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Decent work for older persons in Thailand

Rika Fujioka and Sopon Thangphet
February 2009

Regional Office for Asia and the Pacific

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Preface

It is the primary goal of the International Labour Organization (ILO) to promote decent work, which means productive employment that provides an adequate income to keep women and men and their families out of poverty, security in times of adversity, basic rights and a voice in decisions that affect their lives and livelihoods (ILO 2006: 5). For older persons, decent work means the opportunity to remain an active part of the economy and society in conditions of dignity, freedom, equity and security. This, in turn, calls for the promotion of their working capacity, to allow them to adapt to changing demands and opportunities in the working environment.

Since as early as 1930, the ILO has emphasised the need for special efforts to protect the jobs of older workers. In addition to several ILO Conventions and Recommendations which refer to the specific needs of this group, the Older Workers Recommendation, 1980 (no. 162) emphasizes the need to protect the right of older workers to equality of treatment. In 2009, the International Labour Conference draws attention to the increasing number of older persons in the formal economy, as well as the large numbers engaged in the informal economy.

This paper by Rika Fujioka and Sopon Thangphet brings to light the current and emerging issues concerning the promotion of decent work for older persons in Thailand. It is a case study of a developing country which faces policy challenges to cope with the impacts of rapid population ageing on the labour market, and thus, on the country's productivity and socio-economic development. The paper demonstrates that the promotion of decent work for older persons is an inter-generational and society-wide issue, which calls for policies responding to specific needs of older persons in line with a broader policy framework. Building upon the challenging task of compiling and analysing multi-year, age-, gender- and area-disaggregated data, this paper supplements the largely limited information available on the subject.

This paper is part of the ILO Asia-Pacific Working Paper Series, which is intended to enhance the body of knowledge, stimulate discussion, encourage knowledge sharing and further research for the promotion of decent work in Asia and the Pacific.

Sachiko Yamamoto
Regional Director
Asia and the Pacific Region

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Abstract

This paper highlights the current and emerging issues concerning the promotion of decent work for older persons in Thailand, including the aspects of employment, income security, social security, government policies, as well as private sector and civil society initiatives. It is a case study of a developing country, which faces policy challenges to cope with the impacts of rapid population ageing on the labour market, and thus, on the country's productivity and socio-economic development. The study presents insights that are also relevant for many other countries which share a similar socio-economic, demographic and politico-institutional setting. Building upon the challenging task of compiling and analysing multi-year, age-, gender- and area-disaggregated data, the study contributes to supplementing the limited information available on the subject. It demonstrates that the promotion of decent work for older persons is an inter-generational and society-wide issue, which calls for policies responding to specific needs of older persons, and at the same time, in line with a broader policy framework.

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The responsibility for opinions expressed in articles, studies and other contributions rests solely with their authors, and publication does not constitute an endorsement by the International Labour Office of the opinions expressed in them, or of any products, processes or geographical designations mentioned.

Abbreviations

GPE	Government Pension Fund
GPEF	Government Permanent Employee Provident Fund
ILO	International Labour Organization
MOL	Ministry of Labour
MSA	Monthly Subsistence Allowance
MSDHS	Ministry of Social Development and Human Security
NESDB	National Economic and Social Development Board
NSO	National Statistical Office
OAPF	Old Age Provident Fund
PSPF	Private Sector Provident Fund
RMF	Retirement Mutual Fund
SCCT	Senior Citizen Council of Thailand
SOE-PF	State Enterprise Provident Fund
UNFPA	United Nations Population Fund

1. Introduction

Thailand is experiencing unparalleled growth of its older population, in number and proportion. This growth has been faster than most developed countries¹ and the second fastest in South-East Asia, next to Singapore. This turn-about in the population dynamic has shifted a spotlight onto the issue of ageing and has revealed a need for substantial research and policy attention. However, the emphasis has hovered mainly around health and welfare implications. Considering the experiences elsewhere in the region, in countries where a similar demographic transition has already occurred (i.e. Japan, Republic of Korea and Singapore), it is likely that Thailand will also be confronted with labour market consequences that affect the country's productivity and socio-economic development.

This report looks at those implications in terms of decent work and relevant policies. The scope of the report precludes it from delving into general information on older persons in Thailand. Instead, its purpose is to supplement the limited information available on labour market issues for older persons, and examine policy implications.

Thailand offers an interesting case study partly due to its notably rapid expansion of ageing population. It is also because the country's experiences can benefit many other countries that share a similar socio-economic and politico-institutional setting. A relatively broad range of information is available on Thailand's ageing population, including several surveys that targeted older persons. Although there are apparent data errors and discrepancies among the different sources, possibly due to different uses of terms, sample sizes and survey methods, the existing data² still enables meaningful discussion on the nature of ageing in Thailand and its impact on the decent work opportunities.

