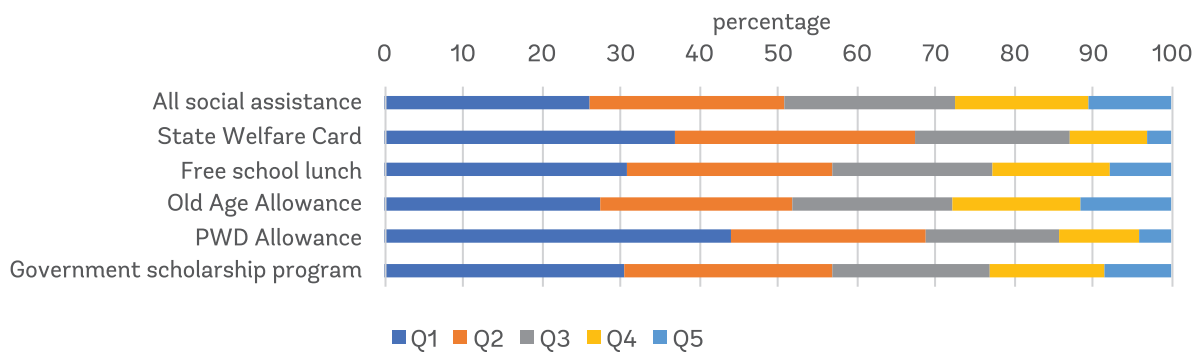
#### 4. 5. BENEFICIARY INCIDENCE

**Social assistance in Thailand is broadly pro-poor and progressive.** A program is considered pro-poor if more than 20 percent of its total beneficiaries belong to the bottom 20 percent of the distribution (World Bank 2018a). In Thailand, social assistance programs reach 26 percent of the poorest 20 percent of households. The highest share of beneficiaries of all programs belong to the poorest quintile and decrease by each subsequent quintile. The PWD Allowance is the most pro-poor of the surveyed social assistance benefits. 43.9 percent of the bottom 20 percent of the population

benefits directly or indirectly from this payment, providing clues about the co-occurrence of disability and poverty in Thailand.

**Beneficiary incidence for the SWC illustrates the challenges inherent in effectively channeling resources to the poorest.** Thailand's state auditor and the NESDC have expressed concerns regarding the third of SWC card holders who are in the top 60 percent of the distribution (State Audit Office 2020, NESDC 2019). 36.7 percent of SWC program beneficiaries are in the poorest 20 percent, and 67.4 percent in the bottom 40 percent.

Figure 14 Distribution of social assistance program beneficiaries by quintile (2018)



Source: World Bank staff calculations using SES 2018.

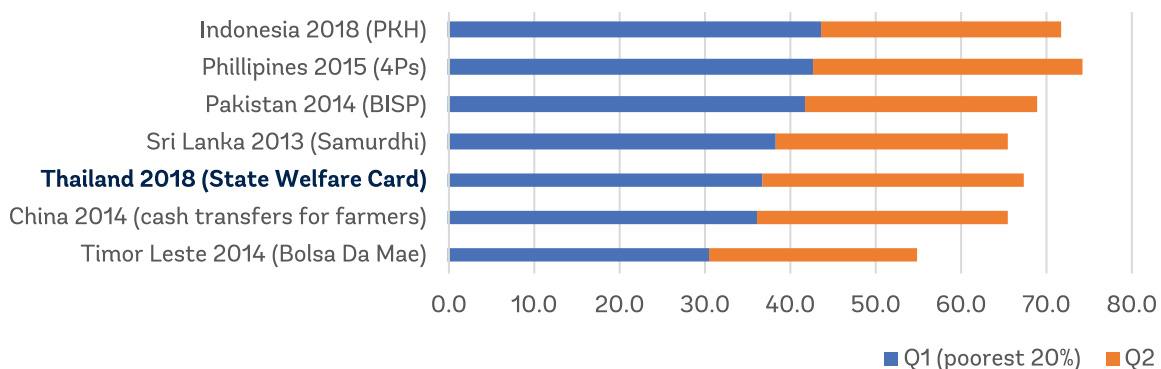
**In fact, this constitutes average performance.** Beneficiary incidence in the poorest quintile is close to the global benchmark of 37 percent for unconditional cash transfers (World Bank 2018a). It is comparable to other major CCT and UCT schemes in South East Asian countries, including in China, Sri Lanka and Pakistan (Figure 14) and with those of other upper middle-income countries (Figure 15).

**Nevertheless, there is room to improve targeting and beneficiary incidence by reducing inclusion and exclusion error.** A 2019 NESDC report found that the practice of determining eligibility according to individual rather than household income had contributed to inclusion errors (NESDC 2019) The Ministry of Finance has indicated its intention to amend eligibility criteria for the SWC program, stating that the average incomes of individuals in a household should not exceed B100,000 per year (Thairath 2020, Bangkok Post 2019). Previously, Thais could apply for the

program on the basis of declaration of individual income, without reference to overall household wealth. This measure is intended to reduce the numbers of non-poor households benefiting from the scheme.

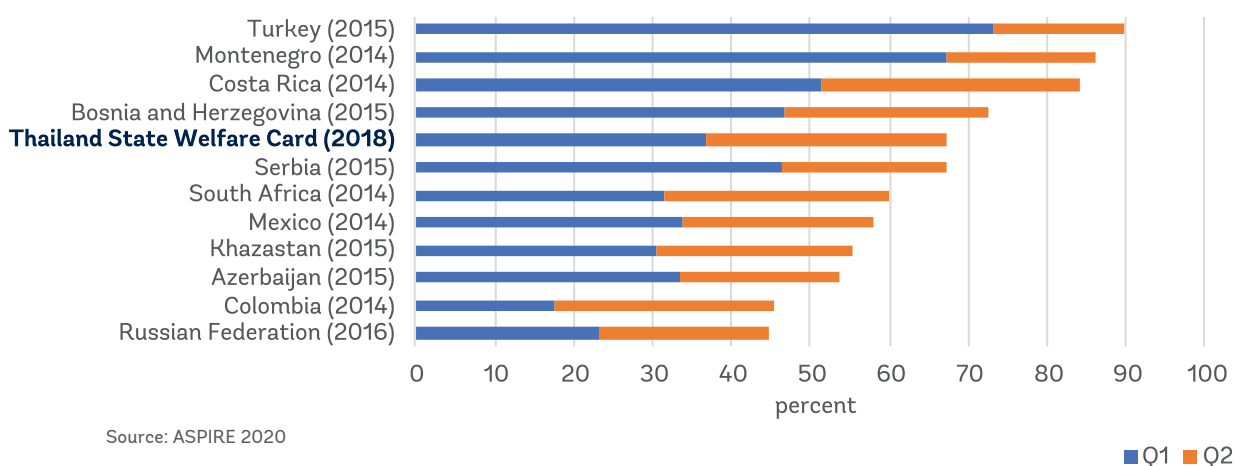
As discussed further in Chapter 7, **leveraging Thailand's program and administrative databases, and introducing on-demand enrolment and data updated could help to reduce inclusion and exclusion error.** Thailand could build further on its current approach of cross-referencing beneficiary data with administrative datasets to check for assets and wealth, to exclude those that exceed income thresholds. At the same time, cross referencing program databases could allow authorities to identify households and individuals who may be eligible for several programs but are not yet receiving all of them. There is also scope to introduce on-demand updating of data, to allow regular opportunities to apply for inclusion in the scheme if circumstances change.

**Figure 15** Share of bottom 40 percent (Q1+Q2) that receive SWC programs, compared to major unconditional and conditional cash transfer programs in South East and East Asia



Source: Thailand SWC from World Bank staff calculations using SES 2018; other country data from World Bank forthcoming.

**Figure 16** Share of bottom 40 percent (Q1+Q2) that receive SWC program, compared with unconditional cash transfers in Upper Middle-Income Countries



Source: ASPIRE 2020

## 4. 6. IMPACT

**There is some evidence that Thailand's broad sweep of social assistance has protective effects against poverty.** Between 2015 and 2018, "public assistance income", primarily from social assistance programs including the SWC program and social pensions, served to offset the economic effects of the slowing economy, droughts and wage stagnation on households, even though the poverty rate increased slightly overall (Yang et al 2020).

But the effectiveness of individual programs on poverty is less clear. For example, **evidence of the impact of the OAA on poverty is mixed.** A 2012 paper estimated that between 2006 and 2010, the decline in the elderly poverty rate that could be attributed to the expansion of Thailand's social pensions was 5.56 percent (World Bank 2012). Following the expansion of the pension to cover most of the elderly population, poverty rates in old age fell, so that there was less difference in poverty status between those over retirement age and the rest of the population (World Bank 2016b). A micro-simulation of the impact of social pensions on the poverty headcount, based on household survey data, indicated a 29.3 percent reduction in the poverty headcount (poorest 10 percent of population) in 2017<sup>5</sup>.

However, Badiani-Magnusson (2016) found that the expansion of the social pension from a targeted to a universal scheme had no impact on consumption expenditures and poverty, likely because the expansion resulted in coverage of wealthier households for whom the transfer was relatively small. Giles and Huang (2017) found that the OAA had no significant impact on household poverty status in rural areas. The OAA does appear to have reduced labor supply and allowed elderly Thais, especially informal sector workers in rural areas, to retire (Paweenawat and Vechbanyongratana 2015, Giles and Huang 2017; see also Badiani-Magnusson 2016), even if their welfare status was largely unchanged.

**An evaluation of the first year of the CSG found that the grant led to increased prevalence of breastfeeding for children in the first six months of life by six percentage points and reduced the prevalence of wasting by four percentage points.** Poorer households demonstrated larger improvements than those living closer to the poverty line (EPRI, 2019) These findings led to the expansion of the program.

## 4. 7. ADEQUACY

### *Social pensions: Old Age and PWD Allowances*

**Social pensions typically make up a higher proportion of the welfare of the poor compared with other social assistance programs,** because they are designed to replace earnings due to old age and disability. Globally, on average, social pensions make up 27 percent of household consumption (World Bank 2018a); although benefit levels in the East Asia Pacific are generally amongst the lowest of any region. (World Bank forthcoming).

### **Thailand's social pensions – the Old Age and PWD Allowances – are some of the least generous in the world compared with this benchmark, and with other upper-middle income countries.**

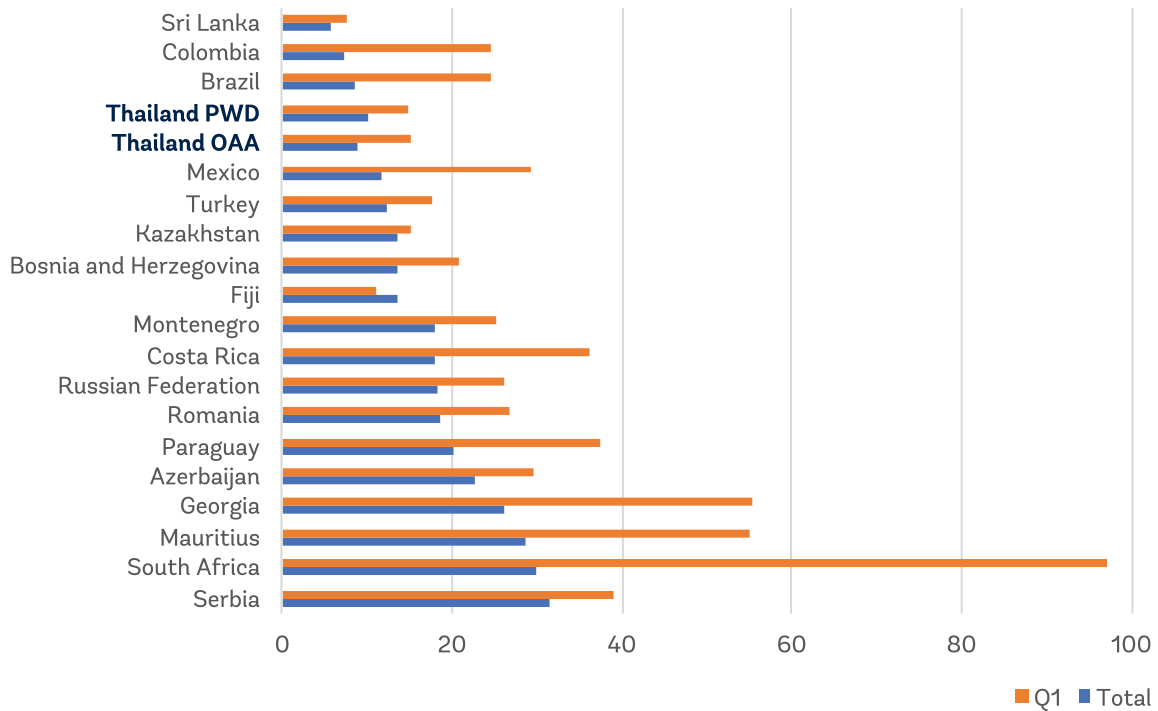
In 2018, the monthly PWD benefit, at that time valued at B800, represented 10.2 percent of total household consumption for households that included a person with disability, and 15 percent for the poorest quintile. The recent increase to B1,000 of the PWD benefit increases its adequacy slightly, but still represents just 12.2 percent of average household consumption, and 17.1 percent for the poorest quintile<sup>6</sup>. In 2018, the OAA represented just 8.9 percent of average household consumption, and 15 percent for the poorest quintile. Benefit levels of B600-B1,000 per month (OAA) and B1,000 per month (PWD Allowance) are far below the national poverty line of B2,710 per month.

**Additional payments to Old Age pensioners who are also registered for the SWC program increase the adequacy of benefits for people who are both elderly and poor, although they remain low.** In 2017, 3.8 million SWC beneficiaries were aged over 60 (DOP 2017). Elderly SWC-holders do not receive the usual SWC benefits; instead they receive top-ups to their monthly OAA pensions. Those earning less than B30,000 per month receive an additional B100 per month, while those earning between B30,000 and B100,000 receive an additional B50 per month. Using household survey data from 2018, the B100 top-up increased the adequacy of the Old Age Allowance to 17.6 percent for the poorest quintile, and to 12.1 percent for the whole elderly population registered for the SWC.

<sup>5</sup> Based on simulation of the change to the poverty headcount assuming that household welfare diminishes by the full value of the transfer for the bottom 10 percent of the population. The actual poverty rate in 2017 was 7.87, so this should be taken as indicative. Using a relative poverty line of bottom 20 percent (poorest quintile), the simulated poverty headcount reduction was 16.9 percent.

<sup>6</sup> Compared with 2018 consumption figures

Figure 17 Value of social pensions as share of household welfare in UMICs (total population and poorest quintile)



Source: ASPIRE 2020; Staff calculations for 2018 Thailand Old Age and PWD allowances based on SES 2018.

**State Welfare Card**

Two scenarios are presented to estimate the adequacy of SWC allowances. Scenario one estimates adequacy for the poorest 20 percent of households (Q1). It assumes that within the first quintile, all adults aged 18-60 in households receive SWC cards with associated benefits, and all adults aged 60+ receive pension top-ups. This approximates an ideal scenario where the poorest households all receive support, noting the reality that only 57 percent of households actually benefit from the SWC (see Table 5). Scenario two presents adequacy estimates for households where at least one adult reported holding the SWC in the 2018 household survey, so better indicates average adequacy for card holders across the income distribution.

The regular SWC program provides monthly allowances for various types of expenditure, not cash that can be used more flexibly. Recipients receive electronic credits that allow them to spend up to allowance limits at specified outlets. Monthly credits of B300 (for those earning less than B30,000 per year) or B200 (for those earning between B30,000 and B100,000 per year) are provided for the purchase of food and household items. Usually, this credit can only be used at state-subsidized 'Blue Flag' stores selling basic household commodities. SWC holders also receive credits for public transport for Bangkok and six nearby provinces (B1,500 per month, or B500 per mode of transportation), redeemable from transport providers, and up to B330 for water and electricity utilities and LPG gas (B45 per quarter). Credits expire at the end of each month and cannot be saved or carried over.

Figure 18 Thailand's State Welfare Card



Source: Bangkokbiznews 2020

Table 6 Estimated value of SWC allowances, relative to consumption

Benefit Type	Value per Eligible Recipient (In THB)	Mean share of benefit value (Scenario 1)	Mean share of benefit value (Scenario 2)	Relative to:
SWC (maximum combined allowances)	2,145	51.3%	33.9%	Total household (HH) consumption
SWC Food (for people earning < B30,000)	300	14.1%	10.0%	Total HH Food Consumption
SWC Food (for people earning B30,000-B100,000)	200	9.4%	6.7%	
SWC Transport	1,500	1968.3%	1710.8%	Total HH Transport Consumption
SWC Water	100	224.3%	199.7%	Total HH Water Consumption
SWC Electricity	230	144.1%	129.2%	Total HH Electricity Consumption
SWC Cooking Gas	15	10.6%	7.2%	Total HH Cooking Gas Consumption

Notes: Based on consumption categories from the household survey that best approximate what allowances can be used for, noting that they are not a perfect match. Food consumption total excludes tobacco. Water includes water supply and underground water. Transport consumption total includes: bus/boat, minibus, van, train, high-speed train. Benefit calculation excludes household servants and non-relatives. Water and utility allowances were introduced as 'temporary' stimulus measures in October 2019, and have recently been extended to September 2021. As such, these allowances did not exist in 2018; nevertheless they are included here and compared with 2018 consumption figures for illustration. Staff calculations based on SES 2018.



**At first glance, the total value of SWC allowances is high compared with other programs.** Monthly benefits are worth up to 2,145 per month. Were these allowances fully utilized, they would represent 51 percent of monthly per capita consumption for the poorest 20 percent of households, and 34 percent for households reporting at least one SWC card holder.

**However, the actual value of benefits are constrained by the system of allowances, and are not aligned with needs.** Food and cooking gas allowances represent small fractions of what households consume. In 2018, the maximum food/household consumables allowance of B300 represented just 14 percent of household expenditure on food for the poorest 20 percent of the population, and ten percent for all households containing at least one SWC-holder. Similarly, the cooking gas allowance would have covered just ten percent of costs for the poorest households, and seven percent for all households that reported receiving the SWC.

**By contrast, transportation and utilities allowances are over-valued.** In 2018, for the poorest 20 percent of the population, the B1500 transport allowance represented nearly 2,000 percent of average expenditure on transportation, while water and electricity allowances are worth 224 percent and 144 percent of average expenditure respectively. For all households reporting receipt of SWC cards, these allowances were worth 1,710, 199 and 129 percent of average expenditure in these categories.

When the SWC was established, the generous transportation component was designed to enable poor people in Bangkok and six neighboring provinces (Nonthaburi, Pathum Thani, Phra Nakhon Si Ayutthaya, Samut Prakan, Nakhon Pathom or Samut Sakhon) to commute into Bangkok for work, replacing

a popular free public transport scheme. Table 7 below shows the relative value of the SWC transport allowance to households living in these provinces, compared with the relative value of the allowance across the country.

**While households containing SWC recipients in Bangkok and neighboring provinces do use more of the transport allowance, it is still overvalued at nearly 800 percent of what they consume on average.** Interestingly, for the poorest 20 percent, the transport allowance is even more over-valued in Bangkok and surrounds than in is for the rest of the country (2,106 percent compared to 1,968 percent, see Table 6). This may indicate that the poorest individuals in these regions are less likely to have employment that requires them to travel; regardless, these individuals appear likely to use even less of the generous transport allowance than others.

**As a result, it appears many SWC holders do not utilize all allowances provided by the card.** A government audit found that between 2017-2019, just 77.5 percent of the designated budget for the welfare card program was used. The food/consumer goods credit was the most utilized part of the benefit; of total program expenditure, 79.7 percent was used to purchase consumer goods. The least utilized benefits were subsidies for household electricity and water bills (1.7 percent), with transport allowances also under-utilized. A qualitative survey of SWC holders in regional areas found that beneficiaries claimed they had not used utility or cooking gas allowances at all and said they did not have access to the forms of transport subsidized. In Bangkok, beneficiaries also said that they had little need for public transport for which allowances were provided (Pitidol and Phattarasukumjorn 2019).

**Table 7** Estimated value of SWC Transportation Allowance in Bangkok and neighboring provinces

Benefit Type	Value per Eligible Recipient (THB)	Mean share of benefit value (Scenario 1)	Mean share of benefit value (Scenario 2)	Relative to:
SWC Transport	1,500	2106.2%	797.2%	Total HH Transport Consumption in Bangkok and neighbouring provinces



**The complexity and restrictions built into the SWC modality create other inefficiencies.** For example, the SWC is a closed-loop system. It required the roll-out of dedicated Electronic Data Capture (EDC) machines to participating Blue Flag retailers, which initially caused delays in implementation. Although valid for use of Bangkok's mass rapid transit systems, the card was not interoperable with those systems and required holders and station staff to process transactions manually, creating inefficiencies for providers and beneficiaries alike. Further, the requirement to shop at Blue Flag stores has been shown not to maximize value for consumers. These stores are supposed to sell basic commodities at subsidized prices, but the audit found instead that they sold goods at market prices. 83.5 percent of stores surveyed did not sell all items required by the Ministry of Commerce (SAO 2019). SWC holders living far from urban areas also complained about the difficulties accessing Blue Flag stores (Pitidol and Phattarasukumjorn 2019).

**Policies that provide in-kind or near-cash over cash benefits are often driven by concerns that poor beneficiaries may 'waste' cash transfers on temptation goods; however, this is not borne out by global evidence.** Systematic reviews of evaluations of UCTs and CCTs across Latin America, Africa, and Asia have found that transfers have no significant impact on the purchase of temptation goods like alcohol and tobacco, or on gambling (World Bank forthcoming). Instead, in most cases beneficiaries are most likely to invest in more food and a more varied diet (Evans and Popova 2016), school and health, depending on the purpose of transfers. In the Philippines, for example, there was no significant difference in spending on tobacco and gambling between beneficiaries of the conditional cash transfer, and those who did not receive it (Tutor 2014). In Indonesia, beneficiaries of the conditional cash transfer were also no more likely to spend on these goods (Alatas 2011). Similar findings emerged from qualitative studies of Nepal's child grant

(Hagen-Zanker et al. 2015) and Vietnam's cash transfers (Dutta 2018).

**The Government of Thailand should consider transforming the SWC from the current system of allowances to a single, monthly cash payment into beneficiaries' nominated accounts.** There is precedence for this. As an economic stimulus measure in 2019, beneficiaries were able to withdraw a portion of their food allowance as cash (B200 for those receiving B300 in benefits; B100 for those receiving B200) (The Nation 2019). In 2020, COVID-19 top-up payments were also provided directly to bank accounts.

**In making this adjustment, the Government of Thailand could reduce current, nominal value of allowances, while increasing the utility of the benefit.** Benefit levels could be reduced for SWC holders on slightly higher incomes, as is currently the case for the food allowance. Such a reform would also create efficiencies in implementation, for example by reducing the need for separate, closed-loop systems, and would ultimately obviate the need for beneficiaries to be issued actual cards. Simplifying the program in this way will make the program more convenient and inclusive for beneficiaries while also reducing administrative burdens and other costs for the government.

#### Accumulated value of transfers

**Before addressing the adequacy of individual programs, there is a need to better understand how benefits from the main social assistance programs accrue at the household level.** The poorest 40 percent of the population are more likely to benefit from two or more programs than the top 60 percent, and total income from several small programs may add up to a higher proportion of poor household consumption. For example, a poor household containing children and elderly members could receive benefits from the CSG, SWC and OAA programs.

**Table 8** Transfer frequency

	Total	Quintiles of per capita consumption, net of all SP transfers				
		Q1	Q2	Q3	Q4	Q5
<b>Number of transfers received</b>						
0	28.1	6.5	10.8	22.5	39.4	61.3
1	34.1	24.5	33.2	41.1	40.7	31.1
2	23.2	33.3	34.8	25.6	15.7	6.6
3	11.2	25.7	16.6	9.1	3.6	0.8
4 or more	3.4	10.0	4.6	1.7	0.6	0.1

Source: World Bank staff calculations using SES 2018

As a rough estimate, using the international poverty line for upper middle-income countries (USD 5.50), in 2018 a poor household would need monthly support of B1,522 to overcome the poverty gap in Thailand. This may well be achievable if families receive multiple benefits, even if the individual benefits are themselves low.

However, social assistance programs currently use separate beneficiary databases and registries, creating fragmentation

and making it difficult to plan or monitor how benefits accrue to families, and whether they are adequate (see Chapter 7 for further discussion). In the immediate term, further analysis is recommended to obtain a truer sense of the adequacy and generosity of the system, while in the longer term, establishment of a virtual social registry that better links various program and administrative databases would give authorities greater oversight of the 'package' of benefits households receive.

#### Box 4 Estimating cumulative adequacy at the household level in Indonesia

Although benefit sizes for major programs in Indonesia are in themselves relatively small, their cumulative value for poor households with children is significant. The four major Indonesian programs are set out in the table below:

##### Social assistance programs in Indonesia, 2019

Program	Targeted coverage	Benefit (nominal / average)	Adequacy (% of median month consumption of the poorest 10%)	Coverage of poorest eligible 10%
PKH (conditional cash transfer for children)	10 million families	IDR 315,000/month/ HH (average)	21%	47%
PIP (school stipends)	15 million HH/ 20 million students	IDR 100,000/month/ HH (average)	7%	56%
Sembako (food assistance, using electronic vouchers/ credits)	15.6 million HH	IDR 150,000/month/ HH for rice, eggs and other food (nominal)	10%	42%
PBI-JKN (Health service fee waiver)	92.4 million people	Health service fee waiver (nominal)	11%	54%

Source: Holmemo et al 2020

By design, the poorest 15 percent of households with children in Indonesia are eligible to receive all four programs (although in practice system fragmentation means that only nine percent of eligible households actually do receive all programs). Cumulatively, the four programs provide a package of protection worth a very adequate 37 percent of median consumption. However, benefits remain inadequate for poor households without children. The population beyond the poorest 20 percent receives a minimal package of protection, and those beyond the poorest 40 percent receive no assistance, by design. In Indonesia, this analysis led to the recommendation that PKH and PIP, two programs aimed at children of different ages and implemented by different Ministries, be integrated (Holmemo et al 2020). Similar analysis is recommended for Thailand.

