

SOCIAL PROTECTION FOR THAILAND'S INFORMAL ECONOMY WORKERS

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(Bangkok, Thailand) Neeramol Sutipannapong's house in Bangkok's Laksi area was flooded on 21 October 2011. The water rose above one meter and stayed for a month, destroying almost everything she owned.

It was the worst natural disaster in Thailand in 70 years. People lost their homes, jobs, belongings, and - for some - their family members.

Neeramol, a mother of three, earned her living by sewing clothes at home. She lived with her husband who works as a watch repairman during the day and a motorcycle taxi driver during the night. When the flood hit their house it was so quick that they did not have time to move the sewing machine or the motorcycle. Both were damaged and could no longer be used. For more than a month, Neeramol and her husband had no source of income. They had to spend all their savings to buy food and other supplies, at prices that had risen because of the flood. They were very depressed, worrying about where they could get money to repair their house, buy a new sewing machine and motorcycle, or send their children to school. They had no collateral security to get a loan from a bank. They could borrow money from a loan shark, but the high interest rates would put them at risk of sinking into a debt cycle.

For a long time poor and vulnerable people in Thailand only had access to ad-hoc, means-tested assistance programmes. However, in recent years Thailand has made significant moves towards universal basic social protection, by introducing two major universal schemes that now form the main pillars of the Thai social protection floor.

The Universal Coverage Scheme (UCS) was introduced in 2001 to provide universal health care coverage to those – a majority - who were not already covered by existing public health protection schemes. In 2008 the Universal tax-financed 500 baht scheme was established to provide income security to those aged more than 60.

One of the primary remaining challenges is to extend coverage to the informal economy workers (own account workers, unpaid family workers) and their families who makes up 76 per cent of Thailand's total population remains. Attempts to extend coverage to this group include the provision (under Article 40 of the Social Security Act) of a voluntary package, partly subsidized by the Government, which covers sickness, invalidity, death, and an optional old-age benefit (lump sum).

Despite the sharp increase in the number of persons covered, the majority of the working age population in the informal sector still has no income security and lacks access to skill development opportunities. When natural disasters such as the 2011 flood, strike they are left without adequate support.

The Royal Thai Government has recently declared its intention to address this issue and had made the expansion of social protection a key target of the 11th National Economic and Social Development (NESDP) Plan for 2012-2016, with the objective of creating “more justice in society”.

In March 2010 a Social Protection Floor Joint Team (SPFJT) was set up to support the Thai Government efforts in progressively implementing a rights-based, systemic, adequate social protection system. The team is led by the International Labour Organization (ILO) with coordinated support from other United Nations (UN) bodies¹.

“The objective of the SPFJT is to develop a holistic and coherent vision on social protection in Thailand to move progressively towards the provision of universal and basic social protection to all”, said Mr Jiyuan Wang, Director of ILO Country Office for Thailand, Cambodia and Laos.

The SPFJT team has been documenting Thailand’s experiences and promoting a more comprehensive social protection floor through various activities, such as workshops, conferences and trainings.

The UN SPFJT also offers a platform (Assessment Based National Dialogue Workshops) that allows stakeholders to assess Thailand’s existing social protection schemes, identify the remaining challenges, and come up with concrete policy recommendations that can make social protection for all a reality. For the informal sector, the UN SPFJT advocates for the establishment of social security measures to compensate for the loss of income caused by work-related injuries, sickness, or maternity. These are coupled with incentives and vocational training programs to develop individual’s capabilities.

The UN SPFJT team has also created a video, Building a Social Protection Floor in Thailand to advocate for the rights of people like Neeramol and raise awareness about the remaining challenges.

¹ Including the United Nations Resident Coordinator, UN Children’s Fund, UN Population Fund, World Health Organization, UN Education and Cultural Organization (UNESCO), UN Development Programme and UN WOMEN.