Structure of the report

Following this introductory chapter, the second chapter provides an overview of ageing population in Thailand. The third chapter describes the employment situations of older persons. Chapter 4 draws attention to income security while Chapter 5 looks at social security schemes. The sixth chapter discusses the relevant policies by the Thai government, and the seventh chapter draws attention to the initiatives undertaken in the private sector and civil society. The final chapter synthesizes the main points raised within the report and concludes with policy recommendations.

In this report, “older persons” and “older population” refer to people aged 60 or older. This is to be in line with relevant official documents in Thailand (e.g. National Statistical Office [NSO] 2002).

¹ To double its population aged 65 or older, Sweden took 85 years and France took 115 years. Thailand will do so in only 20 years (National Economic and Social Development Board [NESDB] 2005).

² The latest data available has been used for this report. When presenting comparative data, a single source or a few sources of data have been used to the extent possible.

2. Thailand's ageing population

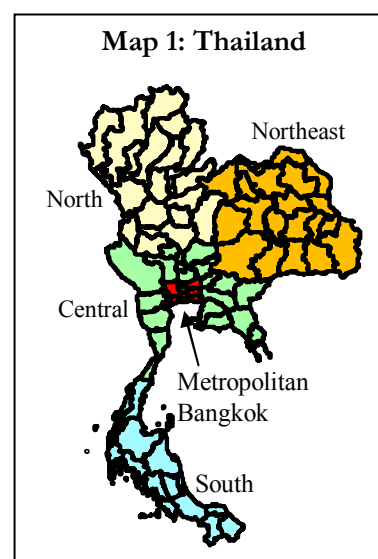
Declines in mortality and fertility have triggered the rapid expansion of the aged population in Thailand. The proportion of older persons in the total population has more than doubled, from 5.0 per cent in 1950 and 1975 to 11 per cent (about 7.2 million persons) in 2007. That proportion will reach a predicted 19.2 per cent in 2025 and 27.8 per cent in 2050. The proportional growth of older persons in Thailand has been faster than the average rate for Asia (from 6.8 per cent in 1950 to 9.6 per cent in 2007 and 23.6 per cent in 2050) and second fastest within South-East Asia, next to Singapore (Table 1).

Table 1: Populations aged 60 or older (% in the total population)

	1950	1975	2007	2025	2050
Thailand	5.0	5.0	11.0	19.2	27.8
World	8.2	8.6	10.7	15.1	21.7
More developed regions	11.7	15.4	20.7	27.5	32.4
Less developed regions	6.4	6.2	8.4	12.8	20.0
Least developed regions	5.4	5.1	5.1	6.2	9.9
Asia	6.8	6.6	9.6	14.9	23.6
China	7.5	6.9	11.4	20.1	31.0
India	5.6	6.2	8.1	12.0	20.7
Japan	7.7	11.7	27.9	35.2	41.7
Republic of Korea	5.4	5.8	14.6	27.3	41.2
South-East Asia	6.0	5.7	8.1	13.2	23.3
Brunei Darussalam	7.6	5.6	5.0	11.2	20.0
Cambodia	4.5	4.7	5.8	8.5	15.0
Indonesia	6.2	5.4	8.5	13.1	23.7
Lao PDR	4.6	4.6	5.3	7.0	13.1
Malaysia	7.3	5.6	7.4	13.3	21.6
Myanmar	5.5	6.4	7.9	13.0	24.4
Singapore	3.7	6.7	13.5	31.1	38.0
Viet Nam	7.0	7.5	7.4	13.0	25.5

Source: based on United Nations (2007)

The pace of population ageing in Thailand has not been even between men and women, between urban and rural areas ³ and among the regions: i.e. Metropolitan Bangkok, ⁴ Central, North, Northeast and Southern Thailand (Map 1). In terms of gender, the male and female proportions have constituted and will continue to make up an almost equal share of the total population, aged 14 years or younger, and aged between 15 and 59 years. For the segment aged 60 or older, however, the share of women has been larger than men (by 11.0 percentage points in 1950, 8.2 percentage points in 1975 and 9.4 percentage points in 2000). This difference is likely to become even greater by 2025 (10.8 percentage points) and 2050 (11.8 percentage points). Such an imbalance implies that “feminisation of ageing” will accelerate.