## 4. 8. SOCIAL ASSISTANCE AND COVID-19

In line with Thailand's broad dissemination of regular social assistance benefits, Thailand's social protection response to COVID-19 has been comprehensive. As set out in Section 2, as many as 30.7 million individual Thais reportedly received COVID-19 related social assistance payments, at a cost of B386 billion, or 2.29 percent of GDP in addition to regular social assistance expenditures.

Emergency assistance appears to have expanded the number of households benefiting from some form of social assistance by just under ten percent to 81.5 percent, from a relatively high base. In 2018, 72 percent of households already received some form of social assistance, so that Thailand had some of the highest pre-COVID coverage in the region (see Table 9). (World Bank 2021) Given that the No One Left Behind benefit alone reached

more than 20 percent of the population (15.3 million individuals from a registered population of 66 million), this suggests that a significant proportion of people who received this benefit already had access to other forms of assistance, either directly or indirectly by living in households where other members received programs.

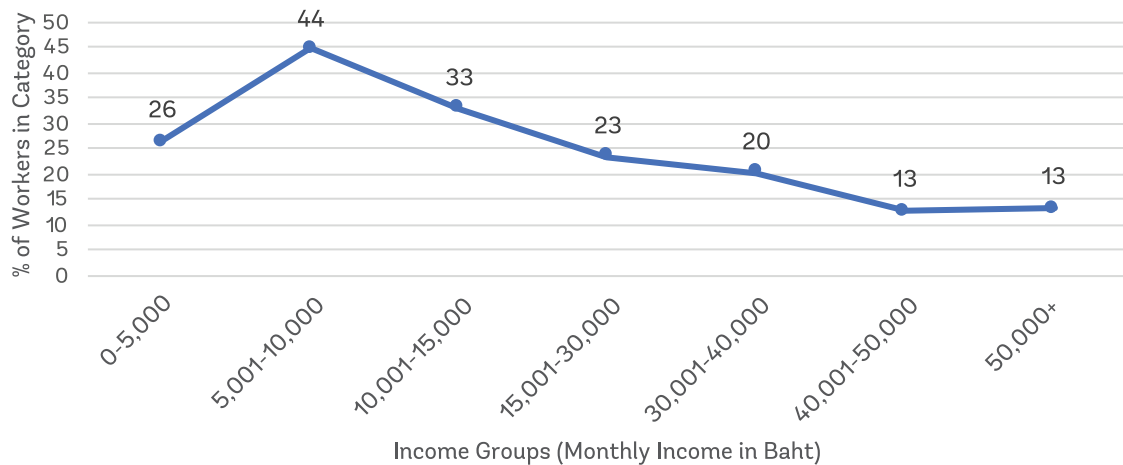
Like regular social assistance programs, emergency social assistance payments appeared to have been pro-poor and progressive – even though they were not explicitly poverty targeted. As Figure 18 shows, lower income groups were more likely to receive emergency 'No-One Left Behind' benefits than higher income groups, although 13 percent of the highest income group also reported receiving benefits. Informal workers were the main recipients of the program, as intended. Beneficiaries of emergency payments for informal workers and farmers had high levels of satisfaction with these transfers (Parks et al 2020).

**Table 9** Share of the population receiving social assistance before and during the COVID-19 pandemic

Country	Pre-COVID beneficiaries	Pre-COVID beneficiaries receiving top-up	Pre-COVID bens receiving new payments	New beneficiaries	Total beneficiaries
<b>Percentage of population</b>					
China	3.1	3.1	0	2.9	5.9
Cambodia	1.5	0	1.5	14.9	16.3
Fiji	34.0	34.0	0	14.1	48.1
Indonesia	13.3	13.3	0	51.7	64.9
Lao	NA	NA	NA	0	NA
Malaysia	63.5	0	63.5	24.7	88.2
Mongolia	85.5	85.5	14.4	0	99.9
Myanmar	3.4	3.4	0	45.9	49.3
PNG	.52	0	0	0	.52
Philippines	39.8	17.5	22.3	44.5	84.3
Samoa	26.8	26.8	26.8	73.2	100.0
Thailand	71.3	21.1	50.2	10.4	81.5
Timor-Leste	66.0	0	66.0	27.4	93.4
Tonga	36.1	36.1	0	29.1	65.1
Vietnam	21.5	21.5	0	9.4	30.9

Note: The figure for China is a lower bound due to the lack of subnational data.  
Source: World Bank 2021<sup>7</sup>

<sup>7</sup> Estimates for 2019 based on household surveys showed 71.3 percent of households receiving social assistance (71.9 percent in 2018). The number of beneficiaries receiving a top-up or vertical expansion was 7.9 million. For the purpose of these estimates, these were assumed to have two beneficiaries per household (HH) (e.g., two elderly people receiving OAA or two child grants). Assuming the average HH size, this results in an estimate of 14.7 million people receiving a top-up under an existing scheme. The households benefiting from the programs for the informal sector workers and farmers were also assumed to have two beneficiaries per HH (e.g., two farmers each receiving the benefit). This yields about 11.3 million households or about 42.1 million people or around 60 percent of the population. This leaves about seven million people that had not been receiving any form of social assistance before the crisis. Thus, the incremental increase during the period of the COVID-19 cash transfer was about ten percentage points of the population at 81.5 percent.

**Figure 19** Recipients of B5000/month COVID-19 emergency assistance (by income)

Source: Parks et al 2020. The percentage of people in the lowest income group (only 26%) is an anomaly because receipt of the THB 5,000 monthly payment automatically put most of the lowest-income respondents into the next higher income group (THB 5,001-10,000).

**In contrast with regular social assistance, emergency B5,000 payments for informal workers and farmers were generous.** Median monthly wages in non-agricultural sectors range from B6,600 to B8,320 per month. These transfers amount to approximately 37 percent of monthly GDP per capita, higher than the global average (25 percent) and UMIC average (22 percent) of cash transfers provided in response to COVID-19 (Ariyapruchya et al 2020). Top-up payments to regular programs increased their value significantly – in the case of the SWC, from a basic B200 to spend on food and consumables to B1,200 for largely discretionary spending.

**Projections prepared by the United Nations indicate that Thailand's COVID-19 safety net should have been effective in cushioning the economic impacts of COVID-19.** In the second quarter of 2020, when COVID-19 related restrictions were at their peak, provision of the B5,000 stimulus payments for informal workers and farmers, along with benefits received through SSF for formal workers, meant that household incomes fell 11 percent on average, compared with a 27 percent drop without these benefits in place. The projections suggest

the national poverty rate (based on the international poverty line for UMICs) would not have increased. Emergency payments to farmers may have actually reduced poverty in rural areas, and amongst agricultural workers. In urban areas, poverty was projected to increase from four to six percent compared to a potential increase of 14% in the absence of social protection (OPM 2020).

**With COVID-19 continuing to impact Thailand's economy, continued assistance to the many people economically affected by the pandemic will be necessary.** In January 2021, the Government of Thailand announced further payments to 30 million informal workers, farmers and SWC-holders for February and March. It will be necessary to open enrolments for the SWC program, to allow those who have become impoverished due to COVID to join the scheme. This would strengthen the role of the SWC as Thailand's primary social safety net and create a basis for further payments while the crisis lasts. Top-ups for other groups, including children, the elderly and PWD may also need to be considered.

# CHAPTER 5. PENSIONS

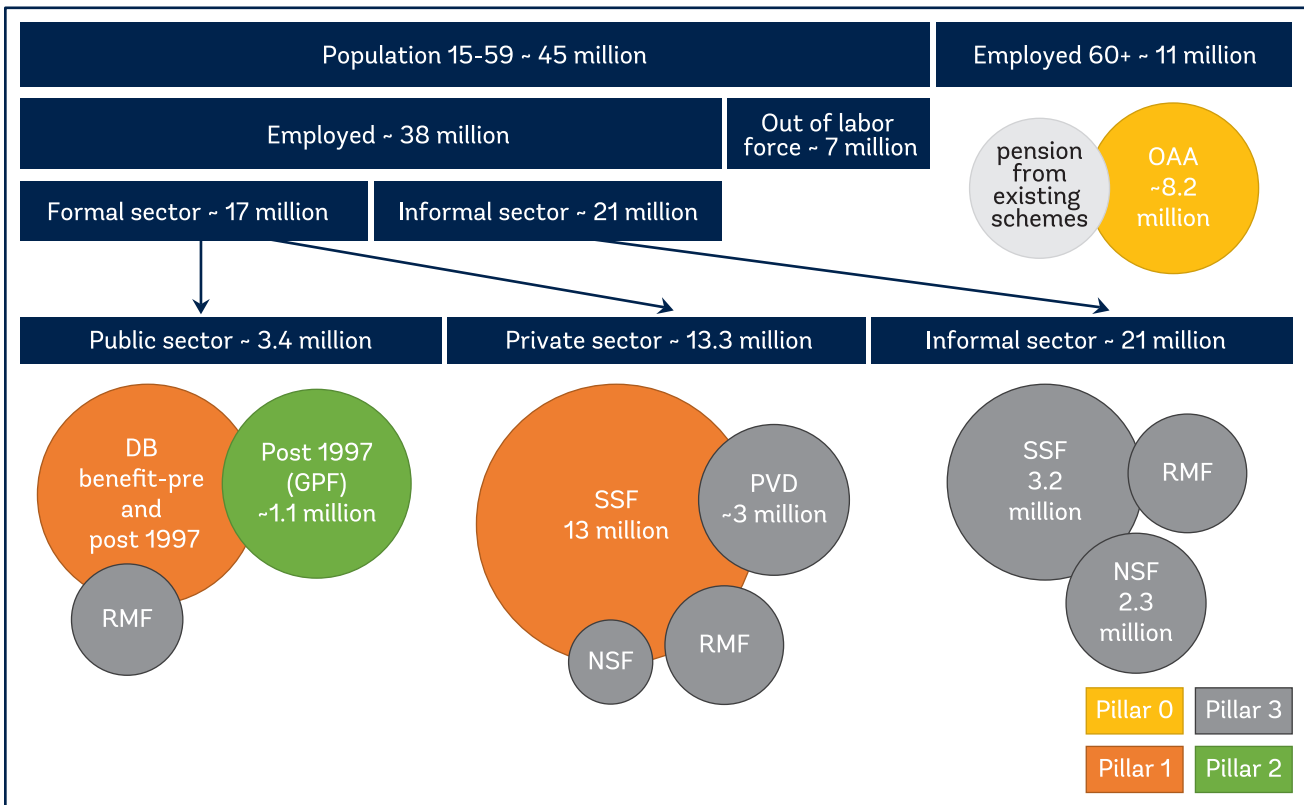
## 5. 1. OVERVIEW

Thailand's pension system is fragmented, with different parts of the population being covered by different 'pillars' of the system. (Figure 19). The Old Age Allowance (OAA) discussed above is the 'non-contributory, 'zero pillar' in the Thai pension system as it offers flat benefits to elderly Thai citizens who are not otherwise eligible for a formal pension. Private formal sector workers and civil servants are covered by parallel Defined Benefit (DB) schemes at very different stages of maturity and much more generous

benefits for the latter. Private sector workers must contribute to the Social Security Fund, under sections 33 and 39 or the relevant act. Incentives for informal sector workers to join on a voluntary basis under section 40 of the act. Some civil servants including those hired after the 1997 reform belong to a mandatory, funded defined contribution scheme that corresponds to a 'second pillar'. Finally, the voluntary, third pillar takes several forms including the privately managed Voluntary Provident Fund (PVD) schemes, the Retirement Mutual Fund (RMF) and the National Savings Fund (NSF).

A companion report provides a deeper technical analysis of Thailand's public pension system with a focus on performance, adequacy, sustainability and coverage. See World Bank 2020a.

Figure 20 Mapping Thailand's fragmented multi-pillar pension landscape



Sources: 2018 Thailand Labor Force survey in Morog and Naddeo forthcoming. Out of labor force includes students in school, 'homemakers', retirees, PWD unable to work, 'other'. OAA 2018, SSF 2019, NSF 2020 (see Annex 1). Population numbers (total and elderly (60+) 2019, National Statistics Office (NSO). Formal sector/informal sector split as of 2018 in Ariyapruhya et al 2020.

## 5. 2. PENSION SCHEMES

### Civil Servants

Public servants, including workers in the central government, local governments and State-Owned Enterprises (SOEs) were the first in Thailand to be enrolled in a pension scheme. Until 1997, most public servants were part of the Old Civil Service Pension (OCSP) scheme, a defined benefit (DB) plan financed from government revenues. Under the legacy DB scheme, a civil servant who worked for 30 years would receive 60 percent of his or her final salary in pensions.

The generosity of pensions coupled with rising life expectancy caused growing concerns around sustainability of the pension scheme, leading to reforms in 1997. Reforms included modifications to the defined benefit scheme, and the establishment of a complementary defined contribution (DC) scheme, the Government Pension Fund (GPF). New government employees were required to join the new scheme, while government employees who joined prior to 1997 could also switch to the new scheme. During the financial crisis in 2008, negative investment returns led to complaints and

the switching rules were amended temporarily to allow for people to switch back to the old scheme.

The hybrid DB/DC scheme provides benefits based on a modified defined benefit formula plus annuities from the accumulation from the GPF. The DB formula under the current rules reduced lifetime pension benefit by about ten per cent on average, relative to the OCSP. However, workers are now entitled to additional benefits from the GPF. The reform was designed to maintain parity in Replacement Rate (RR) between retirees under old scheme and the new scheme, so the fiscal burden to the government was not necessarily reduced due to the reform. Rather, it was hoped that the reserves of the GPF would help deepen the Thai capital market (Ratanbanchuen 2019) and allow public servants to improve adequacy of their pensions through additional voluntary contributions to the GPF (See Table 10 for rules).

Central government employees, who form the overwhelming majority of public servants, moved to the new scheme as per reform rules. However, local government officials retained the old system, and some State-Owned Enterprises (SOEs) replaced the old scheme with provident funds. Contract workers in government are not part of any of these schemes and are required to join the Social Security Fund (Paitoonpoing et al, 2016).

**Table 10** Public sector pension benefits pre and post 1997 reform

Rules	Old Civil Service Pension	New rules (Reformed DB + GPF)
Coverage	Central government employees prior to 1997, local government officials, some SOEs	Those who joined after 1997
Scheme type	Non-contributory DB	Non- contributory DB + DC (mandatory contribution is 8%: 3% worker, 3% govt., 2% pre-reform compensation from government) Voluntary contribution of up to 15% of salary is allowed
Vesting period	25 years (lump sum benefit if service years less than 25 years)	25 years (lump sum benefit if service years less than 25 years)
Retirement age	60	60
DB formula	2% * final base pay * years of service	Reformed DB = 2% * 5-year final average pay * years of service
Expected RR after 30 service years	60% of final base pay as pensions	40-50% from DB scheme + 15-20% from DC scheme
Benefit type	Pension	Pension from DB scheme + lump sum or scheduled withdrawals from DC
Benefit Indexation	Ad-hoc	Ad-hoc

Source: Authors compilation. Note: The actual RR under post 1997 rules would depend on the rate of individual wage growth and return on investment in DC scheme.

### Private sector workers

In 1999 the Social Security Fund (SSF) was set up to provide social security benefits (pensions, disability, unemployment, maternity, sickness and death benefits) under Article 33 to private sector workers in Thailand. The Social Security Act (SSA) also allows for voluntary contributions from those previously insured under Section 33 who have left formal employment but still wish to maintain their cover under Section 39. The SSF rules under Section 33 mandate contributions from employees (five percent), employers (five percent) and government (2.75 percent) for all workers in private sector enterprises. Individuals must contribute for 15 years to be eligible for a pension. Out of the total contributions of 12.75%, 6.35 percent is for old age, 0.65

percent is for child allowance, and 5.75% is for other risks.

Although the SSF has been in existence since 1999, the first cohorts eligible for pensions were those retiring in 2014 (after completing the 15-year vesting period). In 2017, out of a total of 443,875 retirees just 119,000 received pensions, and the rest received lump sums. In 2017, old-age pension assets of SSF totaled 1.27 trillion Baht<sup>10</sup> (MOL 2017).

Private sector workers wanting to save more for retirement can do so through voluntary schemes such as the Voluntary Provident Fund (PVD), and the Retirement Mutual Fund (RMF). The low coverage numbers in these voluntary retirement schemes (Table 8) mean that most formal sector workers will retire with benefits from SSF alone.

Table 11 Schemes for private sector workers

	Social Security Fund Sections 33 & 39 (pensions)	Provident Funds (PVD)	Retirement Mutual Fund (RMF)
<b>Scheme type</b>	Defined Benefit scheme	Defined Contribution	Defined Contribution
<b>Coverage numbers</b>	11.69 million (S33) (2019) 1.65 million (S39) (2019)	3 million	Unknown
<b>Applies to</b>	Mandatory for private sector, voluntary for self-employed	Voluntary. Employers need to set up PVD schemes for employees	Voluntary. For workers who are not part of GPF or PVD
<b>Contribution rate</b>	12.75% (5% employee + 5% employer + 2.75% govt.) Wage ceiling per month = B15000 <sup>8</sup>	Employee: between 2-15% Employer: 1-15%	Flexible contribution frequency. Minimum 3% of salary and not less than B5000 annually
<b>Retirement age</b>	55	55	55, penalty on early withdrawal
<b>Benefit formula</b>	1.3% for first 15 and 1.5% thereafter Max RR =50% of B15,0000	Contributions + investment returns	Contributions + investment returns <sup>9</sup>
<b>Benefit type</b>	Pension if service years > 15 or else lump sum	Lump sum	Lump sum
<b>Benefit indexation</b>	No systematic indexation	n.a.	n.a.
<b>Reserves</b>	B1.17 trillion (8% of GDP)	B1.1 trillion	B258 billion

Source: Authors' compilation from sources as of 2017/18/19. Private sector workers are allowed to participate in the National Savings Fund, but if they are part of other existing pension schemes (GPF, PVD, SSF etc.) they are not eligible for matching contributions from the government (Money Guru 2015). SSF and RMF asset totals include formal and informal sectors – information on the split is unavailable.

<sup>8</sup> Wage ceiling is B4,800 under Article 39, for workers who leave labor market before age 55 but continue contributing to the fund.

<sup>9</sup> Individuals are eligible to receive tax benefits under RMF if they do not withdraw early.

<sup>10</sup> Total assets of SSF as of 2017 was about B1.85 trillion which includes assets for other insurance benefits offered by the SSF (sickness, maternity, invalidity, child allowance).



### Competing pension reform proposals currently under consideration in Thailand aim for universal coverage of defined contribution schemes.

A key difference in the proposals is the institutional arrangement. One proposal would use a centralized provident fund (as in Singapore) while another would rely on private provident funds.

#### Informal sector workers

Thailand has three prominent voluntary pension schemes to which informal sector workers can contribute – the SSF (under Article 40), the National Savings Fund (NSF), and the Retirement Mutual Fund (RMF). Coverage rates among informal sector workers continue to remain low despite varying amounts of matching contributions offered by government through these schemes (see Table 12 below).

Under Section 40 of the SSF, introduced in 2011, informal sector workers are permitted to make voluntary contributions. There are three packages available for informal sector workers to choose from, with individual contributions of B70, 100 or 300 per month depending on the package, with government contributing B30, 50 or 150 respectively. All three packages provide for a lump sum on retirement at age 60 (comprised of all contributions plus interest)

and cover illness and invalidity. The highest rate of coverage also offers child and maternity benefits.

**The National Savings Fund Act was introduced in 2011 but became effective only in August 2015. This scheme aims to target low-income informal sector workers and the unemployed.** A low minimum annual contribution of only B50 (USD 2) is required, up to a maximum contribution of B13,200 (USD 406). The government matches contributions for workers with an amount capped at B600, 960 or 1,200 based on age of the member. The pensionable age is 60 and the amount of pension is equal to total savings in member accounts divided by 240 (20\*12 months). If pensioners die before age 80, government pays the outstanding amount as a lump sum to survivors. If pensioners live beyond age 80, they can register for the OAA (social pension).

#### The Retirement Mutual Fund is a voluntary individual pension plan.

The scheme is open for all groups of people who want to save money for their retirement, informal sector workers are included (SET 2015). The government provides generous tax incentives for those who save for a minimum of five years and meet the withdrawal rules (Rudolph, 2019). The assets of RMF, as of 2017, total B258 billion.

Table 12 Schemes for the informal sector

	SSF (Section 40)	NSF	RMF
<b>Scheme type</b>	Defined Benefit scheme	Defined Contribution	Defined Contribution
<b>Coverage</b>	3.24 million (2019)	2,294,322 (2020)	Unknown
<b>Aims to attract</b>	All informal sector workers	Low income informal sector workers and unemployed. <sup>11</sup>	Voluntary for formal and informal workers,
<b>Contribution rate</b>	Individuals can pay B70 100 or 300 and government match varies under each.	B50 – 13,200 per year. There is a co-contribution from the government, depending on the amount they contribute and their age (with a ceiling)	Flexible frequency of contributions. Minimum 3% of salary and not less than B5,000 annually
<b>Retirement age</b>	55	60	55, penalty for early withdrawal
<b>Benefit type</b>	Lump sum (all contributions + interest) at age 60. If insured pays B300 per month for 15 years, they will receive an additional B10,000 (Thai PBS 2019)	Scheduled withdrawal from age 60 to 80, Lump sum benefits if disabled or death or stops contributing	Contributions + investment returns

Source: Authors' compilation as of 2019/20.

<sup>11</sup> Private sector workers can join the NSF, if they do not participate in the public or private pension system and other statutory funds that receive contributions from the government or employers (For examples, Government Pension Fund and Social Security Fund). They can contribute to the NSF however the government will not give any contribution to them (Kapook 2019).



### 5. 3. COVERAGE

Thailand is one of the first developing countries to achieve universal health insurance coverage. Yet, less than one third of the working-age population is covered by social insurance for risks other than medical care, including declining income in old age. As of 2019, there were about 1.1 million active civil servants in the GPF with assets totaling B972 billion or 5.5 percent of GDP (Sampatanukul 2020). In 2019, 13.3 million workers from an estimated 17.1 million private sector workers (78 percent) paid contributions to the SSF. By contrast, although coverage of informal workers under Article 40 has risen steadily since 2011, of the estimated 21.2 million informal workers in Thailand, just 3.24 million (15 percent) made voluntary contributions to the SSF in 2018. Some 2.3 million individuals contributed to the NSF, which is open to both formal and informal workers, although targeted at the latter.

### 5. 4. EXPENDITURE

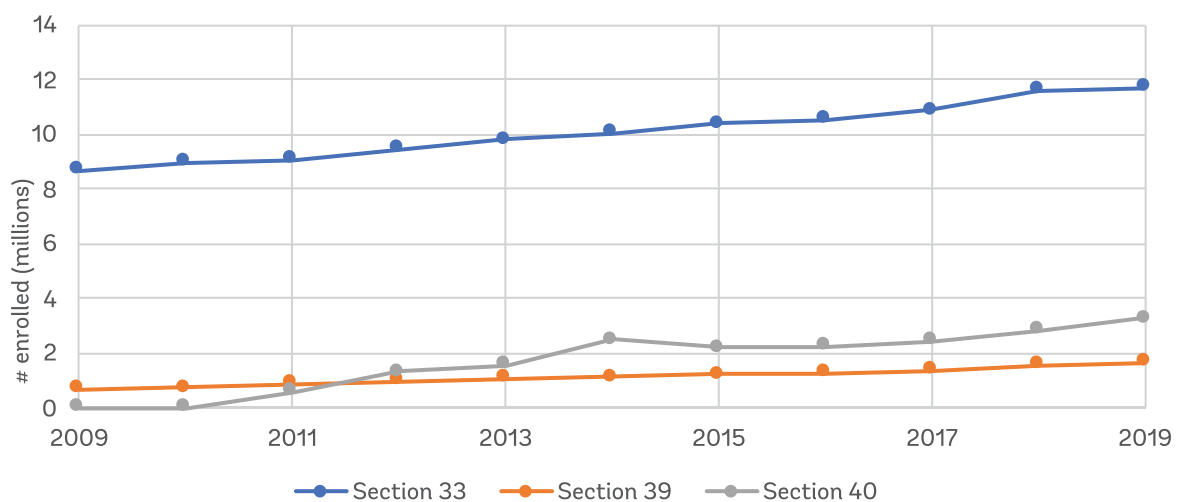
Social security expenditure amounted to 1.8 percent of GDP in 2019, of which 1.33 percent was taken up by the cost of social

security for civil servants. Only 0.46 percent was invested in social security for private sector workers, covering old-age, child allowance, unemployment, sickness, maternity and invalidity, including co-contributions for informal sector workers contributing to the SSF under Section 40.

### 5. 5. ADEQUACY

In contrast to the relatively meagre social pensions described in Chapter 4, public sector pensions in Thailand are quite generous. The Replacement Rate (RR) for full career civil servants replaces 60-70 percent of pay, comparable to rates in OECD countries. 'Contributory pensions' provided the equivalent of 86.5 percent of household welfare in 2017, according to the household survey, well above the global average of 48 percent for upper middle-income countries like Thailand (World Bank 2018a). As only a small fraction of SSF members are currently receiving retirement income from the private sector scheme, it is likely that these data reflect the higher values of public sector pensions, including the legacy DB scheme.

Figure 21 Enrolment in the Social Security Fund (2009-2019)



Source: Parks et al 2020. The percentage of people in the lowest income group (only 26%) is an anomaly because receipt of the B5,000 monthly payment automatically put most of the lowest-income respondents into the next higher income group (B5,001–B10,000).

**Private sector benefits are less generous than those in the public sector and unless ceiling rules are revised the benefits will amount to even less over time.** The RR from the SSF averages around 20 percent for a full career (Ratanabanachuen, 2019). The accrual rate for private sector pensions (Article 33) is 1.33 percent for first 15 years and 1.5 percent thereafter, with a maximum RR of 50 percent (Section 3 Table 3). However, the salary on which benefits can be calculated is capped at B15,000 per month (USD 462) versus 72 percent of average wage<sup>12</sup> and this wage cap is not indexed to prices, wages or any other indicator. If the wage ceiling of B15,000 - used for calculating contributions and benefits - is not revised in line with nominal wage growth, the RR pensioners receive will be a smaller proportion of their wage each year and in a decade or so the benefits from the scheme will be negligible. With the wage ceiling of B15,000 in place, the maximum pension an individual can get after 40 years of continuous contributions is only B7,500 per month (USD 231). The government will need to revise the wage ceiling and index it to nominal wages, if individuals are to receive decent pensions.<sup>13</sup>

The unindexed wage ceiling, low retirement age and lack of automatic indexation of pensions means that **pensions from SSF alone as they currently exist will not provide adequate retirement security for private sector workers.** Private sector workers who would like to save more for retirement can do so through voluntary schemes such as the Voluntary Provident Fund (PVD), and Retirement Mutual Fund (RMF). The low coverage numbers of these voluntary retirement schemes, however, mean that most formal sector workers will retire with benefits from SSF alone. Meanwhile, most informal sector workers will have to rely on the Old Age Allowance.

The government has recently approved a new, defined contribution scheme in principle and may soon submit legislation to Parliament (Bangkok Post 2021e). This "National Pension Fund" would apply to all formal sector employees with a contribution rate that gradually increased to seven percent for both employer and employee. If implemented well, this would result in more adequate retirement income for many formal sector workers that were not otherwise covered by voluntary schemes. However, this would increase

the coverage gap with informal sector workers and potentially discourage formalization. The difference between gross and net wage is likely to rise even further given the need to raise the SSF contribution rate to ensure solvency. In short, the NPF proposal does not address the coverage and sustainability issues of the current pension system.

## 5. 6. SUSTAINABILITY

Pension reforms are needed to ensure the sustainability of public and private sector pensions. The pension expenditure for central government employees from the Defined Benefit schemes (pre and post 1997) totaled B223,762 million<sup>14</sup> or 1.33% of GDP in 2019. In the absence of reforms, the DB pension expenditure will continue to increase due to demographics and rising life expectancy.

Over time, as the system matures and life expectancy of pensioners continues to rise, the number of pensioners drawing from the Social Security Fund is expected to increase to one million in 2026 and to ten million by 2059. **The actuarial estimates for the baseline scenario suggest that cashflow deficits will emerge in 2041 and reserves will eventually be exhausted by 2054 (MOL 2017).** These estimates do not include impact of the COVID-19 pandemic which is expected to worsen the sustainability of the SSF because of investment losses, lower contribution revenue due to the reduction of mandatory contributions, and possibly higher rates of early retirement.

**In order to ensure the sustainability of the SSF, parametric reforms to the scheme are warranted, such as increasing the retirement age and contribution rate.** These reforms can be coupled with reforms aimed at improving the adequacy and equity of the scheme, for example by introducing inflation indexation of pensions, changing the earnings measure and indexing the wage ceiling, thereby improving the efficiency of the scheme.

<sup>12</sup> As of January 2020, the average wage in Bangkok was B20,854 per month according to the National Statistical Office (NSO).

<sup>13</sup> In 2018 the Labor Ministry proposed revising the wage ceiling from B15,000 to B20,000 but the proposal has not yet been implemented (Bangkok Post 2018b)).

<sup>14</sup> Spending excludes pensions for SOE and local government.

## 5. 7. TOWARDS BETTER, MORE ADEQUATE COVERAGE

By 2050, a third of Thailand's population will be age 60 or above, while today only one third of the working age population is building retirement income through a mandatory or voluntary pension scheme. This gap can be addressed in two ways.

**The first is to increase the level of the social pension so that it at least provides a minimum income above the poverty line.**

Assuming a relative poverty line at say, one third of income per capita, this would require as much as ten percent of GDP at current coverage levels. Alternatively, at current benefit levels relative to incomes, the poverty rate among the elderly would significantly exceed that of other demographic groups<sup>15</sup>.

**A second approach would emulate the Thai approach to reaching universal health insurance coverage.**

This was done by delinking formal employment status from coverage and fully subsidizing the premium for most of the population. This approach retains the insurance principle and budgeting can be done on the basis of transparent actuarial calculations with defined benefit or defined contribution (Palacios and Robalino

2020). The subsidy can also be differentiated according to the capacity of the individual to contribute, subject to having the requisite data through the aforementioned virtual social registry for example.

**At least one proposal has been submitted in the Thai Parliament following the logic of this approach.** This plan envisions the opening of an individual pension account for every adult not already covered in a formal sector plan. The government would deposit a certain amount into this account with the proviso that the individual would have to make a minimal periodic contribution or lose the initial amount. There are many possible variants on the basic principle of subsidizing social insurance contributions, but the key element is breaking the link with occupational status. Compared to many of its peers, Thailand is in a better position to implement such a policy given its strong identification and government-to-person (G2P) payments platform (discussed in Section 7) and its experience of implementing universal health insurance over the last two decades.

<sup>15</sup> This pattern took place during the last two decades in Korea since contributory pension coverage became universal only in the 1990s. As a result, new social pensions have been introduced in the last few years to bridge the gap until the contributory scheme matures.

### Box 5 Achieving Universal Health Coverage

Before 2001, approximately 71 percent of Thai citizens were covered by one of four public health insurance schemes. The Civil Servant Medical Benefit Scheme (CSMBS) was (and remains) a tax-financed benefit for civil servants. The Social Health Insurance (SHI) scheme was (and continues to be) provided along with social security benefits to members of the SSF. The Medical Welfare Scheme (MWS, also known as the Low-Income Card Scheme), provided publicly subsidised free health care for low-income earners (established through means testing), along with children, the elderly, and PWD. The Voluntary Health Card Scheme (VHCS) was a premium-financed public insurance program where government paid 50 percent of the premium (Tangcharoensathien et al 2019). Although coverage was intended to be universal, the VHCS and MWS suffered from adverse selection, inclusion and exclusion errors, and a lack of coverage in the informal sector, respectively (Paek et al. 2016).

In order to ensure subsidized healthcare for all Thai citizens, the government created the UCS, which guaranteed a 30-baht (~US\$1) co-payment for accessing healthcare at public hospitals, to replace the VHCS and MWS in 2001 (World Bank 2018d). Thailand achieved full population coverage of financial protection for health care in 2002, with the three schemes – UCS, CSMBS and SSS – covering 98.5% of the population by 2015. Thailand achieved full population coverage of financial protection for health care by 2002, and today all Thai citizens have access to comprehensive health care services through one of the three public health insurance schemes. (Tangcharoensathien et al 2019).

**The Government of Thailand is also considering other policy options for improving support for informal workers in the wake of COVID-19.** In April 2020, the Ministry of Labor established a new Policy Unit for Informal Workers. The Unit is tasked with coordinating with line agencies and the private sector to monitor programs related to informal workers, including elderly workers, workers with disabilities and those from disadvantaged groups. The Unit has submitted a draft law to promote and develop quality of life for informal workers which includes proposals

to establish: i) a center to support informal workers in each province and a fund that to provide insurance (health and safety); ii) a revolving fund for informal workers or groups of workers to administer; and iii) grant support to NGOs to help informal workers in various aspects. MoL plans to set up an informal worker database in the future, support their livelihood development and extend social security protection under Section 40.

# CHAPTER 6.

## LABOR MARKET PROGRAMS AND POLICIES

### 6. 1. OVERVIEW

**Labor market programs seek to address breakdowns in the labor market.** Active labor market programs help generate more and better employment opportunities by targeting labor demand (e.g., employment subsidies), labor supply (e.g., skills and self-employment training), and labor market intermediation (e.g., employment services). Thailand's labor market programs protect the unemployed and seek to remove barriers to employment for the poor and other vulnerable groups.

**The changing nature of work makes an increased focus on labor market programs essential.** The rapid evolution of the labor market as technological change proceeds is likely to bring increased disruption in working lives that puts livelihoods at risk. A strong unemployment insurance system that can support workers as they move from one job to another will be important to maintain the wellbeing of these workers and to help improve labor market matching so workers can find jobs suitable for their skillset. Growth of new technology and skill-intensive sectors will also require lifelong workforce education and training, supported by demand-driven labor market programs that effectively match skills with labor market needs and incentivize learning (Moroz and Naddeo 2020).

**Thailand's rapidly aging population will also require an increased focus on labor market programs.** Population aging

in Thailand implies a swiftly shrinking working age population that ultimately could threaten economic growth. However, activating older people and women could help counteract this trend. The proportion of people aged 60 or older reporting poor or very poor health has declined significantly since the 1990s across genders and urban and rural areas (UNFPA 2019), suggesting that it may be possible to extend working lives beyond the current (private sector) retirement age of 65. Female labor force participation is 20 percentage points lower than that of men, a gap that has persisted for two decades. But there seems to be significant room to increase women's participation (Moroz and Naddeo 2020).

### 6. 2. PASSIVE LABOR MARKET POLICIES

#### *Unemployment insurance*

**Thailand has provided unemployment insurance to workers registered with the Social Security Fund since 2004.** Benefits are provided to formal workers who have contributed to social security for six months in the last 15 months. Unemployment benefits are provided at 50 percent of pay for up 180 days. Table 13 shows the main parameters of Thailand's unemployment insurance system. Benefit levels are somewhat below those typical of other countries with unemployment insurance systems in Asia (Table 14). The replacement rate of 50 percent of wages compares with 80 percent in Malaysia, 45 to 70 in Mongolia depending on job tenure, 60 percent in Vietnam, and 50 percent in Korea. The duration of benefits is similar. The unemployment insurance system is well funded, with B142,864 million at year-end 2017. The reserve ratio of contributions collected to benefits paid that year was 20.87. This implies that existing funds are available in the case of labor market shocks, as occurred during the COVID-19 outbreak when the government expanded benefits.

**Table 13** Parameters of Thailand's unemployment insurance system

Category		Current system
Coverage	Employees	• Employed persons, including voluntarily unemployed (excludes employees of state enterprises, certain agricultural workers, temporary and seasonal workers)
	Self-employed	• Not covered
Conditions	Minimum employment	• 6 months of contributions in last 15 months
	Other conditions	• Registration with Employment Service Office within one month of unemployment • Ready and able to accept any suitable job offer and not refusing job training • Report once a month to Employment Service Office
	Exceptions	• In case of force majeure in which employer decides to temporarily close office or factory
Financing	Worker	• 0.50%
	Employer	• 0.50%
	Government	• 0.25%
Benefits	Replacement rate (% of wage)	• 50%; 30% for voluntarily unemployed
	Duration	• Up to 180 days; up to 90 for voluntary • 7-day waiting period for benefits
	Other benefits	• Department of Employment through Employment Service Office registers for job placement and training • Department of Skill Development provides training to unemployed as needed

Source: Authors.

**Table 14** Unemployment benefits in Asia

	China	Malaysia	Mongolia	Thailand	Vietnam	Korea
Replacement Rate (% of wage)	> local public assistance, < local minimum wage	80% for 1st month and declining thereafter	45-70% depending on job tenure	50%; 30% for voluntarily unemployed	60%	50%
Duration	2 years	3-6 months	76 days; 40 for voluntary	Up to 180 days; up to 90 for voluntary	3-12 months	90-240 days depending on age

**Coverage of unemployment insurance is limited by Thailand's high rate of informality.** The large share of employment that is informal means that most workers lack access to unemployment insurance. Indeed, approximately 40 percent of the employed population is covered by the unemployment insurance system. Coverage rates among the unemployed are also low. In 2019, an average of 172,000 people received unemployment insurance benefits in any given month, which represented about 46 percent of the unemployed. While this is significantly lower than the median coverage rate in advanced economies, it is better than other countries in the region including Korea, Japan, and China (Asenjo and Pignatti 2019).

**Uniquely among countries with unemployment insurance systems, workers who have become unemployed voluntarily are eligible for benefits, though these are reduced in amount and duration.** Between 2015 and 2019, an average of 78 percent of beneficiaries of unemployment insurance had voluntarily resigned, though this moderated during the COVID-19 outbreak. While incentivizing additional separations by providing unemployment benefits to workers who leave their jobs voluntarily could lead to improved labor market matches, such incentives could also create distortions in the labor market. In fact, young people and seasonal workers seem to be more prevalent among those receiving unemployment benefits. This raises concerns that both groups view the program as a permanent feature of their working lives, which could have negative implications for skills development and ultimately productivity. This also suggests that the main function of the unemployment insurance system (at least prior to the COVID-19 crisis) has not been to protect workers in case of sudden, unexpected income loss (Chandoevrit 2012).

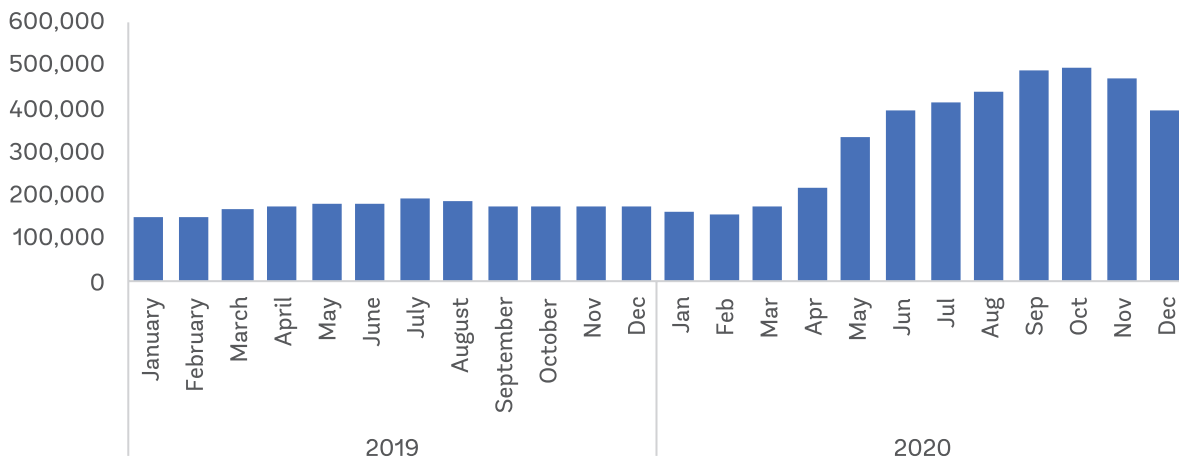
**The unemployment insurance system faces several other challenges.** Unemployed workers are linked to job placement and training services at Employment Service Offices under the Department of Employment with the Department of Skills Development providing the skills training. However, the links between unemployment insurance and re-employment strategies like skills training are weak with few beneficiaries participating. There is also some evidence that claimants are unfamiliar with regulations and benefits, and that payment delays occur as a result of reporting discrepancies between firms and workers

(Chandoevrit 2012). These discrepancies also reportedly led to payment delays during the response to the COVID-19 outbreak.

**Despite these challenges, Thailand's unemployment insurance system has been effectively deployed to respond to economic crises including the global economic crisis in the late 2000s and the ongoing economic crisis resulting from the COVID-19 pandemic.** The system has allowed the government to channel support to laid-off workers fairly quickly. As Thailand shuttered its economy due to COVID-19, it amended the unemployment insurance system to provide assistance to formal workers affected by the economic effects of the COVID-19 pandemic. The Ministry of Labor issued a regulation making compensation available to employees who were otherwise eligible but had to stop working temporarily between March 1 and August 31, 2020 because they had to quarantine or because their employer had to stop operations. Compensation was provided at 62 percent of wages for 90 days. A similar regulation was issued in January 2021 for employees who ceased working since December 19, 2020 with benefits provided at 50 percent of daily wages for 90 days. Compensation was also expanded for workers who were fired. Workers who lost their jobs because of the crisis between March 1, 2020 and February 28, 2021 are eligible for benefits at 70 percent of their wages for 200 days while workers who became voluntarily unemployed are eligible for benefits at 45 percent of their wages for 90 days.

**Unemployment insurance helped stabilize workers contributing to the SSF during the COVID-19 crisis.** The number of people receiving unemployment insurance benefits began increasing in the second quarter of 2020 during the height of the outbreak in Thailand rising to 491,000 in October 2020, almost three times the number a year earlier, before beginning to fall in the final two months of the year (Figure 24). Additionally, between April and November of 2020, 1.5 million people claimed unemployment benefits via the special temporary measures put in place by the government (MOL 2020a). But, as discussed elsewhere in this paper, the impact of the unemployment insurance system was limited by the prevalence of informal jobs, which do not provide access to unemployment insurance.



**Figure 22** Number of persons receiving monthly unemployment benefits, 2019-2020

Source: MOL 2020a

### Severance pay

**Employers in Thailand are responsible for paying severance to terminated employees.** Based on the Doing Business Survey, severance pay requirements are among the strictest in Asia with the length of severance pay longer than all other countries in the region besides Indonesia and Sri Lanka (World Bank forthcoming). Evidence on the enforcement of severance pay requirements is limited, however, so the ultimate impact of these measures – and whether they distort the labor market – is not clear.

## 6. 3. ACTIVE LABOR MARKET PROGRAMS

### Employment subsidies

**Employment incentives are aimed at increasing the number of PWDs in employment, although hiring rates fall short of targets.** 845,706 PWDs, or 47.7 percent of total number of PWDs, are of working-age (15-59). Since 1991, legislation has sought to combat employment discrimination against people with disabilities in Thailand. Section 33 of the Persons with Disabilities Empowerment Act (2007) requires private and public businesses to hire one disabled person for every 100 able-bodied employees. Tax incentives introduced in 2018 aimed to encourage more hiring of PWDs. Companies may deduct one to three times the costs of expenses incurred as a result of hiring people with disabilities (PWD) in their corporate tax, depending on the proportion of PWD employees hired per total

workforce. Despite these measures, the hiring rate falls short of the target. Out of 85,602 PWD who should be hired based on the number of companies in the country, only 23,726 or 27.7 percent were employed.

**Tax incentives for employers in the Senior Employment Promotion Program aim to encourage employment of older workers.** Employers can deduct twice the amount of expenses incurred for employing people over 60 years of age from corporate tax, provided that the expenses do not exceed B15,000 per month, including contributions to a provident fund. Companies can claim for up to ten percent of their workforce in a given month. The deduction is only available for people already employed by the company or registered as jobseekers with the Department of Employment.

**The effectiveness of Thailand's tax incentives for employment of older people should be evaluated.** Based on international evidence, the impact of wage subsidies to support the hiring and retention of older people is questionable. Recent evidence finds that the significant subsidies needed to induce substantial employment effects are unlikely to be cost-effective (Boockmann 2015). Other concerns are deadweight loss (in case the subsidies are provided for hiring workers who would have been hired anyway) and the reinforcement of stigmas and negative attitudes toward older workers (OECD 2006). Evaluating the effectiveness of Thailand's incentive programs is important to understand whether these funds could be better directed to other employment promotion efforts.



**The government has put in place employment subsidies to support employment during the COVID-19 outbreak, which could be continued and targeted to affected sectors if and when further outbreaks occur.** The support provided via the unemployment insurance system to workers who have temporarily had to stop working because of the pandemic are wage subsidies. Subsidies of this type can help firms retain workers and tend to be effective as short-term measures during economic downturns when concerns about displacing workers who are not subsidized are limited. While Thailand continues to impose transmission control restrictions to combat the COVID-19 outbreak that affect normal business activity, employment retention schemes that incentivize employers to retain workers are sensible. These should be sufficiently large that firms use them and conditioned on worker retention and flexible or no working hours (Carranza, et al. 2020). The subsidies should also be time-limited, and phased out as the recovery from the COVID-19 outbreak takes hold. The subsidies can be targeted to sectors of the economy that are in most need.

#### **Skills and self-employment training**

**A range of skills training programs targeting specific, under-employed groups, including the poor, women, and the elderly are available, but uptake is a concern.**

**The Department of Skill Development (DSD) is the main agency providing skills development for the workforce at regional Institutes of Skill Development and provincial Skill Development Centers.** DSD provides pre-employment, upskilling, and reskilling training. Training is provided in engineering (construction, industrial, and mechanical); electrical, electronics, and computers; industrial arts; industrial agriculture; and services. In 2019, most pre-employment training was provided in services; mechanical engineering work; and electrical, electronics, and computer technician work (MOL 2020b). Most upskilling training was provided in services; electrical, electronics, and computer technician work; and industrial technician work. Most reskilling training was provided in industrial arts; services; and construction. Beyond future and current workers, training is targeted to informal workers, people with disabilities, older people, the unemployed, soldiers, and other groups. Most pre-employment training is provided to new workers. Most upskilling training is provided to current employees in formal employment followed by workers in informal employment, while most reskilling training is provided to current employees in informal employment followed by older people, prisoners, and soldiers. Programs targeted to older people and people with disabilities seem to have fairly low

uptake: around 9,000 older people enrolled and completed training in 2019 while around 600 people with disabilities did. DSD has in place a system to assist trainees with job placement and track graduates after training. During the COVID-19 outbreak, DSD reportedly offered 15-day training courses and a daily allowance of B150 to people who had to stop working (The Nation 2020).

**Other ministries also provide training.** Non-formal vocational short courses are supervised by the Office of Non-Formal and Informal Education in the Ministry of Education and are provided in various settings including community centers. At the subdistrict (tambon) level throughout the country, the Ministry for Social Development and Human Security runs informal Education Centers in coordination with local administrations, which provide informal community-level training. 113,000 people participated in these activities in 2016 (see Annex 1). The Ministry of Agriculture and Cooperatives also provides training.

**The Quality of Life Promotion Program is the vocational component of the SWC program, and is available to beneficiaries earning less than B30,000 per year.** The program is aimed at promoting employment and reduce poverty amongst low-income earners. A range of training programs are provided by various government departments, such as community handyperson training from the Ministry of Labor, and skills training for farmers from the Ministry of Agricultural Cooperatives. Participating in some courses has provided some graduates with access to low-cost loans and improved marketing opportunities (FPO 2018). Entrepreneurship training is also incorporated into some training.

The following programs also contain skills training components:

- The National Village and Urban Community Fund (One Million Baht Village Fund), which targets village and urban community members who lack access to financial institutions, providing vocational training and funds for infrastructure development projects such as building community barns, agricultural warehouses, and water storage facilities. The fund includes a loan for degree studies that is organized in collaboration with university partners, with immediate work opportunities for successful graduates. These measures aim to create career opportunities and raise household incomes at the village level. In 2018, there were 79,595 village funds covering 13 million members.

- The Equitable Education Fund (EEF) includes a community-based career development program for people living in areas with high poverty rates, unemployment, and those which are poorly ranked according to the human development index. The new program has sought proposals from educational institutions to develop occupational, management, and life skills that create self-employment and wage work opportunities for disadvantaged people.
- The Department of Women's Affairs and Family Development in the Ministry for Social Development and Human Security (MSDHS) provides skills training for two groups of vulnerable women. The Center for Women and Family Development provides vocational training to women who lack social opportunities to acquire professional skills in eight provinces. Two types of vocational training are provided: 1) center-based vocational training with job support services after successful program completion and 2) community-based vocational group training to promote women's community enterprise. The center-based training has resulted in the employment of more than 15,000 people each year and produced more than 140 groups of entrepreneurs each year. The second group of vulnerable women are supported by Protection and Occupational Development Centers. The centers are located in four provinces and offer skills training in crafts and services for victims of human trafficking.

**The use of DSD training has declined in recent years.**

125,800 people enrolled in pre-employment (6,751 people), upskilling (76,000 people), and reskilling (43,000 people) training in 2019, down from 211,000 in 2015 (MOL 2020b). Many more training programs – nearly 500,000 – were provided in 2018, though this was much larger than any recent year. Graduation rates are high (near 100 percent) for the upskilling and reskilling programs but have only been around 75 percent for the pre-employment training. Post-training employment rates vary. In 2019, about 60 percent of pre-employment graduates received employment, nearly 80 percent of upskilling graduates received employment, and just over half of reskilling graduates received employment. Post-training employment rates improved significantly for upskilling and reskilling programs in 2019, perhaps reflecting the decline in enrolments.

**While impact evaluations of skills training in Thailand are very limited, recent evidence questions their effectiveness.**

Evaluating training of all types in Thailand, Chongcharoentanawata, Gassman, and Mohnen (2018) find that training does not have a positive impact on earnings or employment. They find that outcomes are worse for disadvantaged workers such as women, the less educated, the economically inactive, people in rural areas, young people, and the elderly. Outcomes are better, however, when training is provided by private providers. There is some qualitative evidence that suggests why training programs for unskilled workers provided by Skills Development Centers lack effectiveness. Reasons include a failure to change curriculum to meet evolving needs resulting in out-of-date programs (for example, many courses are short-term trainings in crafts), lack of access due to the limited number of Skills Development Centers, and failure to meet demand for courses leading to self-employment and skills in demand in their local areas (Wannagatesiri et al. 2015). A state audit of training services in 2019 found that training courses did not match labor market demand, particularly in the context of Thailand's competitive landscape and Thailand 4.0; poorly allocated training equipment; and weak data management (SAO, 2019).

**Short training courses offered to SWC holders appear to have had good uptake, and to have been more successful.**

According to NESDC's poverty and inequality report, more than three million welfare card holders (22 percent) participated in government-provided career training over two phases in 2018 and 2019. SWC holders who registered for training received additional, monthly stipends of B200 (for those earning less than B30,000 per year) or B100 (for those earning B30-100,000 per year) to support living expenses. A follow up survey of the 2018 cohort revealed that 80 percent of those surveyed later received a higher income following completion of training (NESDC 2019). Of these, more than half had moved from the lowest income category (earning less than B30,000 per year) into the B30,000-100,000 per year group.