³ The distinction between “urban” and “rural” in Thailand is based generally on an administrative classification. Urban areas are under municipality administration, and the rest is categorized as rural areas (NESDB and Ministry of Information and Communications Technology 2000: 2).

⁴ In this report, Metropolitan Bangkok is referred to as Bangkok, unless otherwise specified.

Table 2: Male-female share of the population (%)

Age	1950		1975		2000		2025		2050	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
All	50.2	49.8	49.8	50.2	49.5	50.5	49.1	50.9	48.8	50.2
0-14	50.7	49.3	50.1	49.9	50.6	49.4	50.8	49.2	50.9	49.1
15-59	50.3	49.7	49.9	50.1	49.6	50.4	49.8	50.2	50.5	49.5
60+ ⁵	44.5	55.5	45.9	54.1	45.3	54.7	44.6	55.4	44.1	55.9

Source: based on UNFPA (2006)

In terms of administrative areas, a much larger share of the total population as well as within the age groups of “younger than 14” and “15 to 59 years” has lived in rural Thailand than its urban areas: i.e. about 90.0 per cent compared to 10.0 per cent in 1970 and about 70.0 per cent compared to 30.0 per cent in 2000. The urban-rural share of the total population was similar in 2006⁶. The share of the population aged 60 or older has been comparable to the total population and other age groups, while its share of the rural population in 1970 and 2000 was slightly lower for the age group between 15 and 59 years (Table 3). This could be attributed to a higher rate of migration to urban areas for education and employment among this age group, in comparison to other age groups.

Table 3: Urban-rural share of the population (%)

Age	1970		2000		2006	
	Urban	Rural	Urban	Rural	Urban	Rural
All	13.2	86.8	31.1	68.9	32.9	67.1
0-14	11.5	88.5	26.0	73.9	-	-
15-59	14.9	85.1	33.3	66.7	-	-
60+	12.8	87.2	29.3	71.0	31.1	68.9

Sources: based on NSO (1971, 2002); Asian Development Bank (2007);
Foundation of Thai Gerontology Research and Development Institute (2007)

In terms of regional variation, the proportion of older persons in the total population has been relatively similar in all regions: i.e. from around 10.0 per cent in 2005 to around 20.0 per cent in 2025. However, ageing in the North (particularly) and the Northeast has been more rapid than other regions (Table 4). A possible explanation is the higher rate of migration within younger age groups to urban areas (UNFPA No date). Other possible factors include the prevalence of HIV/AIDS and changes in family support, which have been more pronounced in these two regions than the rest of the country (Northern Economic and Social Development Office 2003).

Table 4: Proportion of older persons in the total population by region (%)

	2005	2015	2025
Bangkok	8.6	11.9	18.6
Central	10.8	13.1	17.9
North	12.1	16.0	23.9
Northeast	9.6	14.7	21.4
South	10.4	13.2	17.8

Source: UNFPA (2006)

⁵ This signifies 60 years or older.

⁶ Data for the age groups of 0–14 years and 15–59 years for 2006 are not available.

3. Employment

A major repercussion of a large ageing population on the labour market is the decline in the share of working age population (aged 15 to 59 years) relative to children (younger than 15 years) and older persons (aged 60 or older). The dependency ratio illustrates this relationship by reflecting the extent to which the working age population supports children and older persons⁷.

The dependency ratio in Thailand has declined significantly, from 91.5 per cent in 1975 to 56.2 per cent in 1995, due to the drop in the child dependency ratio. The dependency ratio is estimated to rise to 62.6 per cent in 2025. This is due to the increase in the old-age dependency: i.e. 9.6 per cent in 1975, 15.9 per cent in 2005, 22.1 per cent in 2015 and 31.2 per cent in 2025 (Table 5). By this calculation, the number of working age persons supporting an older person will drop from 11 to 3 in 50 years.

Table 5: Dependency ratios (%)

	1975	1995	2005	2015	2025
Child dependency	81.9	44.3	36.2	32.8	31.4
Old-age Dependency	9.6	11.9	15.9	22.1	31.2
Total dependency	91.5	56.2	52.1	54.9	62.6

Source: United Nations (2007)

In addition to the reduction in the working age population's contribution to public social security schemes, the rise in the old-age dependency ratio implies a declining labour force supply, which can affect a country's productivity and socio-economic development. However, the labour force supply depends upon a number of persons in the labour force, which by definition includes older persons. In this sense, the impacts of an ageing population on a country's productivity⁸ and socio-economic development depend *de facto* on the degree of their labour force participation. This chapter thus looks at the labour force participation of older persons in relation to other age groups.