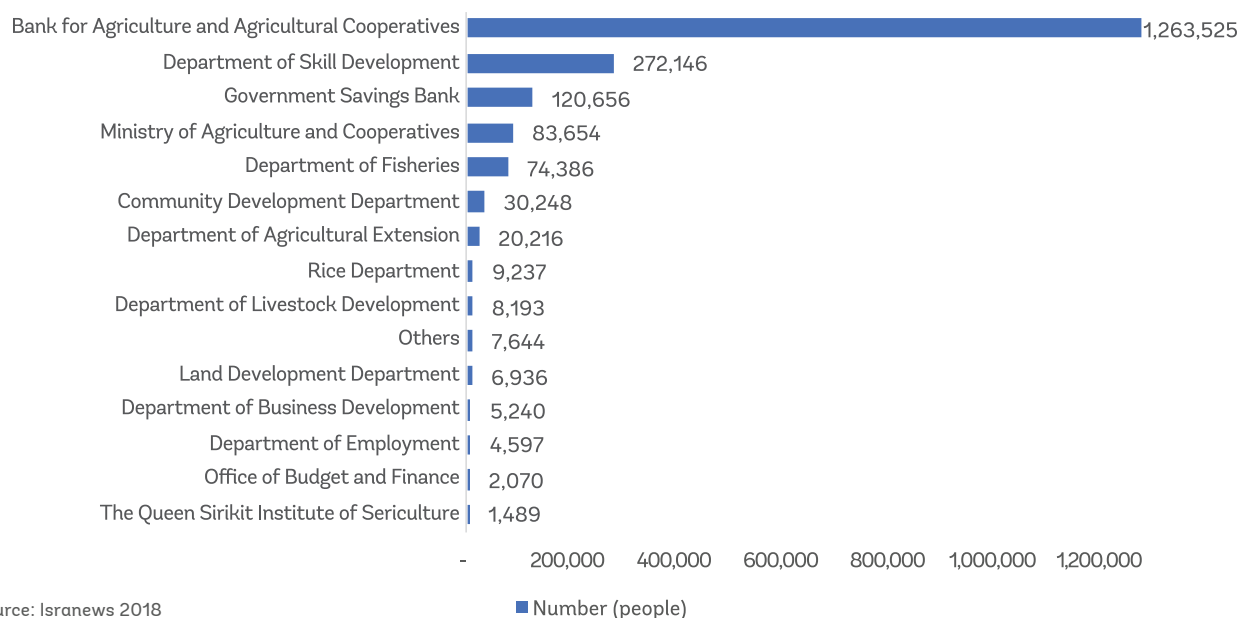
Amongst the 2018 cohort, training programs offered by the Bank for Agriculture and Agricultural Co-operatives (BAAC) were by far the most popular, reflecting that many of the people who had signed up for training were farmers (Bangkok Post 2018a).

**Table 15** Individual incomes post-SWC training, 2018

Income category	Number of people	% of total
Still earning B30,000 or less	1,040,842	39.9%
Incomes increased to between B30,000 and B100,000	1,451,237	55.7%
Incomes increased to more than B100,000	115,116	4.4%
<b>Total</b>	<b>2,607,195</b>	<b>100.0%</b>

Source: FPO 2019b

Notes: Total represents number of trainees tracked post-training, 80 percent of the total cohort of 3,267,941. Income figures are self-reported.

**Figure 23** Number of individuals trained (by training department/agency) 2018

Source: Isranews 2018

**In the second phase, some government agencies expanded on support provided to trainees by providing access to finance and marketing assistance.** For example, graduates of the Ministry of Labor's entrepreneur training program were eligible for loans from the Government Savings Bank (GSB) of not more than B50,000 with a monthly interest rate of 0.75 percent. This scheme was piloted in five provinces: Bangkok, Nonthaburi, Chiang Mai, Phitsanulok and Phayao, before expanding to other provinces in Thailand (DSD

2019). The BAAC and related government agencies reportedly offered distribution channels to those who passed the training through more than 6,000 'Blue Flag' stores (Bangkok Post 2018a). These complementary interventions make the program similar to the economic inclusion model of sustainable livelihoods generation that provides multiple benefits to beneficiaries to address the multiple constraints they face (Box 6).

**Box 6** An introduction to economic inclusion programs

**Economic inclusion programs are a hybrid between social assistance programs and traditional employment programs.** They seek to expand opportunities for income generation in order to increase household income. Several characteristics are typical of economic inclusion programs. They tend to focus on the poor or other disadvantaged groups and to involve multiple interventions to address the multiple challenges facing these groups. They are based on the hypothesis that these multiple constraints can only be overcome by combining social assistance's protective characteristics (such as consumption smoothing through transfers) with interventions that aim for inclusion in income-generating activities (such as asset transfers, skills training, access to financial services, and links to income-generating activities). Economic inclusion programs are primarily deployed in self-employment and agricultural settings, but wage employment and urban areas are a growing priority. They have traditionally been led by NGOs, but national governments are increasingly exploring how to incorporate them into social protection systems.

**Impact evaluations have found that economic inclusion programs can increase food security, assets, and income, though there are challenges to implementation at scale.** Evaluations of a series of economic inclusion "big push" programs beginning with the Targeting the Ultra Poor program in Bangladesh and including programs in eight other countries found positive impacts on most indicators including consumption, assets, and food security. Subsequent studies have found that the impacts of these programs seem to persist. Though more research is needed, combining interventions seems to be a key aspect of the programs' success. Despite this success, cost and complexity are challenges to scaling up the programs, which tend to be expensive to implement and administratively complicated to deliver. Thus far, the impacts of only smaller-scale programs have been assessed, raising the potential that the programs could have general equilibrium effects, for example on asset prices, that have not been found thus far. Finally, the training and mentorship included in many economic inclusion programs may be administratively difficult to deliver at a large scale while maintaining quality.

**Examples of economic inclusion programs are emerging in East Asia.** The Philippines' Sustainable Livelihoods Program was designed to create sustainable livelihoods by linking beneficiaries of an existing conditional cash transfer program *Pantawid Pamilyang Pilipino Program* either to microcredit or employment facilitation through seed capital, training, local jobs, and public works.

**Economic inclusion programs can play a role in recovery from the COVID-19 outbreak in the medium and long term.** The COVID-19 outbreak has created challenges to participating in productive activities for many households. Economic inclusion approaches can help overcome these challenges by complementing and building on social assistance programs that are already in place. However, this will require carefully considering the cost of economic inclusion programs, the context for the interventions, and their operational feasibility.

Source: Andrews et al. (2020); Archibald et al. (2020); and World Bank (forthcoming).

**Skills and self-employment training programs could be an important part of addressing the labor market impacts of the COVID-19 outbreak.** Upskilling and reskilling programs could help workers displaced by the COVID-19 outbreak to find jobs. Training programs could target workers from sectors severely impacted by the outbreak (e.g., tourism) and provide training in strategic sectors likely to grow in the near and medium term (e.g., the care sector). Given the weakness in labor demand, however, these training programs may also need to focus on promoting livelihoods and self-employment skills, particularly in rural areas. Training could be provided in technical skills as well as digital skills and soft skills such as teamwork and interpersonal communication, which are increasingly demanded by employers and are applicable across sectors. Training could also be provided in entrepreneurship skills to help generate self-employment. The training could be

linked to subsidies provided in the form of vouchers that finance training and act as a wage subsidy to promote demand or in the form of start-up support for self-employment. E-learning modules could be explored for program delivery. Thailand has experience with this type of program. In response to the 2008-2009 economic crisis, Thailand launched the Tongla Archeep program that provided a month of vocational training and a cash allowance for three months to encourage beneficiaries to start businesses or find jobs.

**This training could also be targeted to vulnerable groups, including those receiving social assistance, to encourage moves into wage employment and more sustainable self-employment.** This approach could build on the experience of providing training and other assistance to SWC holders. Support could also be expanded to include financial services, job search assistance, and access to markets.

## Employment services

**Employment services are available to the general public.** The Department of Employment provides employment services through its Bangkok, provincial, and online offices such as labor market information, career guidance and counselling, vacancy registration, job search and matching, and job fairs. The most frequent employment promotion activities conducted in 2019 were providing training guidance to students and to unemployed people, including those in the unemployment insurance system (MOL 2020b). Targeted employment services are available to elderly workers to encourage continued workforce participation. 10,000 older people have accessed Employment Service Centers for Elderly Workers and Registration Centers at provincial labor offices, which provide information about paid jobs and volunteer opportunities. In 2019, about 3,000 older people accessed employment services (MOL 2020b). The Elderly Fund administered by MSDHS sponsors elderly-related projects and provides 3-year personal (B30,000 maximum) and group (B100,000 maximum) occupation loans with no interest. In 2019, 8,991 people received occupation support loans that totaled B225,195,000 (See Annex 1). Targeted employment services are also provided to students and people with disabilities.

**The use of public employment services has been declining in recent years.** In 2019, there were 330,000 new and existing job applicants registered at the public employment office, down from 2.7 million in 2015 and down from 377,000 in 2017. Employers have also registered fewer vacancies at public employment offices, declining from 477,000 in 2015 to 343,000 in 2019. Job placements have remained steadier, declining from 424,000 in 2015 to 297,000 in 2019 (MOL 2020b).

**Jobseekers tend to use other forms of job search.** While private employment services including low-cost internet search platforms have become increasingly prominent and accessible, public employment services can still help low-skilled individuals who may lack skills or resources for job searching. However, data from the 2018 Labor Force Survey shows that only 11 percent of jobseekers searched for work at a public employment office while most either applied to a job agency (52 percent) or searched through friends and relatives (19 percent) and the internet (17 percent). Low-skilled workers are the least likely to seek out public employment agencies: only five percent do versus 11 percent of medium-skilled workers and 13 percent of high-skilled ones. Low-skilled workers instead rely on private agencies (53 percent) and, much more than medium-or high-skilled workers, on friends and relatives (42 percent for

low-skilled workers versus 24 percent for medium-skilled and nine percent for high-skilled workers). Indeed, administrative data from the Ministry of Labor shows that most job applicants at public employment services centers have a secondary education or a Bachelor's degree. The strong reliance on personal networks can be helpful for finding jobs, but also tends to limit the types of jobs that workers are exposed to. Indeed, research on internal migrants in Thailand has shown that their social networks reduce the duration of job search but also tend to funnel them into agricultural jobs (Swee 2017). One of the potential reasons that jobseekers do not use public employment agencies is that they find that the information provided is not relevant. Indeed, there is evidence that the agencies provide outdated vacancy information (Chandoevrit 2012).

**A strengthened labor market information system could serve as a backbone for delivering effective labor market programs.** Labor market information is available from, among other sources, the Department of Employment's open data portal, which offers detailed information from survey and administrative sources about the labor market; from the Department of Employment's Smart Job Center, which offers job search services as well as employment outlook and wage information at the occupation level; and from the Department of Skills Development's online training portal. Further developing this system would help meet demands in Thailand's labor market emerging under Thailand 4.0 and help link disadvantaged jobseekers to productive employment. High-performing labor market information systems are relevant, reliable, efficient, client-centered, and comprehensive (World Bank 2020d). They perform functions like job matching and career and skills guidance, but also inform government support for active labor market programs and other government programs related to employment, and generate real-time, demand-driven intelligence about the labor market. These functions need strong institutional arrangements, active partnerships with the private sector, and strong technological solutions for sharing, analyzing, and disseminating information. Interoperability with other systems, for example the unemployment insurance system, is also key. Such a high-performing labor market information system is a necessary step in creating an outcomes-based employment services and training system that rewards the provision of skills that are in demand and that leads to good jobs. Such an outcomes-based employment services and training system that rewards service providers who deliver improvements to beneficiaries' employment and wages should be the ultimate goal of active labor market policies.





# CHAPTER 7.

## INSTITUTIONAL ARRANGEMENTS AND DELIVERY SYSTEMS

### 7. 1. OVERVIEW

**Thailand's social protection and labor system is relatively fragmented, creating inefficiencies in program management, lack of clarity over investment impact, and missed opportunities for synergies and referrals between programs.** Multiple agencies are responsible for planning, implementation and beneficiary data management.

**Foundational elements of Thailand's social protection delivery systems are well-established.** Near universal coverage of Thailand's population registry (World Bank 2018b), and ubiquitous use of the 13-digit Personal ID (PID) number throughout its administrative databases allows for ad-hoc cross referencing between data sources, primarily to exclude people who exceed income and assets tests or are covered by formal social insurance. Financial inclusion is also high, and payment of social protection benefits through electronic platforms is driving their uptake.

**Thailand was able to leverage these systems to achieve a comprehensive, rapid and successful roll-out of emergency assistance in response to COVID-19.** Innovations included online registration and the most comprehensive effort to cross-reference beneficiaries with multiple government data sources to date, to ensure broad coverage while avoiding duplication of COVID-specific payments. Between Thailand's regular social assistance programs, its social security coverage and the recent enrolment of 15 million informal sector workers for emergency COVID-19 benefits, **the large majority of the population is likely now registered for some form of social protection.** This is complemented by digitization of other registries, such as civil servants, taxpayer, land, vehicle, education and health information systems.

**There are opportunities to improve social assistance beneficiary data management, by explicitly linking social assistance databases with other sources to create a virtual social registry.** There is scope to better harness this data through greater interoperability, sharing and matching capabilities,

which will enable real-time and comprehensive decision-making. At the same time, the quality of data in some program and administrative databases may also need to be improved, in order to improve the effectiveness of the system. For instance, the Low-Income Earners Registry, which is used for poverty-targeting in the SWC program, could be improved by establishing on-demand updating. Turkey's Integrated Social Assistance System, Chile's Social Household Registry and Thailand's own Universal Health Registry (described later in this chapter) provide useful examples to emulate. A well-functioning virtual registry will allow targeting to be automated, routine and more shock responsive.

### 7. 2. INSTITUTIONAL ARRANGEMENTS

**Like many countries in the East Asia Pacific region (World Bank forthcoming), social assistance programs in Thailand are implemented by multiple ministries holding disparate policy mandates.**

Several ministries plan, budget and implement multiple social assistance programs. These include:

- The Ministry for Social Development and Human Security (MSDHS) has responsibility for 13 distinct social assistance programs for children, the elderly, PWD, people living with HIV/AIDS (PLWHA), and housing grants for poor families. With the exception of the Child Support Grant, these all appear to be small programs (data on coverage and budget was unavailable for most). Although MSDHS implements several small-scale transfers for particularly vulnerable elderly people and PWD, it does not manage the much larger social pensions for either group (see Annex 1).
- Instead, budgeting and implementation of the Old Age Allowance and PWD allowance have been devolved to local government authorities, under the auspices of the Ministry of the Interior.
- The Ministry of Finance (MOF) has carriage of the largest regular social assistance program, the State Welfare Card, as well as the recently introduced No-One Left Behind Program which responds to COVID-19, working in close collaboration with the state-owned Krungthai Bank.
- The Ministry of Education implements the transfers, school feeding and scholarship components of the Free Education Program, Primary Lunch Program, and the Equitable Education Fund.

- The Ministry of Defense manages 17 cash transfer programs for war veterans which cover allowances for livelihoods, education, funeral, disaster relief, maternity among others.

**Management of Thailand's social security schemes is split between the Ministry of Labor and the Ministry of Finance.** Schemes for private and informal sector workers are coordinated through the Social Security Office, under the auspices of the Ministry of Labor, while schemes for civil servants are administered by the Ministry of Finance. Unlike other countries in the region, Thailand lacks a pension and provident fund supervision agency, or a consolidated financial institution regulator. The two schemes seeking to incentivize informal sector workers to contribute to voluntary social insurance (through SSF section 40) and retirement savings (NSF) are managed by the Ministry of Labor and the Ministry of Finance respectively. Marketing of these schemes appears to have been uncoordinated and potentially puts them in competition with one another (World Bank 2012).

**Active and passive labor market programs also fall under the purview of several ministries:**

- The Department of Labor provides skills training programs for SWC holders, the elderly, the unemployed and recent graduates.
- MSDHS manages skills training centers for vulnerable women and administers grants to promote self-employment among the elderly.
- The Ministry of Finance is responsible for tax incentives to encourage employment of PWD and people over the age of 60.
- Small grant and training schemes under 'One Million Baht per village' fund fall under the purview of the Office of the Prime Minister and Ministry of Commerce.

**Thailand's Disaster Risk Management (DRM) plan sets out the roles of the Ministry of Social Development and**

**Human Services (MSDHS) and the Ministry of Labor (MOL) to provide assistance to disaster-affected people and workers, as well as contingency funds for disaster response.** Strategies typically involve one-off cash transfers and small-scale vocational training programs for affected people, as determined by local government authorities (OPM 2018).

**Thailand lacks effective interagency coordination of social assistance programs, and between social assistance and social insurance programs, as well as with broader social and economic programs.** Better coordination could assist government to develop coherent policy, monitor spending and ensure consistency, equity and efficiency in implementation. Coordination of beneficiary data is a related issue, with multiple agencies managing separate databases without a coherent framework or overview. As discussed later in this chapter, Thai authorities were able to effectively cross reference between relevant datasets to achieve a comprehensive emergency social protection response in the face of COVID19 with only minimal delays; however there is scope to improve routine interoperability in order to make the system better able to respond rapidly to shocks.

Further, beyond high level references in long- and medium-term development plans (described in Section 3.2), **Thailand lacks a policy strategy or framework articulating how social protection investments contribute to high level goals and how the system can be responsive to shocks.** A strategy would set clear objectives, targets and indicators for social protection programs. It should be based on further assessment of overall costs, benefit incidence across the lifecycle, and analysis of areas of convergence, overlaps and gaps. Developing a high-level policy framework or strategy, to articulate how multiple programs contribute to high-level goals, and improving inter-agency coordination could assist Thai authorities to better identify where overlaps, gaps and opportunities lie for synergies and efficiencies between social assistance, social insurance and labor market programs. There may be further opportunities to consolidate smaller programs and harmonize delivery systems (discussed later in this chapter) and to promote a more sustainable model that will provide adequate coverage for the entire population at a fiscally sustainable cost.



**Box 7** Mechanisms for inter-agency planning and coordination for social protection

An inter-agency coordination mechanism could take a number of forms. In some countries, including Cambodia, Nepal and Pakistan, coordinating mechanisms are established under central finance or development planning agencies (World Bank forthcoming). In the Philippines, policy responsibility for social protection is shared between the National Economic and Development Authority (NEDA), a planning agency, and the Department of Social Welfare and Development (DSWD), which implements the largest social assistance programs. A standing Sub-Committee for Social Protection (SCSP) under NEDA coordinates policies and programs, chaired by DSWD with representation from a range of other government agencies (World Bank 2018b). In Indonesia, an independent inter-ministerial coordination body was convened under the leadership of the Vice President to coordinate and advise on social protection policy making. (World Bank forthcoming).

Possible candidates to play this role in Thailand include the Office of the Prime Minister, which has convening power to bring other ministries together, or MOF, given its leading role in the implementation of the SWC as well as the COVID-19 response.

**7.3. LEGAL FRAMEWORK**

A number of social protection policies and programs are enshrined in Thai law<sup>16</sup>. Key laws include the Social Security Act (1990, amended in 1994 and 1999 and in 2015 to extend voluntary insurance to informal workers), the National Health Security Act (2002), the Persons with Disabilities Empowerment Act (2007) and the Old Age Act (2003, amended in 2009 to include the Old Age Allowance as an entitlement) (Paitoonpong et al 2016). Most recently the Equitable Education Act (2018) was established to address educational disparity, and the Civil Welfare Arrangement for Local Economy and Society Act (2019) governs the SWC program.

The level of legal prescription varies between policies and programs. For people with disabilities (PWD), 'welfare' is broadly stated as an entitlement alongside other measures, but specific programs are not described. For the elderly, the social pension is given as an entitlement, but benefit levels and other processes are not defined. These are instead governed by ministerial decree and therefore subject to change (ILO 2016). The Civil Welfare Arrangement Act similarly does not define allowances. The Social Security Act, by contrast, defines categories of insured persons, sets out entitlements and specifies mandatory contributions from government, employers and employees into the fund.

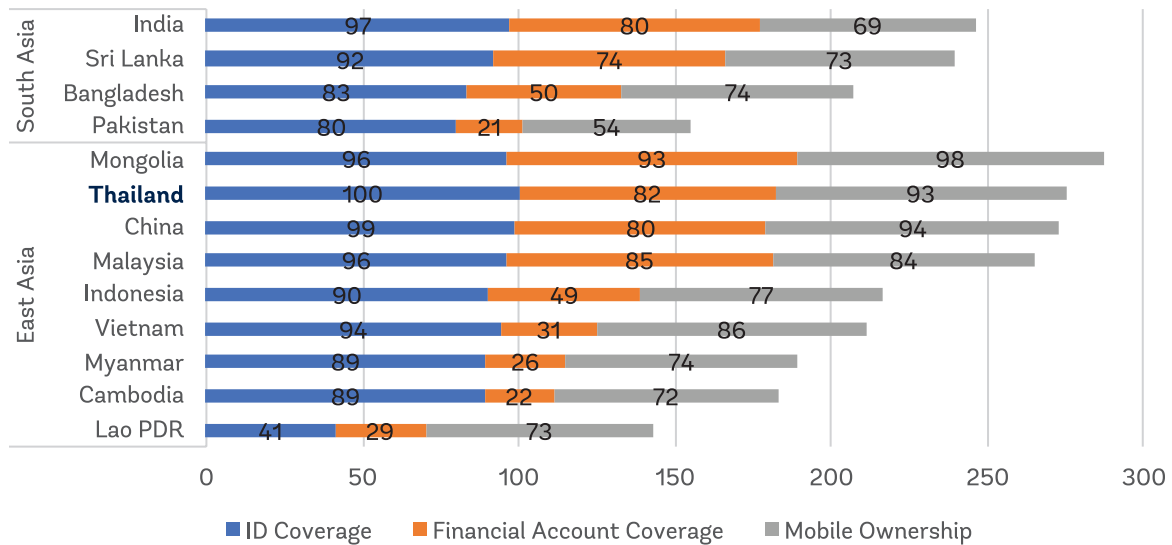
Codifying social protection in law can have the benefit of safeguarding it for future changes in administration, ensuring stability for beneficiaries, especially where programs need to mature over long timeframes. This has been the case in Thailand for key measures such as social security, the Old Age Allowance and the PWD Allowance, all of which were established under previous administrations, and continue through today.

However, the corollary is that laws, just like ministries, establish silos, and may hinder efforts at reform or coordination. This underscores the need for clear agenda setting and oversight of social programs through the articulation of a strategic framework and ongoing coordination between responsible agencies, to ensure that legislated programs and entitlements remain coherent.

**7.4. DELIVERY SYSTEMS**

Thailand ranks only behind Mongolia in South and East Asia on critical indicators for efficient and effective delivery of social protection programs. Near universal ID coverage (just under 100 percent) provides the government with a unique identifier to keep track of who is receiving which benefits. High rates of financial inclusion, through access to bank accounts and mobile money (82 percent) enable efficient, transparent and secure payment of benefits. High mobile phone ownership (93 percent) enables access to online and digital services including payments and, potentially, enrolment mechanisms.

<sup>16</sup> Previously, the 2007 Thai Constitution (repealed in 2014) put social protections more firmly on a rights-based footing. It set out rights to welfare and "appropriate aids from the state" for the elderly, PWD, the mentally impaired and the homeless, as well as the right to access to health care for all. Under the current 2017 Constitution, Thais still have the right to public health, but rights to "appropriate aids" are limited to people over sixty years of age "with insufficient income for subsistence" and to the "indigent". The state's responsibility to "protect labor to ensure safety and vocational hygiene, and receive income, welfare, social security and other benefits which are suitable for their living and should provide for or promote savings for living after their working age" are described in the current constitution as "Directives for state policy" rather than rights. By contrast, "equitable education" is stated as a right under the current constitution.

**Figure 24** Three key digital transformations

Source: Findex (2017), replicating Gelb (2019) in World Bank forthcoming.

## 7.5. IDENTIFICATION

**Thailand's national ID and civil registration system is well-established** and operated by the Bureau of Registration Administration (BORA) under the Ministry of Interior. Since 1909, Thailand has carried out various forms of civil and population registration, based on household books (the *tabien baan*) and ID cards for adults (Pannarunothai et al 2019). In 1982, the Government launched a large modernization program to digitize existing civil, population and household registration data and to upgrade to digital systems, including the introduction of a unique 13-digit personal ID (PID) number for every individual. The national ID system was upgraded in 2005 with automated fingerprint recognition, which has enabled the cleaning of population and household data, and the introduction of the national ID smartcard, which has since undergone several iterations.

**Thailand's population registry has near-universal coverage** (World Bank 2018c). PIDs are issued to individuals at birth registration and national ID cards are issued at age six, coinciding with the first compulsory year of school. Birth and death registration rates are also high (99 and 95 percent respectively). The Government of Thailand is making progress regarding registration coverage of migrant workers and

addressing the issue of statelessness among some border communities.

**In 2019, the National Digital ID (NDID) platform was launched, creating opportunities for more trusted online transactions such as beneficiary self-enrolment and managing entitlements.** The NDID is an initiative that allows citizens (and eventually legal entities and foreign residents) to create digital identities with third party digital identity providers (for example, banks and mobile network operators) for transactions and services. While the NDID platform itself was developed as open-source software<sup>17</sup> by the private sector and has been established as a public-private company, it was enabled by amendments to the Electronic Transactions Act and the ecosystem is supervised by the Electronic Transactions Development Agency (ETDA). The NDID moved from the Bank of Thailand remit in February 2020 to a pilot phase for financial sector use cases. During the COVID-19 lockdown period in April 2020, transactions on the pilot platform peaked at 160,000 per week among eight banks, a massive increase from the average of around 20,000 in the weeks prior (NDID 2020). Adoption of the NDID by social assistance and social security agencies in the future will allow more of their services to be available completely online.

<sup>17</sup> <https://github.com/ndidplatform>

## 7.6. ADMINISTRATIVE DATABASES

The widespread verification and seeding of the PID number into administrative databases allows Thai authorities to cross-reference applicants for social assistance programs with other data sources. This is most frequently done to exclude potential beneficiaries, for example because they are already covered by other insurance schemes, or to determine that income and assets are above eligibility thresholds. For

example, in an early phase of enrolment, SWC applicant data was checked against tax, occupational and other databases, in the process eliminating eight percent of applicants and saving an estimated USD 29.7–59.4 million. (World Bank 2017a, World Bank forthcoming).

The table below summarizes key national databases and their potential utility for assessing eligibility for social assistance programs.

**Table 16** Thailand's administrative databases

Source of data	Potential utility for social protection
National ID and Civil Registration System (PID), Bureau of Registration (BORA)	Validating identity, citizenship, location, household composition, family relationship, and age-dependent criteria; cessation of benefits on death.
Civil Servant Registry	Indicates coverage by health and social insurance schemes, grounds for exclusion for pension tested programs. Civil servants are excluded by category from some social assistance schemes.
Social Security Registry	Indicates coverage by private and public social insurance schemes, grounds for exclusion for pensions-tested programs.
Ministry of Public Health records	Disability status, HIV/AIDS status (noting sensitivity of these records).
Tax database, Ministry of Finance	Indicates income for means-tested programs.
Bank of Thailand Bond Holding records	Indicates income for means-tested programs.
Land registry	Indicates assets for means-tested programs.
Land and crop holdings (Ministry of Agriculture)	Indicates assets for means-tested programs.
Bank of Agriculture and Agricultural Cooperatives (BAAC)	Indicates category (farmers) eligible for specific types of public assistance.

**However, the utility of this approach is also constrained by the quality of data in administrative databases.** For example, only a small proportion of Thais pay tax, and land registry data may be out of date.

**Although desirable on efficiency grounds, cross-referencing of official data creates significant privacy risks that must be managed to ensure that efficiency does not trump confidentiality.** Accessing health records, for example, could assist in the identification of PWDs and PLWHA who may be eligible for assistance, but would require explicit and limited permissions. Care must be taken to protect user privacy and control through system design, and safeguard data privacy, security and user rights through legal and regulatory frameworks (World Bank 2017a).

**Further, the storing of PID numbers by multiple databases creates data protection risks,** as it may allow unauthorized correlation of data and compromise the security of PIDs. For example, there have been large leaks of national ID numbers in the Republic of Korea, South Africa, Columbia and India, not from the ID systems themselves but other systems that store these numbers. A data protection and security measure that countries are increasingly adopting to mitigate these risks is tokenization, where the PID itself is not stored in or used by other systems but is substituted by non-sensitive derivatives (or tokens) that can be mapped

back to the PID using cryptography or reference tables when needed.

## 7.7. SOCIAL ASSISTANCE PROGRAM REGISTRIES AND MANAGEMENT INFORMATION SYSTEMS (MIS)

**Thailand's 2016-2018 Digital Government Master Plan highlighted the government's inability to monitor and measure the effectiveness of government assistance provided to beneficiaries due to scattered and insufficient data.** The extent of data fragmentation was highlighted in the 2019 Digital Government Status Report, which found that between the Ministries of Social Development and Human Security, Finance, Labor and Public Health, there were 194 databases that were 'ready' and another 286 databases that were 'not yet ready' to be linked with others (DGA 2019). The Master Plan sets out the need for data from all agencies to be integrated, in order to determine suitable rights for each individual. It proposes a number of initiatives, including the development of a central registration system that allows people to apply for all types of social welfare from all government agencies, and automatic registration for the OAA so that those who become eligible at 60 receive the allowance without needing to actively register. A Universal Benefits Card was also proposed, that would collect personal data, review and record the use of benefits (DGA 2016).

### Box 8 Thailand's Universal Health Coverage (UHC) virtual registry

#### **Thailand's own UHC registry provides lessons on the potential for efficiencies unlocked by greater interoperability.**

The Universal Coverage Scheme (USC) scheme was initiated in 2002, establishing essentially free hospital care as an entitlement. To achieve true universality, authorities turned to the national population registry, which already had near-complete coverage. Using PIDs, National Health Security Office (NHSO) administrators identified and excluded members of the population already covered through the formal sector insurance schemes (SSS) or the Civil Servant Medical Benefit Scheme (CSMBS). The remainder formed the basis of the UCS registry.

Even though the three health insurance schemes are managed by different ministries (CSMBS by the Ministry of Finance, SSS by the Ministry of Labor, and the USC by the NHSO) (Tangcharoensathien et al 2019), their respective registries are interoperable under the management of the NHSO, updating in near-real time, ensuring that citizens who change jobs and move in and out of the government, private and informal sectors remain automatically covered by the relevant scheme. BORA provides updated data on births and deaths daily to the NHSO; newborns are automatically added to the UCS beneficiary registry while the deceased are automatically removed.

Source: World Bank 2018d.

**The Low-Income Earners Registry (LIER), established for the SWC program, was initially envisaged as an integrated social registry for Thailand's social assistance programs.**

To date, the LIER has been used primarily to determine eligibility of only a single program, the SWC. As noted in Section 2, however, the B30,000 and B100,000 income thresholds for the SWC are also applied to other programs, including the CSG, an additional payment for the indigent elderly and economic stimulus top-ups. This suggests that information sharing between program beneficiary lists is necessary, although the extent to which it occurs is not clear. When first envisaged in 2016 and 2017, there were reportedly more ambitious plans to integrate data from other social assistance programs into the LIER and build in interoperability with other government datasets through web-based Application Programming Interfaces (APIs); however this does not appear to have occurred.

**Data quality issues and limited interoperability appear to have called the credibility of the LIER into question.** A 2020 state audit report of the LIER found it lacked linkages with other databases operated by government agencies working with low income and vulnerable groups. It also highlighted the lack of data review procedures resulting in incomplete, incorrect and un-updated beneficiary data, so that the LIER “lacks the credibility to be used for meaningful program management” (State Audit Office 2020).

**The COVID-19 response appears to have involved a comprehensive effort to cross-reference social protection databases to date, aimed at ensuring broad coverage while avoiding duplication of COVID-specific payments.** According to reports, authorities cross-referenced informal worker applicants for ‘No-One Left Behind’ with farmer data in BAAC to determine who should receive payments under which scheme. Early on, this step created some confusion, with some applicants being told they were ineligible for payments because their names appeared in BAAC records (Bangkok Post 2020d and 2020e); presumably, however, they eventually qualified for farmer assistance, which was announced subsequently. ‘No-One Left Behind’ applicants were also cross-checked against social security data. Authorities then cross-referenced databases for recipients of social assistance for the elderly, PWD, children and SWC holders, to provide top-ups to those who had not already received the emergency COVID-19 schemes. The need for manual data matching was

blamed for delays to top-up payments for vulnerable people through pre-existing programs, although these appear to have been resolved within months, and still constitute a rapid response by international standards.

**With the benefit of hindsight, Thai authorities could perhaps have better used the rich data available to them to plan the scope of its COVID-19 response, by emulating the approach it used for universal health coverage.** Initially, Thai authorities estimated that three million people would qualify for the program, but quickly expanded it to nine million and finally 15 million in response to high demand. As discussed in Chapter 3, 30.7 million individuals – 10 times the earliest estimate – ultimately appear to have been eligible for some form of COVID-19 assistance. Although No One Left Behind reached a large cohort, it only extended social assistance by less than ten percent to 81.5 percent, from regular coverage of 72 percent, indicating many if not most informal workers already lived in households covered by the pre-existing social safety net.

**Guaranteeing COVID-19 compensation to all individuals (or families) not already covered by formal social insurance schemes could have resulted in less initial public confusion and anxiety when initial applications were rejected, saved the complexity of assessing individual eligibility for the emergency informal worker and farmer programs, and ultimately reached a similar group of people.**

## 7. 8. ENROLMENT, REGISTRATION AND VERIFICATION

**Applications for the SWC program are opened periodically rather than being available on-demand,** and lodged through state-owned banks (Krungthai Bank, Government Savings Bank, BAAC), piggybacking on widespread bank networks and points of service. In 2017, 70,000 student surveyors were deployed to verify income and asset information provided by applicants; this step does not seem to have been subsequently repeated (Bangkok Post 2017). As noted above, cross-referencing applicant data with other sources has been more effective at excluding applicants whose income or assets exceed the eligibility thresholds. The Cards themselves are valid for five years (see Figure 17), and to date there appear to have been no efforts at recertification or updating of socio-economic data.

**Local authorities play a greater role in registration for the CSG and programs for the elderly and PWD.** CSG beneficiaries are identified by community health and social volunteers and village heads, with registration and verification managed by sub-district administrative organizations under the auspices of the Ministry of the Interior (UNICEF 2019). A 2017 assessment found that 85 percent of participants met eligibility criteria, suggesting some error due to the discretion of certifiers (Thammasat 2017), although this discrepancy is relatively minor. Applicants for the OAA and PWD Allowance register at local administrative offices. Applications for the OAA are processed annually, meaning there can be a significant lag between an individual turning 60 and receiving benefits (Badiani-Magnusson 2016).

**At the height of COVID-19 related restrictions, the need for social distancing led to an increase in the use of online channels for enrolment and verification.** Applicants for the No-One Left Behind program were required to apply through a web portal, and were able to contest the ruling and provide supplementary information through the same channel. Notably, hundreds of thousands of applicants reportedly made use of the “cancel application” button on the website registration page, after Thai authorities threatened legal action against those submitting fraudulent claims (World Bank 2020d). Separately, the Ministry of Social Development and Human Security created a simple online

‘lookup’ function that allowed individuals to check whether they were registered for payments under the elderly, PWD and CSG schemes, indicating that automated cross-checking of these registries is possible.

## 7.9. STRENGTHENING DATA GOVERNANCE: TOWARDS A VIRTUAL SOCIAL REGISTRY FOR THAILAND

In line with the direction set out in the Digital Master Plan, **Thailand is already in a strong position to establish a virtual social registry.** Between its regular social assistance programs, which reach 72 percent of the population, its social security coverage and the recent enrolment of 15 million informal sector workers into No-One Left Behind, the likely basis of a proposed Informal Workers registry, the large majority of the population is now likely registered for some form of social protection.

**Thailand’s own Universal Health Care registry, along with international examples like Turkey’s Integrated Social Assistance System (ISAS) demonstrate the value and efficiency of increased interoperability between social protection programs, and with other sources of administrative data.**

### Box 9 Social Registries

Social Registries are information systems that support outreach, intake, registration and determination of eligibility for one or more programs. They differ from Beneficiary Registries, which include information only on those enrolled in specific programs to support beneficiary enrolment and benefits administration. When multiple programs use an integrated social registry, it can play a useful policy role by coordinating efforts to reach intended populations and facilitating synergies across programs aiming to deliver complementary benefits and services to common groups (World Bank 2017c).

Social registries are Multisided Service Platforms that can help connect people to a range of public services. These include social protection, health, and financial inclusion, based on the principle of “progressive universalism,” expanding coverage, and in the process, prioritizing the poorest people. If the social registry is to serve its “inclusion” role, it is important that it covers as many potential recipients of social programs (or other “user programs”) as possible.

Social registries may draw on data from other information systems. Data can be collected from other administrative systems to prefill application forms or supplement self-reported information provided by registrants. Integration with other systems verifies the information captured from the client by making sure that it matches information contained in other authoritative administrative systems (external cross-checks). Finally, data resulting from the assessment of needs and conditions can be delivered through the registry to other programs to help them make eligibility and enrollment decisions.



Social registries foster coordination of programs and create savings. When linked to a unique ID number, these platforms can reduce costs associated with inclusion errors. In Pakistan, the social registry, which includes about 85 percent of the population and has provided access to data to 70 institutions and programs both for eligibility and analytical purposes, contributed to savings of USD248 million. In South Africa and Guinea, a similar process saved USD157 million and USD13 million, respectively. In Argentina, linking 34 social program databases to the unique ID number of beneficiaries revealed inclusion errors in eligibility for various social programs. This led to USD143 million in savings over an eight-year period.

Source: World Bank 2018d.

#### Box 10 Turkey's 'virtual' Integrated Social Assistance System (ISAS)

Turkey operates a 'virtual' social registry used by categorical and means-tested programs to determine eligibility and provides a possible model for improving interoperability. Modules developed for individual types of assistance draw on two overall sources, depending on the eligibility criteria for each.

First, programs can draw information from various administrative databases, including the civil registry, social security records, taxation and business registration, land and motor vehicle registries and others. This in itself may be sufficient for determining eligibility for categorical programs.

Second, the ISAS houses additional data on income and assets are required for means-tested programs. In Turkey, this is collected through an on-demand application process (applicants visit local government offices or apply through proactive registration by officials during home visits.)

Between these two mechanisms, the ISAS contains socio economic data on 45 percent of the population but can access limited data on much of the population through linkages to other databases.

The ISAS is considered a 'virtual' registry because it is achieved through interoperability between these other datasets, rather than full integration into a single data set. Critical to the success of this approach in Turkey was universal coverage of the National ID and its ubiquitous use across administrative datasets.

Source: Barca 2017.

**Building a virtual social registry, with the capacity to access data on nearly everyone, would also increase Thailand's capacity for shock-responsive social protection,** essentially by rationalizing and streamlining the processes that Thailand has successfully employed in response to the COVID-19 crisis. National social protection programs are not currently used to channel emergency assistance in response to natural disasters, but there would be benefits in doing so. Programs such as the SWC, CSG, Old Age and PWD allowances could be used to identify the already vulnerable in affected areas. Established delivery systems, especially the electronic payments platform, would expedite assistance, while the national structures could allow for more sustained

benefits and support to assist with longer term recovery (OPM 2018).

**However, as a foundation for improving interoperability, there is also a need to build the strength and credibility of the data, especially for estimating income and eligibility for poverty targeted programs.** Improving the quality of poverty and administrative data is important as Thailand moves towards greater interoperability between sources; a social registry can only be as good as the data contained in its component databases. Careful processes will be needed to establish the hierarchy of available data, to ensure that correct data is being assigned to each person.

**If not already the case, the LIER should serve as the primary reference point for all poverty-targeted programs, and be strengthened through on-demand updating. Multiple enrolment mechanisms already in use could be leveraged to support this.** An online portal, like the one established for 'No-One Left Behind' could allow for applications to be made at any time and create the potential for the government to issue regular (for example, annual) requests for income and asset information to be updated. Banks could be instructed to receive applications on an ongoing basis. In the case of those for whom the internet and bank branches remain inaccessible, community volunteers and local governments will continue to play an important outreach role to identify the most vulnerable.

**Enabling 'on demand' rather than periodic registration for key social assistance programs can ensure data remains current, which in turn improves data quality and credibility.** 'On-demand' or 'dynamic' updating can go some way towards reducing exclusion error, as it means individuals and families may be able to apply for support when circumstances change.

**Improving interoperability and increasing the frequency of data updating should, together, create other opportunities to improve targeting.** Greater linkages with administrative databases (like motor vehicle registries, as in the Turkey example) would create more opportunities for affluence testing, to reduce inclusion error. A virtual social registry could also provide a mechanism for identifying instances where individuals and households are eligible for multiple benefits. This may be particularly relevant in Thailand where individual program benefits are relatively low, and value is derived from accessing a 'package' of programs. This may also illuminate opportunities to rationalize or consolidate programs to reduce the complexity of the overall system – although reducing duplication of benefits, mentioned as a priority in the current medium-term plan, should not be the focus until

adequacy is better understood and addressed.

## 7. 10. PAYMENT SYSTEMS

**Financial inclusion in Thailand is relatively high with an estimated 82 percent of the population aged 15 and over having a bank account.** Since 2002, the Bank of Thailand (BOT) has had four successive Payment System Roadmaps to enhance the integrity and efficiency of Thailand's payment ecosystem, including to increase the proportion of cashless payments as a fundamental feature of the 'Thailand 4.0' economic development strategy and prerequisite for Thailand's shift to a digital economy (BOT 2019).

**Authorities have driven adoption and registration for PromptPay by channeling Government-to-Person (G2P) payments through the system, including social assistance benefits and income tax returns.** The introduction of the PromptPay platform in 2016 was a flagship initiative of the Thailand 4.0 economic development policy, which has enabled instant, low-cost and interoperable payments between and among people, businesses and government by linking bank accounts and e-money wallets to PID numbers, mobile phone numbers, and corporate registration numbers. As of December 2018, 46.5 million users were registered with PromptPay (BOT 2019).

**Both regular social assistance and emergency COVID-19 payments are paid via electronic transfer.** Applicants for 'No-One Left Behind' were required to have a deposit account in any financial institution or have a PromptPay account registered as one of the eligibility criteria. CSG payments are made through this system (UNICEF 2019); it is also used to transfer SWC allowances. Older programs, including the OAA and PWD Allowances, that pre-date the introduction of PromptPay in 2016, have transitioned to using the platform for payments (Bangkok Post 2018c).

### Box 11 Chile's Social Household Registry

In Chile, people can apply and be registered into the Registro Social de Hogares (RSH), the country's social registry, to be assessed and considered for eligibility for numerous social programs. There are three intake modalities, two of which are online, and a third which is in person at the municipality office. The first online intake modality requires the use of the applicant's civil registry password and allows the applicant to submit all required data and supporting documents through the RSH website. The municipality later validates this information, with no need for the applicant to go to the municipality office in person, and this is followed by a household visit conducted by a municipality enumerator. The second online intake modality requires the use of the applicant's unique identification number and allows the applicant to apply and submit required documents. This modality requires an in person visit to the municipality office so that the applicant can show proof of their identity, validate the information, and hand in any pending documents.

Source: Chile, Ministry of Social Development and Family, 2017.



# CHAPTER 8.

## CONCLUSION AND RECOMMENDATIONS

### Thailand's social protection system is in many ways comprehensive.

It has the capacity to reach a high proportion of the population, and reaches most categories of vulnerable groups, including the poor. Spending on social protection has been progressively increasing along with the coverage and adequacy of programs. Its strong identification, payment and (to a lesser extent) registration systems rose to the considerable challenge of mustering a major COVID-19 response effort, which appears to have been broadly effective.

This report makes recommendations for strengthening Thailand's social protection and labor market systems in four areas:

### 1. Strengthen social security coverage and adequacy, including by subsidizing coverage for informal sector workers.

**Social security coverage of informal sector workers, representing over half the workforce, is the most significant gap in Thailand's social protection system.** Schemes for the informal sector are voluntary and despite matching contributions and different contribution rates offered to workers, remain under-subscribed. In line with global trends, the Thai workforce is not formalizing. Building on Thailand's approach to achieving universal health coverage, social security must be de-linked from formal or informal employment status, requiring greater investment by government to extend protections to workers.

Recommendations:

- **Consider expanding minimum contingent coverage against shocks for informal sector workers, including for unemployment, as well as providing retirement income in old age.** This may mean further expanding government subsidies.
- **Improve the adequacy of existing pension schemes** by indexing retirement benefits to prices and indexing the wage ceiling on which SSF retirement benefits are calculated to wage growth (as the case in most OECD countries).
- **Improve the sustainability and fairness of existing pension schemes** through parametric reforms including gradually

raising the retirement age, actuarially fair adjustments for early or late retirement and raising the contribution rate once the COVID-19 crisis subsides.

### 2. Improve the generosity, design and targeting of social assistance programs

**Greater investment is also necessary if the system is to contribute to reducing poverty in line with government targets.** Benefit sizes and overall expenditure, despite having increased over the past years, remain among the lowest in the region, and in comparison with other middle-income countries. Overall coverage of social assistance is large however adequacy remains low. With the economic impacts of COVID-19 still very much present, continued assistance to poor and vulnerable groups, including informal sector workers, will be necessary.

Recommendations:

- **Determine a maximum/minimum package of benefits that households may receive, based on assessment of how multiple benefits currently accrue to households, and where gaps, overlaps and opportunities for rationalisation exist.** This will be critical going forward so ensure that beneficiaries receive adequate support, and that the government is able to track what individual households receive. **This may require raising benefit levels, and therefore spending, for some programs.**
- **Convert the current set of SWC allowances to a basic cash payment,** reducing the nominal value of the benefit while increasing its utility for recipients.
- **Consider adjustments to the way programs are targeted.** If reaching the poorest is a primary goal, attempting narrower targeting may conversely lead to greater exclusion without other adjustments. Instead, Thailand could consider adjusting maximum thresholds for inclusion and greater affluence- and pensions-testing to reduce inclusion error.
- **Harmonize targeting and enrolment for poverty targeted programs (primarily the SWC and CSG),** to create efficiencies.
- **Extend benefits to the informal sector and other vulnerable groups until the economy recovers.** This would represent a sound investment in poverty and inequality reduction, improving productivity, and enhancing resilience.

**3. Invest in active labor market programs to transition to demand-driven skills training and employment services informed by a real-time labor market information system.**

In both the short and long term, social protection will need to be complemented by labor market policies tailored to the needs of a knowledge-based economy. In the short term, upskilling and reskilling workers displaced by the labor market disruptions caused by the COVID-19 outbreak will be essential. In the longer term, Thailand's aging population and the changing nature of work will see the workforce shrink, potentially creating skills shortages. But weaknesses in matching training programs to labor market demands and in providing effective employment services present a challenge at the very time when changing skills needs require them most.

Recommendations:

- **Invest immediately in upskilling and reskilling programs to help workers displaced by the COVID-19 outbreak to find jobs.** Training can be linked to wage subsidies that incentivize firms to hire workers or to startup support to stimulate livelihoods opportunities. This training can be targeted to vulnerable groups, including those receiving social assistance, to encourage moves into wage employment and more sustainable self-employment. This approach could build on the experience providing training and other assistance to SWC holders. Support could be expanded to include financial services, job search assistance, and access to markets. While Thailand continues to impose transmission control restrictions to combat the COVID-19 outbreak that affect normal business activity, employment retention schemes that incentivize employers to retain workers can also be implemented. But these should be time-limited and phased out as the recovery from the COVID-19 outbreak takes hold.
- **Invest in a labor market information system that could serve as a backbone for delivering effective labor market programs.**

An advanced labor market information system not only supports basic employment services functions such as job matching and career and skills guidance, but also serves as a platform to coordinate government support for unemployment insurance, active labor market programs, and other government programs, and to generate real-time, demand-driven labor market information and analysis. A high-performing labor market information system is a necessary step in creating an outcomes-based employment services and training system that rewards the provision of skills that are in demand and that leads to good jobs. Such an outcomes-based employment services and training system that rewards service providers who deliver improvements to beneficiaries' employment and wages should be the ultimate goal of reforming active labor market policies.

- **Evaluate the effectiveness of existing active labor market programs.** Evaluations of active labor market programs in Thailand are scarce. Undertaking high-quality evaluations could help determine where interventions should be scaled up, better targeted, or eliminated.

**4. Establish more coordinated and coherent data governance and policy making for social protection across government.**

**Underpinning these recommendations is the need to improve policy and data coherence for social protection.** Between Thailand's regular social assistance programs, its social security coverage and the recent enrolment of 15 million informal sector workers for emergency COVID-19 benefits, the large majority of the population is likely now registered for some form of social protection. **Harnessing the capacity within the system to create a virtual social registry that would make data sharing automated and routine would enable greater visibility and oversight of the system for policy makers.** It would also improve targeting and make the system more shock responsive. **Data quality in the Low-Income Earner's Registry has called its credibility into question and also needs to be improved.**

## Recommendations:

- **Establish a virtual social registry** to support outreach, intake, registration and eligibility determination for all social assistance programs and introduce on-demand updating to strengthen the collection of socio-economic data for targeting poverty programs and enable real-time and comprehensive decision-making. In contrast to a single registry, a virtual registry is essentially a platform that links databases and information systems to exchange and match data in real-time. This is a more dynamic mechanism and Thailand has a strong opportunity to put

it in place because of some of the foundational elements already exist, especially through the wide use of the PID.

- **Establish data sharing protocols and mechanisms for informed consent and put in place or strengthen privacy protections for personal data.**
- **Improve coherence of the social protection system and labor system**, by developing a national social protection strategy and establishing inter-agency coordination, as well as by leveraging the virtual social registry.

Table 17 Proposed sequence of actions and reforms

<b>0-6 months</b>	<p>Extend emergency payments through the SWC program into the first half of 2021. Open enrolments for SWC, to allow newly impoverished individuals to register for assistance.</p> <p>Trial online enrolments to supplement existing face-to-face options, building online registration undertaken during COVID-19 restrictions.</p> <p>Invest in upskilling and reskilling programs to help workers displaced by the COVID-19 outbreak to find jobs, linked to subsidies (vouchers) that finance training and act as wage subsidies.</p> <p>Implement time-limited employment retention measures to protect jobs in the short-term while transmission control measures remain in place.</p>
<b>6-18 months</b>	<p>Establish an inter-agency coordination mechanism for social protection and labor programs, under the auspices of the Office of the Prime Minister or the Ministry of Finance.</p> <p>Undertake further analysis of how regular and emergency social protection benefits and services accrue to individuals and households. Review social assistance registries, eligibility criteria and overlaps.</p> <p>Evaluate the effectiveness of existing active labor market programs. If appropriate, expand active labor market schemes for SWC holders, building on lessons from first two rounds in 2018 and 2019.</p> <p>Draft social protection and labor market strategy, considering options for:</p> <ul style="list-style-type: none"> <li>- determining a maximum/minimum package for social assistance benefits at the household level and improving adequacy;</li> <li>- expanding minimum contingent coverage for informal workers, including through greater government subsidies;</li> <li>- indexing retirement benefits to prices and indexing the wage ceiling based on which SSF retirement benefits are calculated to wage growth;</li> <li>- gradually raising the retirement age, actuarially fair adjustments for early or late retirement and raising the contribution rate once the COVID-19 crisis subsides;</li> <li>- transitioning to a results-oriented training and employment services system;</li> <li>- expanding linkages and referral pathways between social assistance, social insurance and active labor market schemes.</li> </ul> <p>Prepare a road map for data governance reforms, including establishment of a virtual social registry.</p> <p>Transition to an electronic cash payment for SWC, with a view to eliminating other allowances.</p> <p>Invest in a labor market information system that could serve as a backbone for delivering effective labor market programs.</p>

**18-36  
months  
(1.5-3  
years)**

Implement the road map for data reforms, including to:

- harmonize targeting and registration for poverty targeted programs, and introduce on-demand updating to improve data quality and reduce exclusion error;
- Establish a virtual social registry that links existing program and administrative datasets through APIs;
- Establish data sharing protocols and privacy protections.