3.1 Labour force participation

To a large extent, the labour market in Thailand is not conducive for promoting decent work for older persons. This is partly due to the mandatory retirement age, which is 60 years for the public sector as declared in the Gratuity and Pension for Official Act in 1951 (Office of the Permanent Secretary, Ministry of Labour [MOL] 2008). Senior judges, senior university lecturers and physicians are among the exceptions, with their retirement age extended to 65 years or even older. There is no legal retirement age in the private sector, though it is typically specified in individual employment contracts (Ministry of Social Development and Human Security [MSDHS] 2007: 42-3).

There are discussions on extending the retirement age. Arguments in favour point to the positive impacts on the labour market and social security schemes. For example, if the retirement age had been extended to 65 in 2008, more than 11,000 government officers would have continued working (presuming they wished to). The five year delay (2008-12) in pension payments would have saved the government 31.7 billion baht. In addition, the

⁷ The dependency ratio is calculated as the number of children and/or older persons to the number of working age persons, expressed as a percentage (United Nations 2007: 21).

⁸ The impacts of population ageing on a country's productivity may be mitigated by increasing workers' productivity. The elaborate discussions on this rather complex issue are beyond the scope of this study.

retirement age extension would have contributed 16.7 billion baht into the government pension fund during that same period (Office of the Permanent Secretary MOL 2008).

However, as the share of officials aged 60 or older would increase, from 1.2 to 1.4 per cent to an estimated 1.8 to 3.4 per cent during the 2008-12 period, the resultant decline in the number of new workforce entrants would decrease payments to the pension fund (Office of the Permanent Secretary MOL 2008). In addition, the extension of retirement age would have small impact on private sector employment where employees tend to stop working before they reach the retirement age set in their contracts. This is possibly because private sector workers can start receiving pension benefits at age 55.

As Table 6 shows, about three-quarters of the working age population in Thailand has been in the labour force since 1991⁹. The high labour participation rates for those aged 50 to 59 years (81.4 per cent in 1991, 81.2 per cent in 1995, 81.3 per cent in 2000 and 80.8 per cent in 2005) suggest that a large number of people continue working until they are 60 years old, which is a legally set retirement age in the public sector. The labour force participation of older persons has been relatively low, and had declined from 37.7 per cent in 1991 to 33.6 per cent in 2000. These proportions were less than half of those aged 50 to 59 years, indicating that a large share of persons in the labour force retire at age 60. Meanwhile, there has been a rise in the numbers of older persons in the labour force, by about five percentage points between 2000 and 2005.

Table 6: Labour force participation by age, administrative area and gender (%)

		Total ¹⁰			50-59 years			60+ years		
		Total	Urban	Rural	Total	Urban	Rural	Total	Urban	Rural
1991	Total	78.3	68.2	80.7	81.4	67.9	84.5	37.7	23.5	40.9
	Male	84.3	76.1	86.2	92.5	87.1	93.8	50.1	30.9	54.3
	Female	72.3	60.7	75.2	71.0	50.3	75.8	27.4	17.5	29.7
1995	Total	73.0	65.4	75.0	81.2	68.7	84.1	35.4	21.0	38.7
	Male	79.9	74.5	81.3	92.5	87.6	93.7	47.6	32.3	50.9
	Female	66.2	56.9	68.7	70.5	51.3	75.1	25.0	11.7	28.0
2000	Total	69.7	65.7	70.9	81.3	73.6	83.3	33.6	22.6	36.2
	Male	77.3	73.2	78.4	93.2	87.8	94.5	45.8	33.3	48.8
	Female	62.3	58.7	63.4	70.1	60.7	72.6	23.1	13.9	25.4
2005	Total	73.7	71.2	74.8	80.8	74.6	83.4	38.8	28.2	42.9
	Male	81.5	78.8	82.7	92.0	87.3	93.9	51.0	37.3	56.2
	Female	66.3	64.4	67.2	70.4	63.5	73.5	28.8	21.2	31.9

Sources: based on NSO (1991, 1995a, 2000, 2005a)

In terms of gender, the labour force participation of women has been lower than men, by about 10.0 to 20.0 percentage points for the total working age population in both urban and rural areas. Such male-female difference has been higher by about 20.0 to 25.0 percentage points among the 50-59 age group and among those aged 60 or older. The lower labour force participation of women may be due to the role expected of women, regardless of their age, to stay home and take care of household work.

In this regard, there are NSO data for 2005 which show that in the out of labour force population, a much larger share of women than men were engaged in household work (44.8 per cent versus 3.3 per cent among the total population; and 80.3 per cent versus

⁹ Labour force includes employed and unemployed persons and seasonally inactive labour (NSO 2005a).