Implement social protection and labor market reforms, including to:

- Roll out new schemes for informal workers; monitor and evaluate uptake and effectiveness;
- Consolidate and improve adequacy of social assistance schemes

## REFERENCES

Andrews, Colin, Aude de Montesquiou, Inés Arévalo Sánchez, Puja Vasudeva Dutta, Boban Varghese Paul, Sadna Samaranayake, Janet Heisey, Timothy Clay, and Sarang Chaudhary. 2020. "Preview: The Potential to Scale: Economic Inclusion for the Poorest. The State of Economic Inclusion Report." World Bank, Washington, D.C.

Alatas, Vivi. 2011. *Program Keluarga Harapan: Impact Evaluation of Indonesia's Pilot Household Conditional Cash Transfer Program*. Washington, DC: World Bank

Archibald, Edward, Laura Alfery, Courtenay Cabot Venton, Colin Andrews, Aude De Montesquiou, and Puja Dutta. 2020. "The potential role of economic inclusion programmes to respond to those affected by COVID-19." Partnership for Economic Inclusion, World Bank, Washington, D.C.

Ariyapruchya, Kiatipong, Arvind Nair, and Mahama Samir Bandaogo. 2020. "Thailand in the Time of COVID-19". *Thailand Economic Monitor*. June 2020 Washington, D.C.: The World Bank Group.

Ariyapruchya, Kiatipong, Kevin C. Chua, Mahama Samir Bandaogo, Dilaka Lathapipat, Sutayut Osornprasop, and Judy Yang. 2019. "Inequality, Opportunity and Human Capital" *Thailand Economic Monitor*. January 2019 Washington, D.C.: The World Bank Group.

ASEAN Secretariat. 2010. "Regional and Country Reports of the ASEAN Assessment on the Social Impact of the Global Financial Crisis." The ASEAN Secretariat, Jakarta.

Asenjo, Antonia and Clemente Pignatti. 2019. "Unemployment insurance schemes around the world: Evidence and policy options." ILO Research Department Working Paper No. 49, ILO, Geneva.

ASPIRE 2020. *Atlas of Social Protection: Indicators of Resilience and Equity* Washington, D.C: The World Bank Group  
<https://www.worldbank.org/en/data/datatopics/aspire>

Bangkok Big News 2020 เช็กเงินเยียวยา 3,000 บาท 'บัตรคนจน' เข้าหรือยัง? มีช่องทางไหนบ้าง? 8 July 2020  
<https://www.bangkokbignews.com/news/detail/888362>

--- 2020b 'บัตรคนจน' บัตรสวัสดิการแห่งรัฐ สูญหาย-ชำรุด ต้องทำอะไร? 4 December 2020  
<https://www.bangkokbignews.com/news/detail/885459>

Bangkok Post 2021a "Govt approves COVID handouts" 13 January 2021  
<https://www.bangkokpost.com/thailand/general/2049843/govt-approves-covid-handouts>

--- 2021b "Relief package wins green light" 27 January 2021  
<https://www.bangkokpost.com/business/2057547/relief-package-wins-green-light>

---2020c "Support scheme for tourism staff" 27 January 2021  
<https://www.bangkokpost.com/business/2057703/support-scheme-for-tourism-staff>

---2021d "B4000 handouts for salaried workers approved" 15 February 2021  
<https://www.bangkokpost.com/thailand/general/2068627/b4-000-handouts-for-salaried-workers-approved>

---2021e "Cabinet approves plan to set up national pension fund" 31 March 2021  
<https://www.bangkokpost.com/thailand/general/2092203/cabinet-approves-plan-to-set-up-national-pension-fund>

--- 2020a "Cabinet approves B117bn stimulus" 24 March 2020  
<https://www.bangkokpost.com/business/1885515/cabinet-approves-b117bn-stimulus>

--- 2020b Officials expect cash subsidy to reach 24m 20 September 2020  
<https://www.bangkokpost.com/business/1987343/officials-expect-cash-subsidy-to-reach-24m>

--- 2020c "Social Security Fund assures its Stability" 4 May 2020

<https://www.bangkokpost.com/thailand/general/1912500/social-security-fund-assures-its-stability>

--- 2020d "Over 1m appeal cash handout rejection" 22 April 2020

<https://www.bangkokpost.com/business/1904645/over-1m-appeal-cash-handout-rejection>

--- 2020e "Data Mayhem Must be Fixed" 27 April 2020

<https://www.bangkokpost.com/opinion/opinion/1908100/data-mayhem-must-be-fixed>

--- 2020f "Disability Pay Hike on the Way" 30 January 2020

<https://www.bangkokpost.com/thailand/general/1846509/disability-pay-hike-on-way>

--- 2019 "Family income joins new welfare criteria" 23 December 2019

<https://www.bangkokpost.com/business/1436174/7-000-state-agencies-preparing-e-payments>

--- 2018a "BAAC to Begin Job Training as Welfare" 23 May 2018.

<https://www.bangkokpost.com/business/1470897/baac-to-begin-job-training-as-welfare>

--- 2018b "Ministry 'firm' on proposed SSF hikes" 4 September 2018

<https://www.bangkokpost.com/thailand/general/1533358/ministry-firm-on-proposed-ssf-hikes>

--- 2018c "7,000 state agencies preparing e-payments" 28 March 2018

<https://www.bangkokpost.com/business/1822089/family-income-joins-new-welfare-criteria>

--- 2017 "Welfare Scheme: Mending the Safety Net" 6 November 2017

<https://www.bangkokpost.com/business/1355279/welfare-scheme-mending-the-safety-net>

BOT (Bank of Thailand) 2018.

<https://www.bot.or.th/Thai/MonetaryPolicy/EconomicConditions/AAA/AgePeriodCohort.pdf>

--- 2019. Payment Systems Roadmap No. 4 2019-2021 Bangkok.

[https://www.bot.or.th/English/PaymentSystems/PolicyPS/Documents/PaymentRoadmap\\_2021.pdf](https://www.bot.or.th/English/PaymentSystems/PolicyPS/Documents/PaymentRoadmap_2021.pdf)

Barca, Valentina. 2017. *Integrating data and information management for social protection: social registries and integrated beneficiary registries*. Canberra: Commonwealth of Australia, Department of Foreign Affairs and Trade.

Bastagli, Francesca, Jessica Hagen-Zanker, Luke Harman, Valentina Barca, Georgina Sturge and Tanja Schmidt, with Luca Pellerano (2016). *Cash transfers: what does the evidence say? A rigorous review of programme impact and of the role of design and implementation features*. Overseas Development Institute: London, UK.

Boockmann, Bernhard. 2015. "The Effects of Wage Subsidies for Older Workers." *IZA World of Labor* 189:1-10.

Carranza, Eliana, Thomas Farole, Ugo Gentilini, Matteo Morgandi, Truman Packard, Indhira Santos, and Michael Weber. 2020. "Managing the Employment Impacts of the COVID-19 Crisis: Policy Options for Relief and Restructuring." *Jobs Working Paper Issue No. 49*, World Bank, Washington, D.C.

Chandoevit, Worawan. 2012. "Review of Unemployment Insurance in Thailand after Nine Years of Implementation." *TDR Quarterly Review* 27(4):3-12

Chile, Ministry of Social Development and Family. 2017. *Household Social Registry: System that Supports the Selection of Users of Social Benefits*. Undersecretary of Social Evaluation, Ministry of Social Development and Family, Santiago.

Chongcharoentanawata, Patima, Franziska Gassman, and Pierre Mohnen. 2018. "Thailand's Vocational Training and Upward Mobility: Impact Heterogeneity and Policy Implications." *UNU-MERIT Working Paper Series 2018-043*, Maastricht University, Maastricht.

Comptroller General Report. 2018. รายงานการเงินรวมภาครัฐ ประจำปีงบประมาณ พ.ศ. ๒๕๖๒

[http://cfs.cgd.go.th/cgd\\_app/web\\_contents\\_resources/financial\\_statement\\_cgd/fs\\_G\\_2561.pdf](http://cfs.cgd.go.th/cgd_app/web_contents_resources/financial_statement_cgd/fs_G_2561.pdf)



Davis, Benjamin., Sudhanshu Handa, Nicola Hypher, Natalia Winder Rossi, Paul Winters, Jennifer Yablonski., 2016. "Conclusions and Policy Implications for Cash Transfer Programmes". In: Davis, Benjamin., Sudhanshu Handa, Nicola Hypher, Natalia Winder Rossi, Paul Winters, Jennifer Yablonski., (eds.) *From Evidence to Action: The Story of Cash Transfers and Impact Evaluation in Sub-Saharan Africa*. Oxford University Press, Oxford.

DGA (Digital Government Development Agency) 2019 Thailand Digital Government Status Report 2019 , [https://dga.or.th/upload/download/file\\_cb344d4628230d44bb212cf9d195b341.pdf](https://dga.or.th/upload/download/file_cb344d4628230d44bb212cf9d195b341.pdf)

--- 2016 *Thailand's 3 year Digital Government Development plan (2016-2018)*  
[https://www.dga.or.th/upload/download/file\\_063cf0c8ee170546f38a9afb789d6aea.pdf](https://www.dga.or.th/upload/download/file_063cf0c8ee170546f38a9afb789d6aea.pdf)

DOP (Department of Elderly Persons) 2017. "Summary Statistics for the Elderly Enrollment in State Welfare Card in 2017" (Knowledge section, Elderly statistics), <http://www.dop.go.th/th/known/side/1/1/139>

Tineke Dijkhoff and George Mpedi Letlhokwa. 2018. Recommendation on social protection floors. Wolters Kluwer.

DSD (Department of Skills Development) 2019. ก.แรงงาน ร่วมออมสิน ฝึกคนจน ให้ทุนประกอบอาชีพ *Department of Skill Development, GNews*. 8 November 2019. <https://gnews.apps.go.th/news?news=50165>

Dutta, Puja Vasudeva.and Sen, S. 2018. *Vietnam: Building an effective and sustainable social assistance system*. Hanoi: World Bank. Unpublished paper.

EEF (Equitable Education Fund). 2018. "Opening Door of Opportunity"  
[https://www.eef.or.th/wp-content/uploads/2019/07/eef\\_brochureEng.pdf](https://www.eef.or.th/wp-content/uploads/2019/07/eef_brochureEng.pdf)

EPRI (Economic Policy Research Institute) and Thailand Research Development Institute (TRDI). 2019. *Thailand Child Support Grant (CSG) Impact Evaluation Report*.

Evans, David K and Anna Popova. 2017. "Cash Transfers and Temptation Goods". *Economic Development and Cultural Change* 65(2): 189-221.

FPO (Fiscal Policy Office) 2019a. 'FPO Symposium 2019 คลัง คิด เศรษฐกิจเชิงพื้นที่'  
<http://www.fpo.go.th/main/General-information-public-service/FPO-symposium/11123.aspx>

---2019b 'Measures to Improve the Quality of Life of the State Welfare Card, Phase 2, and Money Adding to the Electronic Wallet in the State Welfare Card' (FPO, GNews) January 16, 2019., <https://gnews.apps.go.th/news?news=34022>

--- 2018. 'Measures to Improve the Quality of Life for the State Welfare Card's Holders' (FPO, No.3/2018). January 11 2018. <http://www2.fpo.go.th/FPO/modules/Content/getfile.php?contentfileID=14644>

Gentilini, Ugo, Mohamed Almenfi, Pamela Dale, Ana Veronica Lopez, Ingrid Veronica Mujica, Rodrigo Quintana, and Usama Zafar. 2020. *Social Protection and Jobs Responses to COVID-19: A Real-Time Review of Country Measures "Living paper"* Version 11 (June 12, 2020).

Giles, John and Yang Huang. 2017. "Universal Social Pension and Spousal Labor Supply in Rural Thailand." Mimeo.

Grimwade, Mary and Petra Neumann. 2019. "Migration Policy and Practice in Thailand." In *Thailand Migration Report 2019*, edited by Benjamin Harkins, 27-41. Bangkok: United Nations Thematic Working Group on Migration in Thailand.

The Nation. 2020. 'Unemployed? Learn a new skill and get a per diem of B150 for 15 days'. 22 April 2020. <https://www.nationthailand.com/news/30386555>

The Nation. 2019. "Welfare card holders can withdraw cash for three months" 15 January 2019 <https://www.nationthailand.com/national/30362311>



Hagen-Zanker, Jessica, Richard Mallett and Anita Ghimire. 2015. *How does Nepal's Child Grant work for Dalit children and their families? A mixed methods assessment of programme delivery and impact in Bajura and Saptari*. ODI and UNICEF.

HelpAge. 2017. *Old age income security in Thailand* HelpAge East Asia/Pacific.

Holmemo, Camilla; Acosta, Pablo; George, Tina; Palacios, Robert J.; Pinxten, Juul; Sen, Shonali; Tiwari, Sailesh. 2020. *Investing in People: Social Protection for Indonesia's 2045 Vision*. World Bank, Jakarta.

ILO (International Labor Organization). 2016. "Improving the lives of older persons through universal social pensions: Thailand" *Social Protection in Action: Building Social Protection Floors* August 2016 Geneva, Switzerland: ILO.

--- 2020. "COVID-19: Impact on migrant workers and country response in Thailand" (Update 3 July 2020).

Country office for Thailand, Cambodia and Lao PDR. Accessed at:

[https://www.ilo.org/wcmsp5/groups/public/---asia/---ro-bangkok/---sro-bangkok/documents/briefingnote/wcms\\_741920.pdf](https://www.ilo.org/wcmsp5/groups/public/---asia/---ro-bangkok/---sro-bangkok/documents/briefingnote/wcms_741920.pdf)

IMF (International Monetary Fund). 2020. "Policy Responses to COVID-19 Policy Tracker: Thailand".

<https://www.imf.org/en/Topics/imf-and-covid19/Policy-Responses-to-COVID-19#T> Accessed 1 October 2020.

Isranews. 2018. ก.คลังเผย 1 ปี ฝึกอาชีพผู้ถือบัตรคนจน ต่อยอดมีงานทำ 78% 22 November 2018.

<https://www.isranews.org/isranews-news/71376-news-71376.html>

Kapook. 2019. "กองทุนการออมแห่งชาติ กับ 20 คำถามยอดฮิตที่จะทำให้คุณเข้าใจกองทุนฯ มากขึ้น"

(20 Frequently Asked Questions to help you understand the National Savings Fund". Updated 28 June 2019.

<https://money.kapook.com/view127422.html>

Lindert, Kathy, Tina George Karippacheril, Ines Rodriguez Caillava, Kenichi Nishikawa Chavez. 2020.

*Sourcebook on the Foundation of Social Protection Delivery Systems* Washington DC: World Bank Group.

Lipatpaiboon, Patcharaporn and Nuntanid Thongsri. 2018. "Industrial Robots and Its Impacts on Labor Market."

Bank of Thailand, Bangkok.

Mason, Andrew D. and Sudhir Shetty. 2019. *A Resurgent East Asia: Navigating a Changing World*.

Washington, D.C.: World Bank.

MOL (Ministry of Labor) 2020a. --- 2020b. *Thai Labor Market Early Warning System*

<http://warning.mol.go.th/uploadFile/pdf/pdf-2021-01-21-1611199779.pdf>

--- 2020b. *Labor Statistics Yearbook 2019*. Bangkok: Ministry of Labor.

--- 2017 Social Security Office Annual Report.

Money Guru 2015. "กองทุนการออมแห่งชาติ คืออะไร ไขข้อสงสัย พร้อมวิธีสมัคร!" (What is the National Savings Fund?

Answering your questions and how to apply). 5 November 2015. Accessed at

<https://www.moneyguru.co.th/financial-tips/articles>.

Moroz, Harry and Naddeo JJ. 2020. *Aging and the labor market in Thailand*. Washington, D.C.: World Bank.

MSDHS (Ministry of Social Development and Human Security) 2016. 'Thailand Persons with Disabilities Records' Accessed at:

<https://unstats.un.org/unsd/demographic-social/meetings/2016/bangkok--disability-measurement-and-statistics/Session-7/Thailand.pdf>

NCOP (National Commission on Older Persons). 2019. "The Situation of Thai Elderly 2019". National Commission on Older Persons.

NDID (National Digital ID) 2020. Presentation to the World Bank by NDID Co. Ltd. September 2020.

NESDB (National Economic and Social Development Board). 2018. *National Strategy 2018-2037*.

<http://nscr.nesdb.go.th/wp-content/uploads/2019/10/National-Strategy-Eng-Final-25-OCT-2019.pdf>

--- 2017. *The Twelfth National Economic and Social Development Plan 2017-2021*

[https://www.nesdc.go.th/ewt\\_dl\\_link.php?nid=9640](https://www.nesdc.go.th/ewt_dl_link.php?nid=9640)

.....  
 NESDC (National Economic and Social Development Council).2019. 'Thailand's social and situational outlook of Q1 2020' *Poverty and inequality report*.

--- (2020) NESDC News

[https://www.nesdc.go.th/ewt\\_dl\\_link.php?nid=5493&filename=socialoutlook\\_report](https://www.nesdc.go.th/ewt_dl_link.php?nid=5493&filename=socialoutlook_report)

.....  
 OECD (Organization for Economic Cooperation and Development). 2006. *Live Longer, Work Longer: A Synthesis Report*. Paris: OECD.

.....  
 OSC (Office of the Council of the State) 2017. "Constitution of the Kingdom of Thailand 2017" Accessed at:

[http://www.constitutionalcourt.or.th/occ\\_en/download/article\\_20170410173022.pdf](http://www.constitutionalcourt.or.th/occ_en/download/article_20170410173022.pdf)

.....  
 --- 2007. "Constitution of the Kingdom of Thailand 2007". Accessed at:

[http://www.ilo.org/wcmsp5/groups/public/@ed\\_protect/@protrav/@ilo\\_aids/documents/legaldocument/wcms\\_117898.pdf](http://www.ilo.org/wcmsp5/groups/public/@ed_protect/@protrav/@ilo_aids/documents/legaldocument/wcms_117898.pdf)

.....  
 OECD (Organization for Economic Cooperation and Development) 2019. "Country Note: Thailand. Results from PISA 2018"

[https://www.oecd.org/pisa/publications/PISA2018\\_CN\\_THA.pdf](https://www.oecd.org/pisa/publications/PISA2018_CN_THA.pdf)

.....  
 OPM (Oxford Policy Management) and United Nations Thailand. 2020. *Social Impact Assessment of COVID-19 in Thailand* Oxford: UK.

.....  
 --- and World Food Program 2018. *Strengthening the capacity of ASEAN Member States to design and implement risk-informed and shock-responsive social protection systems for resilience:Thailand Case Study* Oxford: UK.

.....  
 Packard, Truman G.; Gentilini, Ugo; Grosh, Margaret Ellen; O'Keefe, Philip B.; Palacios, Robert J.; Robalino, David A.; Santos, Indhira Vanessa. 2019. *Protecting All: Risk Sharing for a Diverse and Diversifying World of Work (English)*. Washington, D.C. : World Bank Group.

.....  
 Paek, Sueng Chun, Natthani Meemon., and Thomas T. H. Wan (2016). "Thailand's universal coverage scheme and its impact on health-seeking behavior". *SpringerPlus*, 5(1): 1952.

.....  
 Paitoonpong, Sawooth, Phacharawadee Tasee, Pimrumpa Wisuriya. 2016. "Social Protection System in Thailand: an overview". *TDRI Quarterly Review* 31(4) December 2016 Thailand Development Research Institute.

.....  
 Palacios, Robert. 2020. 'Pension Systems in Asia: Ensuring Income Security in Old Age with Persistent Informality'.

.....  
 Palacios, Robert and David Robalino (2020). "Integrating Social Insurance and Social Assistance Programs for the Future World of Labor" IZA Economics Discussion Paper Series May 2020 IZA DP No. 13258 Bonn, Germany: Institute of Labour Economics.

.....  
 Pannarunothai, Supasit, Boonchai Kijsanayotin, Samuel Mills. 2019. "Thai Civil Registration and Vital Statistics and Unique Identification Number Systems for Universal Health Coverage: A Case Study." *Health, Nutrition and Population (HNP) Discussion Paper*. August 2019. Washington, D.C. : World Bank Group.

.....  
 Parks, Thomas, Matthew Chatsuwan and Sunil Pillai. 2020. *Enduring the Pandemic: Surveys of the impact of COVID-19 on the livelihoods of Thai people. Thailand Report, First Round of Surveys (May-June 2020)* September 2020. The Asia Foundation: Bangkok, Thailand.

.....  
 Prachachat 2020 แจกเงินเยียวยาเกษตรกร 5 พันบาท ไม่ทะลุเป้า ได้แค่ 7.7 ล้านคน 11 July 2020.

<https://www.prachachat.net/economy/news-501026>

.....  
 Prachuabmoh, V. et al. 2009. *Research Report on Monitoring and Evaluation of the Second Elderly National Plan 2002-2022*.

Bangkok: College of Population Studies, Chulalongkorn University.

.....  
 Ratanabanachuen, Roongkiat. 2019. 'Pension System in Thailand' *Nomura Journal of Asian Capital Markets* Spring 2019 Vol.3/No.2.

.....  
 Royal Thai Embassy (n.d) 'What is Thailand 4.0'?

<https://thaiembdc.org/thailand-4-0-2/> Accessed 27 October 2020

Rudolph, Heinz. 2019. *Financial Sector Assessment Program (FSAP). Funded Pension System* Washington, DC: World Bank.

Sampatanukul, P. (2020), Government Pension Fund of Thailand Presentation to Central Provident Fund Implementation Committee, The Government of the Republic of the Union of Myanmar (GPF presentation).

SAO (State Audit Office of the Kingdom of Thailand). 2020. Audit of the implementation of the state welfare card scheme ('การตรวจสอบการดำเนินงานโครงการประชารัฐสวัสดิการ') Accessed at [\[link\]](#)

--- 2019. Audit report on developing labor skills to support industrial and service sectors' competitiveness of the Department of Skill Development, Ministry of Labor. ('รายงานการตรวจสอบการดำเนินงานการพัฒนาคุณภาพแรงงานรองรับภาคอุตสาหกรรมและบริการเพื่อการแข่งขันรายงานการตรวจสอบการดำเนินงานการพัฒนาคุณภาพแรงงานรองรับภาคอุตสาหกรรมและบริการเพื่อการแข่งขันของกรมพัฒนาฝีมือแรงงาน กระทรวงแรงงาน')

Oct 9th 2019. Accessed at [\[link\]](#)

SET (Stock Exchange of Thailand) 2015. "What is the RMF?" (RMFคืออะไร).

[https://www.set.or.th/education/th/begin/mutualfund\\_content09.pdf](https://www.set.or.th/education/th/begin/mutualfund_content09.pdf)

Smith, Harry, Reuben Lim, and Benjamin Harkins. 2019. "Thailand Migration Profile." In *Thailand Migration Report 2019*, edited by Benjamin Harkins, 9-25. Bangkok: United Nations Thematic Working Group on Migration in Thailand.

Swee, Eik Leong. 2017. "Migrant Networks and Jobs Search: Evidence from Thailand."

*Economic Development and Cultural Change* 66(1):113-46.

Thairath 2020a เราไม่ทิ้งกัน ยังมีคนไม่ได้เงินเยียวยา 5,000 เตรียมเพิ่มปุ่มใหม่ตรวจสอบสิทธิ์ 11 August 2020.

<https://www.thairath.co.th/news/business/1908367>

--- 2020b.อีกไม่กี่วัน บัตรคนจน บัตรสวัสดิการแห่งรัฐ ลงทะเบียนรอบใหม่ เกณฑ์เปลี่ยน มีสูตรคิด 20 January 2020.

<https://www.thairath.co.th/news/business/1751860>

Thai PBS News 2020 20 ก.ค.นี้ พม.จ่ายเงินเยียวยา "กลุ่มเปราะบาง" 6.7 ล้านคน 13 July 2020.

<https://news.thaipbs.or.th/content/294509>

Thai PBS. 2019. "SSO offers more retirement savings options for the self employed" 12 June 2019.

<https://www.thaipbsworld.com/sso-offers-more-retirement-savings-options-for-the-self-employed/>

The Bangkok Insight (2020). "Poor Person Card, State Welfare Card has not yet opened for the new registration" October 5, 2020

<https://www.thebangkokinsight.com/448351>

Thammasat University (2017) "A Project to Study the Results of the Subsidy Payment for the Children Grant Support, the Mission Transfer to the Local Government Organization" (Thammasat University, Faculty of Social Administration)

<https://socadmin.tu.ac.th/researchtest>

Tangcharoensathien, Viroj, Walaiporn Patcharanarumol, Anond Kulthanmanusorn, Nithiwat Saengruang & Hathairat Kosiyaporn. 2019). "The Political Economy of UHC Reform in Thailand: Lessons for Low- and Middle-Income Countries"

*Health Systems & Reform*, 5:3, 195-208.

Tutor, Melba. 2014. The Impact of Philippines' Conditional Cash Transfer Program on Consumption. *Philippine Review of Economics* 51, 117-161.

UNESCAP (United Nations Economic and Social Commission for Asia and Pacific). 2019. *Disability at a Glance 2019:*

*Investing in accessibility in Asia and the Pacific* Bangkok: United Nations Economic and Social Commission for Asia and the Pacific

<https://www.unescap.org/publications/disability-glance-2019>

UNFPA (United Nations Population Fund). 2019. "Population and Development for a Sustainable Future in Thailand: 25 Years after the ICPD." UNFPA: Bangkok.

UNICEF. 2019. *The 1st Three: Thailand's Progressive Road Toward Universal Child Grant Coverage* Bangkok: UNICEF: Bangkok.

UNISDR (2015) 'Making Development Sustainable: The Future of Disaster Risk Management. Global Assessment Report on Disaster Risk Reduction'.

UNOCHA. 2017. "Thailand Country Profile"

[https://reliefweb.int/sites/reliefweb.int/files/resources/CP\\_Thailand\\_280617.pdf](https://reliefweb.int/sites/reliefweb.int/files/resources/CP_Thailand_280617.pdf)

Wannagatesiri, Tussatrin, Nantarat Kruea-In, Kulhida Nukultham, and Athikiat Thongperm. 2015. "Situations and Guidelines for Enhancement of Thai Labors' Vocational Rehabilitation and Training." *Procedia – Social and Behavioral Sciences* 197:1053-1058.

World Bank. Forthcoming. *Diverse Paths: the Dynamic Evolution of Social Protection in Asia and the Pacific*.

World Bank. 2021. *Social Protection responses to the COVID-19 Pandemic in East Asia and the Pacific*. Mimeo.

--- 2020a. *Public Pensions in Thailand*. Washington, DC: World Bank.

--- 2020b *Potential responses to the COVID-19 outbreak in support of migrant workers: Living Paper version 10 June 19 2020*. Washington, DC: World Bank.

--- 2020c *Caring for Thailand's Aging Population: Achievements and Future Directions*. World Bank East Asia and Pacific Regional Report;. Washington, DC.: World Bank.

--- 2020d. *Thailand: COVID-19 Response "You will never be left behind" Cash Transfer Program for Informal Workers*.

--- 2020e. "Assessment of the Job-Matching Platform and Labor Market Information System Managed by the Indonesian Ministry of Manpower." World Bank, Washington, D.C.

--- 2018a *The State of Social Safety Nets 2018*. Washington, DC: World Bank.

--- 2018b *Philippines: Social Protection Review and Assessment*.

--- 2018c *Public Sector Savings and Revenue from Identification Systems: Opportunities and Constraints*, Washington, DC: World Bank.

--- 2018d. *The Role of Digital Identification for Healthcare: The Emerging Use Cases*, Washington, DC: World Bank.

--- 2017a WB 2017 Principles on Identification for Sustainable Development: Toward the Digital Age

<https://id4d.worldbank.org/principles>

--- 2017b *Social Registries for Social Assistance and Beyond: A Guidance Note and Assessment Tool* Washington, DC: World Bank.

--- 2016. *Live Long and Prosper: Aging in East Asia and Pacific*. Washington, DC: World Bank.

-- 2012a. *Resilience, equity, and opportunity: the World Bank's social protection and labor strategy 2012-2022*. Washington, DC: World Bank.

---2012b. *Reducing Elderly Poverty in Thailand: The Role of Thailand's Pension and Social Assistance Programs* Washington, DC: World Bank.

World Bank. 1994. *Averting the Old Age Crisis: Policies to Protect the Old and Promote Growth*. Washington, D.C.: World Bank and Oxford University Press.

World Risk Report. 2020. Bündnis Entwicklung Hilft and Ruhr University Bochum – Institute for International Law of Peace and Armed Conflict (IFHV).

Yang, Judy; Wang, Shiyao; Hansl, Birgit; Zaidi, Salman; Milne, Peter Kjaer. 2020. *Taking the Pulse of Poverty and Inequality in Thailand*. Washington, DC: World Bank Group.

## Annex 1 Social Protection Programs in Thailand

Social Assistance				
Name Type of program Year established Implementing agency	Program description	Target beneficiaries/ Eligibility criteria	Number of beneficiaries	Budget allocated or trend
<b>State Welfare Card Program</b> Type: Cash Transfer Since 2016 Implemented by: Ministry of Finance	Cash transfer program for poor working age households. Each month, the government transfers between B200 (US\$6) and B300 (US\$9) via the beneficiaries' cards, with the exact figure depending on the annual income of the cardholder. Those who have incomes below B30,000 baht a year receive B300 /month. Those who have incomes between 30,000-100,000/year receive B200 /month.	Thai citizens, over 18 years old, unemployed or with an annual income below B100,000, holds no financial assets worth more than B100,000, and does not own real estate.	13.9 million in 2020 <sup>19</sup> .	The government allocated B40 billion to finance state welfare smartcard holders in fiscal year 2020 <sup>20</sup> .
<b>Child Support Grant</b> Type: Cash Transfer Since 2015 Implemented by: Ministry of Social Development and Human Security <a href="https://csg.dcy.go.th/">https://csg.dcy.go.th/</a> <sup>21</sup>	Cash transfer to poor families with children up to 6 years of age. The cash transfer amount per child is B600/month.	Poor pregnant women or mothers of [newborn] children who are Thai nationals born since October 2015, until the age of 6. Not for beneficiaries of social security funds, welfare, other benefits from government agencies, or state enterprises (excludes occasional allowances), and not in state care. Must live in a poor or near poor household with total household income of less than B100,000 per person per year <sup>22</sup>	In 2019, nearly 700,000 children received the grant. In 2020, the program reached 1.5 million households monthly.	B2,056,000,000 (approved by the Cabinet as of 19 February 2020)
<b>Child Subsidy to Poor Households</b> Type: Cash Transfer Since: 1986 <sup>23</sup> Implemented by: Ministry of Social Development and Human Security <sup>24</sup>	The program aims to help children whose families experience hardship, and therefore cannot take care of their children. Hardships <sup>25</sup> include illness, imprisonment and disability among others. MSDHS will determine how much monetary assistance each household will get based on the condition of their hardship. The program offers grants of B1,000-2,000 per child up to B3,0000 per household.	Children of poor families, from infancy to 18-years (if in education, not older than 20) experiencing hardship or whose parent, both parents, or guardian cannot work due to, for instance, illness, disability, imprisonment, etc. Orphans or abandoned children with a guardian. Children in households with critical poverty who cannot take care of them.	2019 Target: 175,270	In 2019, the budget was B175,279,000 <sup>26</sup>

<sup>19</sup> <https://newsinfo.inquirer.net/1339094/covid-19-pandemic-thailand-extends-electricity-water-subsidies-for-another-year> <https://newsinfo.inquirer.net/1339094/covid-19-pandemic-thailand-extends-electricity-water-subsidies-for-another-year>

<sup>20</sup> <https://www.bangkokpost.com/business/1822089/family-income-joins-new-welfare-criteria>

<sup>21</sup> For a recent evaluation of the program see [https://www.unicef.org/evaldatabase/index\\_103759.html](https://www.unicef.org/evaldatabase/index_103759.html)

<sup>22</sup> <https://csg.dcy.go.th/support/how-to-register>

<sup>23</sup> <http://www.ayutthaya.m-society.go.th/?p=3729>

<sup>24</sup> [http://www.chanthaburi.m-society.go.th/main/index.php?option=com\\_content&view=article&id=129:2014-01-24-03-10-56&catid=50:2014-01-24-03-00-22&Itemid=197](http://www.chanthaburi.m-society.go.th/main/index.php?option=com_content&view=article&id=129:2014-01-24-03-10-56&catid=50:2014-01-24-03-00-22&Itemid=197)

<sup>25</sup> <http://thainews.prd.go.th/th/news/detail/TCATG190113091941435>

<sup>26</sup> [https://www.dcy.go.th/webnew/upload/download/file\\_th\\_20192406142008\\_1.pdf](https://www.dcy.go.th/webnew/upload/download/file_th_20192406142008_1.pdf)

Name Type of program Year established Implementing agency	Program description	Target beneficiaries/ Eligibility criteria	Number of beneficiaries	Budget allocated or trend
<b>Foster parents' assistance</b> Type: Cash Transfer Since: 2015 Implemented by: Ministry of Social Security and Development <sup>27</sup>	Cash transfer to poor foster parents (up to B2,000 / month per child – to a max of B4,000 /month/total in the case of more than one child. Transfer mechanism: Cash (self-pick-up) or bank transfer	Poor fostered children younger than 18 or poor foster families, who experience economic hardship and cannot afford childcare costs.	-	-
<b>15-year Free Education Programme (FEP)</b> Type: Social Assistance (cash or in-kind) Since: 2009 Implemented by: Ministry of Education <sup>28</sup>	The FEP provides universal quality education for all children from preschool through the high school level and vocational education, covering formal, non-formal, and informal education. Includes per-student grants to primary and secondary schools. Administered by schools (learning and teaching activities, schoolbooks and student development activities), or by transfer (student uniforms and learning materials) in-cash or in-kind. uniforms and learning materials) in-cash or in-kind.	All children in Thailand including stateless and ethnic minority children and children of migrants.	-	In 2019, the budget was B27,468,378,300 <sup>29</sup>
<b>Equitable Education Fund (EEF) – Higher Education for educational Equality program</b> Type: Social Assistance (scholarships) Since: 2018 Supervised by the Prime Minister and a Board of Governors appointed by the cabinet. <sup>30</sup>	EEF provides full scholarships to targeted students from very low-income families, so that they are not compared with more fortunate students from higher income families.	Students from very low-income families (within the lowest 20%) who have good grades.	EEF seeks to select and support about 2,800 scholarships per year. <sup>31</sup>	-
<b>The Equitable Education Fund (EEF) – Conditional Cash Transfer Program</b> Type: Cash Transfer Since: 2018 Supervised as above. <sup>32</sup>	Conditional cash transfer program for the poorest students, providing B1,600 per student per year with half going to OBEC-registered schools, and the other half directly to the students' guardians. Disbursed in two periods with the second released upon the submission of financial statement, attendance and health statistics of the students, and records of school meal provisions and skills development activities. <sup>33</sup>	The program targets the poorest primary and secondary aged students with the necessary resources to be successful in their educational endeavours according to their aptitude. Proxy means testing is used based on family's housing condition, land ownership, vehicle ownership, and the number of dependent family members. <sup>34</sup>	In 2018, 510,040 students received the fund	Budget of B953.5 million for the year 2018-2019 <sup>35</sup>

<sup>27</sup> [https://www.dcy.go.th/webnew/uploadchild/plc/download/file\\_th\\_20172811101210\\_1.pdf](https://www.dcy.go.th/webnew/uploadchild/plc/download/file_th_20172811101210_1.pdf)

<sup>28</sup> <http://www.moe.go.th/index.php/>

<sup>29</sup> [https://www.matichon.co.th/education/news\\_1442704](https://www.matichon.co.th/education/news_1442704)

<sup>30</sup> <https://www.eef.or.th/>

<sup>31</sup> <https://www.eef.or.th/en/eef/>

<sup>32</sup> <https://www.eef.or.th/>

<sup>33</sup> <https://www.eef.or.th/wp-content/uploads/2018/11/aw14.pdf>

<https://obec.blob.core.windows.net/cdn/pdf/คู่มือระบบคัดกรองทุนเสมอภาค-ตชด-162.pdf>

<sup>34</sup> Link here

<sup>35</sup> For more information see page 9 in the EEF annual report: [https://www.eef.or.th/wp-content/uploads/2019/08/aw-EEF-Annual-Report-2018\\_Final-052919.pdf](https://www.eef.or.th/wp-content/uploads/2019/08/aw-EEF-Annual-Report-2018_Final-052919.pdf).



Name Type of program Year established Implementing agency	Program description	Target beneficiaries/ Eligibility criteria	Number of beneficiaries	Budget allocated or trend
<b>Area-Based Initiative for Out-of-School Children</b> Type: Cash Transfer Since: 2018 Supervised as above. <sup>36</sup>	EEF works with provinces to reach out of school children who face multiple challenges, developing strategies in 15 provinces, partnering with stakeholders to create learning opportunities for out of school children that are flexible and meet provincial education and employment needs, aligned with UNESCO's suggestions related to flexible learning strategies.	Children aged between 3-17 years old who are out of school and face multiple challenges	The program aims to reach 670,000 children	A budget of B111 million was set for 2019-2020
<b>Fund for Lunch of Primary School Program</b> Type: School feeding Since: 1952 Implemented by: School Lunch Project Fund Bureau, Ministry of Education. <sup>37</sup>	The Fund for Lunch of Primary School Program was enacted to alleviate nutritional problems among school children. Schools can apply for funds (B20 per person per day) allocated by the Department of Local Administration for nutritious lunches for students. <sup>38</sup>	The program is implemented in all public primary schools (approx. 30,000 schools), with poor children selected through annual growth monitoring.	"1.8 primary children and nearly 700,000 in early years education." <sup>39</sup>	-
<b>Home improvement assistance</b> Type: Social Assistance (Cash Transfer) Since: 2013 Implemented by: Ministry of Social Development and Human Security. <sup>40</sup>	Department of Older Persons provide B22,500/home for materials, labor, and management expenses as home improvement assistance for the poor elderly. A committee set up by the MSDHS determines which houses need improvement. <sup>41</sup>	Poor elderly aged over 60 years in need of home improvements.	-	-
<b>Social emergency relief</b> Type: Social Assistance (Cash Transfer) Since: 2004 Implemented by: Ministry of Social Development and Human Security. <sup>42</sup>	Provides basic relief before providing subsidy, development, and restoration to independence. Offers cash or other items worth no more than B2,000 per occasion per household, and where the amount of cash or the value of items exceeds B2,000, this continues at the Governor's discretion. Transfer mechanism: Bank account transfer, cheque or other approved methods.	People who face or can be expected to face sudden hardship requiring an immediate response to prevent other social problems from happening.	-	-

<sup>36</sup> <https://www.eef.or.th/><sup>37</sup> <http://www.obecschoollunch.com/history/><sup>38</sup> [Link here](#)<sup>39</sup> <http://worldfood.apionet.or.jp/thai.pdf><sup>40</sup> <http://www.dop.go.th/th><sup>41</sup> [http://www.dop.go.th/download/knowledge/knowledge\\_th\\_20152212144750\\_1.pdf](http://www.dop.go.th/download/knowledge/knowledge_th_20152212144750_1.pdf)<sup>42</sup> <http://www.ratchakittha.soc.go.th/DATA/PDF/2550/E/046/5.PDF>



Name Type of program Year established Implementing agency	Program description	Target beneficiaries/ Eligibility criteria	Number of beneficiaries	Budget allocated or trend
<b>Reducing Inequality Community Welfare Funds (CWF) Program</b> Type: Social Assistance (Food, in-kind and near-cash transfers) Since: 1980 Supported by the Community Organization Development Institute (CODI) under the Ministry of Social Development and Human Security. <sup>43</sup>	The Program is a revolving fund requiring a “one baht/day savings” for a minimum of 15 years. The fund offers insurance benefits and flexible low interest loans to communities. Government allocations to the CFW are at 365 baht per member per year. The Fund encourages savings for people in the community, and provides modest financial assistance for community members who have a savings account for the following purposes: childbirth, education, ordination, marriage, healthcare and pension for the elderly. <sup>44</sup>	It offers social assistance (grants, items, or benefits) to low-income earners of the Welfare Smart Card Program (also known as the Government Welfare Program) who earn less than B30,000 per annum.	In 2019, there were 1,972,680 members, and 5,998 funds all over the country.	In 2019, this program disbursed B2,088.67 million.
<b>Baan Mankong Program</b> Type: Cash Transfer Since: 2003 Implemented by: CODI, Ministry of Social Development and Human Security <sup>45</sup>	1) Loans of B89,000 / household to improve housing conditions of low-income households in urban areas; 2) Cash grants for housing improvement of B25,000 per household; and utilities systems development grant of B30,000 for current estate and B50,000 for new estates. <sup>46</sup>	Low-income people and city dwellers living in slums.	5,240 households in 2019 <sup>47</sup>	B61,793 million in budget in 2019 <sup>48</sup>
<b>Old Age Allowance</b> Type: Social Pension Since: 2003 Implemented by: The department of local administration, Bangkok Metropolitan Administration and Pattaya City Social Development Office	Basic pension: a monthly benefit to all elderly without other pension income. Benefits range from 600 to B1,000 per month, depending on age: between 60 and 70 years, the benefit is B600, with every decade of age adding B100 to the monthly amount.	All elderly citizens are eligible, except recipients of public and private sector social insurance pensions. Aged 60 and over, with no civil service pension. There are no previous residency criteria for participation, but benefits can only be paid to people who are resident in Thailand.	9.09 million (2019) <sup>49</sup>	B5,602 million as of 2020 <sup>50</sup>
<b>Cash assistance for low-income elderly</b> Type: Social Assistance (Cash Transfer) 2018 Ministry of Social Development and Human Security <sup>51</sup>	Cash transfer for low-income elderly holders of the State Welfare Card. Those with incomes less than B30,000 per year receive cash assistance of B100 per month. Those with income between B30,001 - 100,000 per year receive B50 per month. <sup>52</sup>	Low-income elderly who are holders of the State Welfare Card	-	-

<sup>43</sup> [https://web.codi.or.th/development\\_project/20190321-194112/](https://web.codi.or.th/development_project/20190321-194112/)

<sup>44</sup> <http://www.mfa.go.th/sep4sdgs/contents/filemanager/images/sep/VNR%20English.pdf>

<sup>45</sup> [www.codi.or.th](http://www.codi.or.th)

<sup>46</sup> <https://www.thairath.co.th/news/business/finance-banking/1600153>

<sup>47</sup> [https://web.codi.or.th/remuneration\\_project/20190614-6973/](https://web.codi.or.th/remuneration_project/20190614-6973/)

<sup>48</sup> <https://www.efinancethai.com/LastestNews/LatestNewsMain.aspx?release=y&ref=M&id=U-2s1UkFYLzZKQnM9>

<sup>49</sup> 2019 NCOP “The Situation of Thai Elderly 2019”. National Commission on Older Persons

<sup>50</sup> [http://www.nakhonsawan.go.th/joomla/index.php?option=com\\_content&view=article&id=2541:2020-02-04-07-01-04&catid=26:2018-02-15-04-16-33&Itemid=217](http://www.nakhonsawan.go.th/joomla/index.php?option=com_content&view=article&id=2541:2020-02-04-07-01-04&catid=26:2018-02-15-04-16-33&Itemid=217)

<sup>51</sup> <http://www.dop.go.th/th>

<sup>52</sup> <https://thainews.prd.go.th/th/news/detail/TCATG200306151626752>

Name Type of program Year established Implementing agency	Program description	Target beneficiaries/ Eligibility criteria	Number of beneficiaries	Budget allocated or trend
<b>Allowance for abandoned and abused elderly</b> Type: Cash Transfer Since: 2005 Implemented by: Ministry of Social Development and Human Security.	Emergency allowance for an abandoned or abused elderly. The cash allowance of no more than B500 can be used based on needs (transportation, litigation, food, clothing, basic healthcare service etc.). <sup>53</sup>	Elderly people over 60 years of age, with Thai nationality.	-	-
<b>Funeral allowance for the elderly</b> Type: Cash Transfer Since: 2014 Implemented by: Ministry of Social Development and Human Security <sup>54</sup>	Funeral expenses for the elderly poor (B2000 each).	Poor elderly people over 60 years of age, with Thai nationality.	4,774 in 2020	As of 2020: 9,548,000 <sup>55</sup>
<b>Allowance for People with Disabilities</b> Type: Social pension Since: 2010 Implemented by: Local Administrative Organization, Ministry of Interior <sup>56</sup>	Cash allowance of B800 per month for people with disabilities. In 2020, the Cabinet approved an increase to B1,000 per month to take effect from October 2020. <sup>57</sup> Transfer mechanisms - Face-to-face cash collection - Bank transfer to registered account with beneficiaries' name - Starting in 2020, via an e-payment system directly into the beneficiaries' account on the 10th of every month. <sup>58</sup>	Thai nationals with disabilities. The beneficiaries must be: 1) domiciled in the district according to the census; 2) have a disability card according to the Persons with Disabilities' Quality of Life local government Promotion Act, B.E. 2550 (2007); and 3) not living in government welfare shelter.	1.84 million people in 2020 <sup>59</sup>	- B1,475 million in expense as of 2020 <sup>60</sup>
<b>Social assistance for families of people with disabilities</b> Type: Cash Transfer Since: - Implemented by: Ministry of Social Development and Human Security <sup>61</sup>	(i) In the case of children with disabilities, cash assistance of not more than B1,000 / time and not more than 3 consecutive times / family (ii) In the case of people with disabilities, cash assistance not more than B2,000 / time and not more than 3 consecutive times / family	Registered children or people with disabilities from poor families.	-	-
<b>Equipment purchase subsidy</b> Type: Social Assistance (Care for the disabled) Since: - Implemented by: Ministry of Social Development and Human Security <sup>62</sup>	Equipment purchase subsidy for people with disabilities.	People with medically certified disabilities in need of special equipment vehicles.	-	In 2019, B112,000 in budget <sup>63</sup>

<sup>53</sup> <http://www.oic.go.th/FILEWEB/CABINFOCENTER3/DRAWER089/GENERAL/DATA0000/00000148.PDF>

<sup>54</sup> <http://www.oic.go.th/FILEWEB/CABINFOCENTER18/DRAWER003/GENERAL/DATA0000/00000057.PDF>

<sup>55</sup> <http://www.dop.go.th/th/topic/view=195>

<sup>56</sup> [http://www.dop.go.th/download/implementation/th1589509535-1163\\_0.pdf](http://www.dop.go.th/download/implementation/th1589509535-1163_0.pdf)

<sup>57</sup> <http://www.dla.go.th/index.jsp>

<sup>58</sup> <https://www.thairath.co.th/news/politic/1758353>

<sup>59</sup> [www.oic.go.th/general/data0002](http://www.oic.go.th/general/data0002)

<sup>60</sup> <https://www.prachachat.net/finance/news-408562>

<sup>61</sup> [http://www.nakhonsawan.go.th/joomla/index.php?option=com\\_content&view=article&id=2541:2020-02-04-07-01-04&catid=26:2018-02-15-04-16-33&Itemid=217](http://www.nakhonsawan.go.th/joomla/index.php?option=com_content&view=article&id=2541:2020-02-04-07-01-04&catid=26:2018-02-15-04-16-33&Itemid=217)

<sup>62</sup> [http://www.chanthaburi.m-society.go.th/main/index.php?option=com\\_content&view=article&id=131:2014-01-24-03-29-06&catid=50:2014-01-24-03-00-22&Itemid=197](http://www.chanthaburi.m-society.go.th/main/index.php?option=com_content&view=article&id=131:2014-01-24-03-29-06&catid=50:2014-01-24-03-00-22&Itemid=197)

Name Type of program Year established Implementing agency	Program description	Target beneficiaries/ Eligibility criteria	Number of beneficiaries	Budget allocated or trend
<b>Equipment purchase subsidy</b> Type: Social Assistance (Care for the disabled) Since: - Implemented by: Ministry of Social Development and Human Security <sup>62</sup>	Equipment purchase subsidy for people with disabilities.	People with medically certified disabilities in need of special equipment vehicles.	-	In 2019, B112,000 in budget <sup>63</sup>
<b>Equipment lease Program</b> Type: Social Assistance (Food, in-kind and near-cash transfers) Since: 2007 Implemented by: Ministry of Digital Economy and Society. <sup>64</sup>	18 types of information technology or communication equipment leased to people with medically certified disabilities. The Ministry of Digital Economy and Society aims to source 3,500 pieces of equipment under this program. <sup>65</sup>	People with medically certified disabilities in need of information echnology or telecommunication equipment.	-	-
<b>Support for HIV/AIDS Patients and Their Families</b> Type: Social Assistance (Other social assistance) Since: - Implemented by: Ministry of Social Development and Human Security <sup>66</sup>	Social assistance to ease the economic burden on the families of people living with AIDS. Each family receives up to t B2,000, up to three times, to cover essential expenses, medical bills, or occupation related costs. Financial aid to children of AIDS-affected families, limited to B1,000 for families with one child and B3,000 for families with more than one child with both parents deceased, by bank transfer.	People living with AIDS and their families.	-	-
<b>Allowance for HIV/AIDS patients</b> Type: Social Assistance (Other social assistance) Since: 2004 Implemented by: Ministry of Social Development and Human Security.	Diagnosed AIDS patients eligible for a monthly living allowance of B500 per capita by the local government agency.	Diagnosed AIDS patients lacking income, abandoned, without any caretakers, or unable to provide for him/herself.	87,683 (2018)	- In 2018 the total budget allocated was B5,261,000.00 million.
<b>Social assistance programs for war veterans</b> Type: Cash transfer Since: 1948 Implemented by: Ministry of Defence. <sup>67</sup>	17 cash transfer programs for war veterans with allowances for livelihoods, education, funeral, disaster relief, maternity among others.	Military, police officers, civil servants and civilians who protect national security of the country as determined by the Ministry of Defence or the Prime Minister's Office.	As of 2018, 630,000 war veterans are under the care of Ministry of Defence. <sup>68</sup>	-

<sup>62</sup> <http://dep.go.th/Content/View/1340/2>

<sup>63</sup> <http://www.oic.go.th/FILEWEB/CABINFOCENTER24/DRAWER022/GENERAL/DATA0000/00000238.PDF>

<sup>64</sup> <https://www.mdes.go.th/>

<sup>65</sup> [https://www.nectec.or.th/ace2019/wp-content/uploads/2019/09/20190909\\_SS04\\_Wansiri.pdf](https://www.nectec.or.th/ace2019/wp-content/uploads/2019/09/20190909_SS04_Wansiri.pdf)

<sup>66</sup> [http://www.chanthaburi.m-society.go.th/main/index.php?option=com\\_content&view=article&id=132:2014-01-24-03-33-54&catid=50:2014-01-24-03-00-22&Itemid=197](http://www.chanthaburi.m-society.go.th/main/index.php?option=com_content&view=article&id=132:2014-01-24-03-33-54&catid=50:2014-01-24-03-00-22&Itemid=197)

<sup>67</sup> <http://www.thaiveterans.mod.go.th/wvoth/welfare/index.html>

<sup>68</sup> [https://www.matichon.co.th/politics/news\\_928590](https://www.matichon.co.th/politics/news_928590)

Social Insurance				
Name Type of program Year established Implementing agency	Program description	Target beneficiaries/ Eligibility criteria	Number of beneficiaries	Budget allocated or trend
<b>Civil Servant Pension Program</b> Type: Old Age Pension Since: 1902 Implemented by: Ministry of Finance	Pension program for civil servants. As either a gratuity or a pension upon retirement (individual decision). Payment is equal to the last salary received multiplied by the number of years of employment, divided by 50. Includes amendments to the 65-year-old Pension Act, which caps the retirement age at 60.	Central government employees, local government officials, some SOEs.	-	The defined benefit pension expenditure for public servants in 2019 totaled B223,762 million
<b>The Government Pension Fund (GPF)</b> Type: Old Age Pension Since: 1996 Managed by the Committee of Government Fund under the Ministry of Finance. <sup>69</sup>	Long-term compulsory savings fund with defined contributions from government officials. An addition to the original pension system guaranteeing pension payments and savings to its members.	All civil servants except the political branch; civil servants prior to 27 March 1997 and registered as a member by 26 March 1997; Newly appointed or transferred civil servant since 27 March 1997.	In 2020, the fund covered 1,088,288 members.	In 2020, the net asset value is B967,691,636,569.62
<b>Social Security Fund (Sections 33 and 39)</b> Type: Other social insurance Since: 1991 Implemented by: Social Security Office, Ministry of Labor. <sup>70</sup>	Contributory social insurance scheme for private employees in firms with 20 or more workers, covering 18.84% of the population for: sickness, injury, maternity, invalidity, death, unemployment, old age. SSS Section 33 covers those employed in non-agricultural establishments aged 15 and older. Employers with at least one employee must register their employee(s). SSS Section 39 covers those previously insured under Section 33 who contributed for not less than 12 months or no longer employees but wish to remain insured.	General population aged over 15 who are not civil servants or deemed exempted by the Social Security Law.	In 2019 the number of people covered was 11,686,393 under Section 33, 1,648,118 under Section 39. <sup>72</sup>	In 2017, expenditure on SSF sections 33, 39 and 40 (see below) totalled 78,145,000,000, covering old-age, child allowance, unemployment, sickness, maternity and invalidity benefits. <sup>73</sup>

<sup>69</sup> <https://www.gpf.or.th/thai2019/Index/index.php>

<sup>70</sup> [https://www.sso.go.th/wpr/assets/upload/files\\_storage/sso\\_th/4fe3599e47b4578591d-b2ab1af138d26.pdf](https://www.sso.go.th/wpr/assets/upload/files_storage/sso_th/4fe3599e47b4578591d-b2ab1af138d26.pdf)

<sup>71</sup> <https://ucinfo.nhso.go.th/ucinfo>

<sup>72</sup> Source: SSO, link here

<sup>73</sup> SSO Report 2017.

Name Type of program Year established Implementing agency	Program description	Target beneficiaries/ Eligibility criteria	Number of beneficiaries	Budget allocated or trend
<b>Social Security Scheme for Informal Workers (SSS Section 40)</b> Type: Other social insurance Since: 1991 Implemented by: Social Security Office, Ministry of Labor. <sup>74</sup>	Contributory insurance scheme for informal economy workers, i.e., self-employed or family workers not covered by any social security system. Section 40 covers: Package 1 – Illness, invalidity and death benefits; (monthly contributions: 70 baht by the insured); Package 2 - Illness, invalidity, death, and old-age (lump sum) benefits; (monthly contribution: 100 baht by the insured); Package 3 – Illness, invalidity, death, old-age, and child benefits (monthly contribution: 300 baht by the insured).	Informal economy workers age between 15-65 <sup>75</sup> , i.e., self-employed workers or family workers who are not an insured person pursuant to section 33 and 39 of the Social Security Scheme. <sup>76</sup>	In 2019, the number of people covered was 3,242,579 under Section 40. <sup>77</sup>	See above
<b>Social Security Fund for Old Pension</b> Type: Old Age Pension Since: 2014 Implemented by: The Office of Social Security under the Ministry of Labor.	Part of the SSF program, a savings tool incorporated into the Social Security Fund to ensure that retired employees receive minimum income. Each employee and employer is required to contribute 3% of their salary to the SSF for Old Age Pension. Upon retirement at 55, the retiree can elect to receive either a lump sum payment or monthly payments.	In either case, retirees receiving Old Age Pension are not eligible for the non-contributory Old Age Allowance.	13 million	-
<b>Workers Compensation Fund</b> Type: Other insurance Since: 1974 Implemented by: Social Security Office. <sup>78</sup>	Insurance for employees of private firms, government agencies, non-profit organizations, and foreign firms against work related injuries that can result in loss of income. Funded with employer contributions, compensating employees who die, are injured, suffer loss of organs or disabled due to work-related causes.	The scheme covers employees in the formal private sector (companies with one or more employees) and regular migrant workers.	As of March 2018, the fund comprised of S 33: 10,913,304 members S. 39: 1,384,583 members.	In 2018 it was B3,007 million.
<b>National Savings Fund (NSF)</b> Type: Old Age Pension Since: 2011 Implemented by: Ministry of Finance. <sup>79</sup>	Expand contributory public pension scheme for workers in the informal sector (not covered under state pension programs or private provident funds). Voluntary defined contribution system. Calculated on the basis of 1) the deposit, 2) contribution and 3) benefit derived from the deposit and the contribution.	The program targets workers in the informal sector age 15-60 years.	In 2020, the fund has 2,294,322 members.	In 2018, B1,100,353 million.

<sup>74</sup> [https://www.sso.go.th/wpr/assets/upload/files\\_storage/sso\\_th/4fe3599e47b4578591d-b2ab1af138d26.pdf](https://www.sso.go.th/wpr/assets/upload/files_storage/sso_th/4fe3599e47b4578591d-b2ab1af138d26.pdf)

<sup>75</sup> <https://www.thairath.co.th/news/local/bangkok/1733415>

<sup>76</sup> Source: SSO, link here

<sup>77</sup> Source: SSO, link here

<sup>78</sup> <https://www.sso.go.th/wpr/main>

<sup>79</sup> <https://www.nsf.or.th/index.php/2016-04-07-12-33-30/2018-01-10>

Name Type of program Year established Implementing agency	Program description	Target beneficiaries/ Eligibility criteria	Number of beneficiaries	Budget allocated or trend
<b>The Provident Fund Program</b> Type: Old Age Pension Since: 1987 Implemented by: Securities and Exchange Commission (SEC) <sup>80</sup>	Voluntary benefit scheme between employers and employees who set up a fund committee to oversee the provident fund. Aims for employees to have savings for retirement, disability, or for the family if the employee dies. Employees receive a lump sum at the termination of their employment or upon retirement. <sup>81</sup>	Employees of private companies, government enterprise employees and government permanent employees.	During the second quarter of 2019, 19,008 employers and 3,060,504 employee members	In 2018 the total budget was B1,100,353
<b>Private Teacher Aid Fund</b> Type: Other social insurance Since: 1974 Implemented by: Ministry of Education. <sup>82</sup>	A provident fund, welfare benefits (medical, child education support, etc.), and financial assistance for private school directors, teachers, and staff. Monthly contributions (not exceeding 3 percent of the member's total salary) paid by the teacher, the school (equal to the member's contribution), and the Ministry of Education (twice the member's contribution).	Private school directors, teachers and educational personnel.	In 2017, 88,647 were covered In 2020, medical benefits for member increased to B150,000/person/year. <sup>83</sup>	2.2 million in 2017
<b>Universal Health Coverage</b> Type: Health subsidy Since: 2002 Financed by the National Health Security Office (NHSO) under the Ministry of Health. <sup>84</sup>	Comprehensive healthcare for all Thais who are not covered by other healthcare schemes. The package is comprehensive and includes general medical care and rehabilitation services, high-costing medical treatment, and emergency care.	The program covers 70.75% of the population that is not covered by other social health protection schemes, such as (a) the Social Security Scheme (SSS) for private sector employees, and (b) the Civil Servant Medical Benefit Scheme (CSMBS) for government employees and government retirees, as well as their spouses, dependents under 20 years old and parents.	As of February 2020, 47,472,496 people or 70.75% of the population are covered. <sup>85</sup>	The budget for fiscal year 2021 was B202,704.07 Million, or B3,853.04 per eligible person.  In 2017, it was 6.21% of the total budget. B127,445.1859 million for eligible citizens (4.66%) and B42,307.2340 for wages of health officers. <sup>86</sup>
<b>Civil Servants Medical Benefit Scheme (CSMBS)</b> Type: Health insurance Since: 2010 Implemented by: National Health Security Office. <sup>87</sup>	Non-contributory scheme for civil servants. Benefits include in-patient and out-patient treatment in public hospitals, specific private hospitals, or, in emergency cases, any other private hospitals	Civil servants and permanent employees, pensioners, the military, foreign employees paid by the government whose employment contract does not specify a condition for medical services for them and their dependents (legitimate children, spouse, and parents)	In 2019 the number of people who used the benefit was 2,311,163. <sup>88</sup>	2019 expenditure was B13,741 million

<sup>80</sup> <https://www.thaipvd.com/content/60><sup>81</sup> [https://www.set.or.th/education/th/begin/mutualfund\\_content14.pdf](https://www.set.or.th/education/th/begin/mutualfund_content14.pdf)<sup>82</sup> <http://www.aidfunds.org/><sup>83</sup> <https://siamrath.co.th/n/100660><sup>84</sup> <https://www.nhso.go.th/><sup>85</sup> <https://ucinfo.nhso.go.th/ucinfo><sup>86</sup> <https://gnews.apps.go.th/news?news=53201><sup>87</sup> <https://www.nhso.go.th/><sup>88</sup> <https://www.prachachat.net/finance/news-293773>



Name Type of program Year established Implementing agency	Program description	Target beneficiaries/ Eligibility criteria	Number of beneficiaries	Budget allocated or trend
<b>Compulsory Migrant Health Insurance (CMHI)</b> Type: Health insurance Since: 2004 Implemented by: Ministry of Public Health (MOPH) <sup>89</sup>	Health insurance scheme providing basic health care (not work-related injuries or illnesses) for undocumented migrants who pay 500-B3,200 per year, depending on the duration of coverage (3 months – 2 years). Medical services provided are similar to those afforded to people covered by the UHC.	Undocumented migrant workers registered under Section 13 of the Foreign Workers Employment Act, B.E. 2551 (2008) and their dependents who are not covered by the Social Security Scheme.	-	-

Labor Market programs				
Name Type of program Year established Implementing agency	Program description	Target beneficiaries/ Eligibility criteria	Number of beneficiaries	Budget allocated or trend
<b>Unemployment Benefit in SSF</b> Type: Passive ALMPs Since: 1990 Implemented by: Ministry of Labor, and Social Security Office. <sup>91</sup>	Unemployment benefits for job seekers who are insured against unemployment. Job seekers are entitled to unemployment insurance benefits in the event that they are laid off or resigned.  Those laid off receive 50 per cent of wages up to 180 days within 1 year. The voluntarily unemployed receive 30 per cent of wages up to 90 days within 1 year.	Must pay contributions for at least 6 months within a period of 15 months before unemployment, and be registered with the Department of Employment, Ministry of Labor.	In 2019, the number was 170,455 <sup>92</sup>	-
<b>National Village and Urban Community Fund (1-million Baht Village Fund)</b> Type: Training Since: 2001 Implemented by: Office of the Prime Minister and the Ministry of Commerce. <sup>93</sup>	Vocational training and funds to develop infrastructure development projects, such as building community barns, agricultural warehouses and water storage facilities. These measures aim to promote the country's economic equity. <sup>94</sup>	Village and urban community members who lack access to financial institutions. In 2018 only 2,560 Village Funds are ready to become a community financial institution.	In 2018 there were 79,595 Village Funds covering 13 million members in 77 provinces.	In 2018, B55 billion.
<b>Welfare Card Jobs Training Program</b> Type: Training Since: 2018 Implemented by: Ministry of Labor.	Vocational training courses for State Welfare Card holders to promote employment. Divided in two categories: (i) Fast Track Handyperson Training Curriculum (community handymen), a 60-hour training course for cardholders nationwide. (ii) Vocational Training Curricula providing short courses.	The program aimed to cover 1,000,000 State Welfare Cardholders who earn less than 30,000 baht per annum and reside in city and rural communities.	In 2018, 3,267,941 welfare card holders participated.	In 2018, B235,751,500 million.

89. <http://fwf.cfo.in.th/>

90. Source here

91. Source here

92. [https://www.bot.or.th/App/BTWS\\_STAT/statistics/ReportPage.aspx?reportID=111&language=th93](https://www.bot.or.th/App/BTWS_STAT/statistics/ReportPage.aspx?reportID=111&language=th93). <https://www.nhso.go.th/>93. <http://www.villagefund.or.th/>94. <http://thainews.prd.go.th/en/news/detail/TCATG19122113071137295>. <https://www.nhso.go.th/>



Name Type of program Year established Implementing agency	Program description	Target beneficiaries/ Eligibility criteria	Number of beneficiaries	Budget allocated or trend
<b>Equitable Education Fund's Community -based career development</b> Type: Labor market Since: 2018 Supervised by the Prime Minister and governed by a Board of Governance appointed by the Cabinet	Community-based career development program for people living in areas high in poverty rate, unemployment, and poorly ranked in terms of the human development index. <sup>95</sup>	Poor, working-age population in 50 pilot areas.	Target: 5,000-10,000 people	-
<b>Center for Women and Family Development</b> Type: Labor market Since - Implemented by: Ministry of Social Development and Human Security.	Vocational training for women who lack social opportunities to acquire professional skills. 1) Center-Based Vocational Training with job allocation service after program completion. 2) Community-Based Vocational Group Training to promote women's community enterprises. <sup>96</sup>	Women who lack social opportunities to acquire professional skills.	The program produced more than 140 groups of entrepreneurs per year. More than 15,000 employed per year.	-
<b>Protection and Occupation Development Centers.</b> Type: Labor market Since - Implemented by: Ministry of Social Development and Human Security	The Centers are located in four provinces and offer skills training in crafts and service industry for victims of human trafficking. <sup>97</sup>	Victims of human trafficking.	The program produced more than 140 groups of entrepreneurs per year. More than 15,000 employed per year.	-
<b>Non-formal and Informal Education Centre for Special Target Groups</b> Type: Labor market Since: - Implemented by: Ministry of Education	Non-formal and Informal Education for the elderly, people with disabilities, and socially disadvantaged groups. <sup>98</sup>	The elderly, people with disabilities, and socially disadvantaged groups.	887 disadvantaged people in 2018	-
<b>Occupation Training Program for the elderly</b> Type: Training Since: - Implemented by: Ministry of Labor/ Department of Skill Development <sup>100</sup>	Occupational and skill training for senior people with the objective to support them to find employment, reducing reliance on the family, and fulfill labor market demand in certain areas. Currently, there are over 100 courses available, such as Social Networking, cooking, and craft.	The elderly, aged 60 and above.	In 2018, 6,953 people completed the training <sup>101</sup>	In 2019, the budget was set at B22,032,000

<sup>95</sup> <https://www.eef.or.th/fund/community-base/>

<sup>96</sup> <https://gnews.apps.go.th/news?news=51343>

<sup>97</sup> Link to source here

<sup>98</sup> <http://101.51.150.100/stg/?name=news2&file=readnews&id=4299>. <http://www.villagefund.or.th/>

<sup>99</sup> <http://101.51.150.100/stg/UserFiles/File/Disadvantaged.pdf>

<sup>100</sup> <http://www.dsd.go.th/DSD/Home/History2559>

<sup>101</sup> [http://www.dsd.go.th/it/Region/Download\\_Doc/15876](http://www.dsd.go.th/it/Region/Download_Doc/15876)

Name Type of program Year established Implementing agency	Program description	Target beneficiaries/ Eligibility criteria	Number of beneficiaries	Budget allocated or trend
<b>Occupation Grants (Elderly Fund) Program</b> Type: Self-employment – grants and loans Since: 2007 <sup>102</sup> Implemented by: Ministry of Social Development and Human Security. <sup>103</sup>	Funds the protection and empowerment of the elderly as well as ensuring that they have stability and good quality of life. For: Occupational loans: no more than B30,000 /individual borrower, and no more than B100,000 for a group of over 5 people. Project support (cash transfer), amount determined by size.	1) Senior citizen over 60 years old 2) Organizations for the elderly or elderly organizations	In the fiscal year 2019, 8,991 senior citizens received occupation support loans. <sup>104</sup>	The 2019 loan amounts to B225,195,000
<b>PWD employment tax incentives</b> Type: Employment subsidies – tax incentives Since: 2018 Implemented by: The Revenue Department, Ministry of Finance. <sup>105</sup>	Companies can deduct 1-3 times of the expenses incurred from hiring PWD in their corporate tax, depending on the proportion of PWD employees hired per total workforce.	-	-	-
<b>Senior Employment Promotion Program</b> Type: Employment subsidies – tax incentives Since: 2017 Implemented by: Ministry of Finance. <sup>106</sup>	Under Royal Decree No. 639, which allows corporate income taxpayers to deduct twice the amount of expenses incurred for employing elderly people for income tax purposes, for expenses no more than B15,000 per month including contributions to a provident fund.	Thai nationality, already employed by the company or juristic partnership or registered as a job-seeker with the Department of Employment, and not director or shareholder of the company or juristic partnership.	-	-
<b>Centers for Skills Development</b> Type: Training Since: - Implemented by: Ministry of Labor. <sup>107</sup>	Skills training in various vocations offered by the Department of Skill Development. <sup>108</sup>	-	-	-
<b>Transformation Funds for SMEs and Mini Voucher</b> Type: Labor market Since: 2017 Implemented by: Digital Economy Promotion Agency (DEPA), Ministry of Digital Economy and Society. <sup>109</sup>	Skills training in various vocations offered by the Department of Skill Development Aims to incentivize SME businesses and start-ups to integrate digital innovations in their operations. Four options of vouchers are available for amounts ranging from B10,000 to B150,000. The four vouchers issued by DEPA include: mini transformation, standardization, intellectual property and internationalization.	SME businesses in manufacturing, service, wholesale, and retail industry which are registered with the Ministry of Commerce. <sup>110</sup>	-	-

<sup>102</sup> <http://ijasos.ocerintjournals.org/tr/download/article-file/261800>

<sup>103</sup> <http://www.olderfund.dop.go.th/content/index/7/page>

<sup>104</sup> <http://www.olderfund.dop.go.th/uploads/content/download/5d8ac5358db5a.pdf>

<sup>105</sup> [http://www.rd.go.th/saraburi/hotcolumn/2561/Benefits\\_hiring\\_people.pdf](http://www.rd.go.th/saraburi/hotcolumn/2561/Benefits_hiring_people.pdf)

<sup>106</sup> <https://newstartup.rd.go.th/taxdeduct/index1.jsp>

<sup>107</sup> <https://www.mol.go.th/>

<sup>108</sup> [http://www.dsd.go.th/DSD/Intro/show\\_search?activity=all&searchbox=&department1=0&button\\_search=%E0%B8%B4%E0%B9%89%E0%B8%99%E0%B8%AB%E0%B8%B2&page=5](http://www.dsd.go.th/DSD/Intro/show_search?activity=all&searchbox=&department1=0&button_search=%E0%B8%B4%E0%B9%89%E0%B8%99%E0%B8%AB%E0%B8%B2&page=5)

<sup>109</sup> <https://www.depa.or.th/en/digitalmanpower/digital-transformation-fund/promotion-tools>

<sup>110</sup> <https://www.depa.or.th/th/smedigitalcoupon>

Name Type of program Year established Implementing agency	Program description	Target beneficiaries/ Eligibility criteria	Number of beneficiaries	Budget allocated or trend
<b>One Tambon One Product (OTOP)</b> Type: Labor Market Since: 2001 Implemented by: Community Development Department of the Ministry of Interior <sup>111</sup>	A local entrepreneurship stimulus effort that supports the locally made products from each tambon (subdistrict). Aimed at strengthening the grass-root economy by encouraging collaboration with the public and private sectors. Government oversees marketing, providing advertising budgets for OTOP products, organizing events, and creating information exchange among producers, buyers and consumers through a website at www.ThaiTambon.com. <sup>112</sup>	Income generation for people in the community.	-	In 2019, a B902 million budget was allocated. <sup>113</sup>

Social care services				
Name Type of program Year established Implementing agency	Program description	Target beneficiaries/ Eligibility criteria	Number of beneficiaries	Budget allocated or trend
<b>Long Term Care of dependent elderly people (LTC) Program</b> Type: Social care services (Care for older persons) Since: 2017 Implemented by: Ministry of Health	To help Dependent Elderly persons, providing long-term care (LTC) to prevent healthy elderly people from being dependent and care for those already dependent. Covers functional training, psychological support, vital checks, personal hygiene care, environmental checks, daily living assistance, oral health checks, nutritional care and Thai traditional massage. <sup>114</sup>	In 2017, 4,501 sub-districts signed on the project with 3,013 passing the assessment (almost 50 per cent). 180,126 dependent elderly, the programs has 4,577 care managers, 18,309 care givers, 99,300 care plans, 4,501 sub-districts have joined the project; only 50 per cent or 3,013 sub-districts pass the assessment.	In 2017, 180,126 elderly persons received care.	In 2017, a budget of 900 million was approved.
<b>Accommodation and Care Program</b> Type: Social care services Since: 2003 Implemented by: Ministry of Social Development and Human Security and other Local Administrative Organizations. <sup>115</sup>	Supports senior able-bodied people/poor/homeless, poor and elderly/ without caretakers with accommodation and care in retirement homes and improves the surroundings and facilities for all.	Senior citizens age 60 and above with no disability, no dangerous disease, no place of residence, no caretaker, who are poor. <sup>116</sup>	April 2017: 1,026 Senior citizens applied. June 2017: MSDHS renovated 680 houses and the Social Welfare Development Center for Older Persons renovated 410 houses and 62 venues.	-

<sup>111</sup> <http://www.cdd.go.th/><sup>112</sup> <https://www.undp.org/content/dam/thailand/docs/TICAUNDPbpVol1.pdf><sup>113</sup> <https://voicetv.co.th/read/Hk8h9IVOM><sup>114</sup> <https://www.nationthailand.com/news/30308802z><sup>115</sup> <http://www.dop.go.th/en/aboutus/11><sup>116</sup> <http://law.m-society.go.th/law/2016/law/view/620>

Name Type of program Year established Implementing agency	Program description	Target beneficiaries/ Eligibility criteria	Number of beneficiaries	Budget allocated or trend
<b>Promotion of the Quality of life for the elderly People Living in the Community Program</b> Type: Social care services (Care for older persons) Since: 2014 Implemented by: Ministry of Social Development and Human Security. <sup>117</sup>	Elderly Quality of Life Development and Career Promotion Centers (EQCCs) nationwide, promoting elderly clubs and schools, Vocational Training for Elderly people. EQCCs are seen as a community-based social welfare service. The elderly, local leaders, volunteers, communities, and public and private network organizations can take part in and drive the operations of EQCCs, and local administrative organizations provide additional support. <sup>118</sup>	Senior citizens age 60 and above with no disability, no dangerous disease, no place of residence, no caretaker, who are poor. Elderly people	878 EQCC Supporting 81,833 elderly people.	-
<b>PWD protections and development centers</b> Type: Social care services (care for the disabled) Since: - Implemented by: Department of Empowerment of Persons with Disabilities (DEP) under the Ministry of Interior. <sup>119</sup>	Provides social care for people with medically certified disabilities, covering PWD protection centers and job training.	Disabled persons with PWD ID card who register and petition for Disability Living Allowance to the Administrative Organization as indicated by the House Particulars of the petitioners.	In 2018, 1,607,505	in 2018, B15,347.240.00 million was allocated.
<b>Homeless shelters</b> Type: Social care services (Care for the homeless) Since: - Implemented by: Ministry of Social Development and Human Security	11 homeless shelters throughout the country, supporting homeless people and beggars who experience economic and social hardship. Shelters also provide basic needs, social assistance, recreation, therapeutic activities, funeral support, and vocational training.	Homeless people aged between 18-60 years. <sup>120</sup>	In 2016, there were 4,188 people residing in the shelters. <sup>121</sup>	-
<b>Emergency Social Assistance Programs</b>				
<b>Save-the-Nation Cheque</b> Type: Cash Transfer Since: 2009 Implemented by: Ministry of Finance <sup>122</sup>	During the 2009 crisis, one-time B2000 donation (Check Chuay Chart or Save-the-Nation Cheque) to SSF members/state enterprise employees and civil servants with monthly earning of less than 15,000 for a total of about B19 billion. Handouts were paid in vouchers to be used to purchase goods at selected stores or cashed at designated banks. <sup>123</sup>	SSF members/state enterprise employees and civil servants with monthly earnings of less than B15,000.	6 million people received the cheque. <sup>124</sup>	B18,970 million

<sup>117</sup> <http://www.dop.go.th/>

<sup>118</sup> <https://so05.tci-thaijo.org/index.php/PSAKUIJIR/article/download/218516/151345/>

<sup>119</sup> <http://dep.go.th/Content/View/1341/2>

<sup>120</sup> [http://www.dsdw2016.dsdw.go.th/page.php?module=service&pg=servicedetail&ser\\_id=1](http://www.dsdw2016.dsdw.go.th/page.php?module=service&pg=servicedetail&ser_id=1)

<sup>121</sup> <http://www.bswws.go.th/province.html>

<sup>122</sup> [https://www.sme.go.th/upload/mod\\_download/chapter-13-20171024123654.pdf](https://www.sme.go.th/upload/mod_download/chapter-13-20171024123654.pdf)

<sup>123</sup> <https://www.adb.org/sites/default/files/project-document/76104/44152-012-reg-tacr-27.pdf>

<sup>124</sup> [https://www.sme.go.th/upload/mod\\_download/chapter-13-20171024123654.pdf](https://www.sme.go.th/upload/mod_download/chapter-13-20171024123654.pdf)

Name Type of program Year established Implementing agency	Program description	Target beneficiaries/ Eligibility criteria	Number of beneficiaries	Budget allocated or trend
<b>No-One Left Behind program (for informal workers)</b> <sup>125</sup> Type: Cash Transfer Since: 2020 Implemented by: Ministry of Finance	Cash transfers of B5,000 per month for three months.	Temporary, contract, and self-employed workers not already covered by one of Thailand's social insurance schemes.	15.1 million	B225 billion
<b>No-One Left Behind program (for farmers)</b> Type: Cash Transfer Since: 2020 Implemented by: Ministry of Agriculture and Cooperatives	Cash transfers of B5,000 per month for three months.	Farmers, fishers and herders	4.7 million	B150 billion

<sup>125</sup> <https://www.xn--12c1ck0bl6hdu9iyb9bp.com/>





**WORLD BANK GROUP**  
Social Protection & Jobs



World Bank Group, Siam Piwat Tower, 30th Floor, 989 Rama I Road, Pathumwan, Bangkok 10330

Email. [thailand@worldbank.org](mailto:thailand@worldbank.org) | Tel. 0-2686-8300



[www.worldbank.org/thailand](http://www.worldbank.org/thailand) |



<http://www.facebook.com/worldbankthailand>