¹⁰ "Total" in the succeeding tables refers to the total working age population (15 years or older), unless otherwise specified.

14.4 per cent among the 50-59 age group). For those aged 60 or older, there was also a relatively large female-male difference: i.e. 21.8 per cent for women and 1.9 per cent for men. The overwhelming majority of both men and women (76.9 per cent and 89.6 per cent, respectively) in household work fit within the category of “too young, too old or incapable of working” (NSO 2005a).

Regarding urban-rural differences, Table 6 illustrates that labour force participation in rural areas has been higher than urban areas. For the total working age population, the difference declined by 12.5 percentage points in 1991, 9.4 percentage points in 1995, 5.2 percentage points in 2000, and 3.6 percentage points in 2005¹¹. Among men, the urban-rural difference has been smaller for the total working age population (by about 5.0 to 10.0 percentage points) and for the 50-59 age group (by about 6.0 percentage points) than for those aged 60 or older (by about 20.0 to 25.0 percentage points). Among women, the difference was about 10.0 to 15.0 percentage points for the working age population, 10.0 to 25.0 percentage points for the 50-59 age group, and 10.0 to 20.0 percentage points for older persons.

Among people aged 60 or older, the higher labour participation rate may be due to a larger share of people in agriculture¹² (see Section 3.2), which has no set retirement age. Another possible reason is that work provides income for a larger share of older persons living in rural areas rather than urban areas, while an old-age pension is more accessible to urban residents than rural residents (see Section 4.1).

Labour force participation by region, as shown in Table 7, has been varied. A couple of general observations can nevertheless be made. Firstly, labour force participation among the total working age population has been higher outside Bangkok. This trend has been pronounced among those aged 50 to 59 years and even more so among those aged 60 or older. Secondly, while the labour force participation rate for the 50-59 age group declined or remained mostly unchanged between 2000 and 2005, the rate for persons aged 60 or older outside of Bangkok increased by 3.0 to 8.0 percentage points. This implies a recent increase in the number of older persons working or looking for work.

Table 7: Labour force participation by region and age (%)

	Bangkok			Central			North			Northeast			South		
	Total	50-59	60+	Total	50-59	60+	Total	50-59	60+	Total	50-59	60+	Total	50-59	60+
1991	68.8	62.5	19.6	74.7	79.0	35.4	80.2	82.3	37.3	84.1	87.8	44.6	75.0	84.8	41.6
1995	65.4	64.4	18.2	70.6	77.7	32.0	73.5	81.3	34.5	77.9	87.9	42.8	71.0	83.8	39.5
2000	66.5	72.3	19.3	68.7	77.5	31.3	71.2	83.3	34.5	71.1	84.3	37.8	69.3	85.4	38.2
2005	70.1	69.8	18.7	74.3	75.9	34.4	73.9	83.7	40.2	73.8	84.0	43.5	75.0	85.5	46.3

Sources: based on NSO (1991, 1995a, 2000, 2005a)

Although no clear evidence is available, this moderate rise in the labour participation among older persons may be due to improved health conditions that have allowed them to continue working, and/or it could be expanded work opportunities. Another reason

¹¹ The labour participation rate remained at more or less the same level between 1991 and 2005, with the exception of women between 50 and 59 years old in urban areas, which increased by more than 10 percentage points. Most of this increase was between 1995 and 2000. No particular reason has been provided for this trend.

¹² Unless otherwise specified, agriculture is used broadly in this report to include animal husbandry, forestry and fishing.

could be a decline in family support¹³, which traditionally provided care to older persons. The decline would require older persons to support themselves, especially those with limited access to social security.

Unemployment has been low among the total working age population, with no major male-female or differences. It rose between 1995 and 2000, most likely because of the economic crisis in 1997. It declined between 2000 and 2005, from 2.4 per cent to 1.4 per cent for the total working age population, from 2.4 per cent to 1.5 per cent for men and from 2.3 per cent to 1.2 per cent for women. In terms of administrative areas, for the total working age population and people aged 50 or older, unemployment was higher in rural than urban areas both in 1990 and 1995. Urban unemployment exceeded rural employment in 2000 and 2005 (Table 8). This could imply that a share of the rural population in search of employment has migrated to urban areas.

Table 8: Unemployment by age, administrative area and gender (%)

		Total			50-59			60+		
		Total	Urban	Rural	Total	Urban	Rural	Total	Urban	Rural
1991	Total	2.7	2.3	2.8	1.4	0.4	1.5	0.8	0.0 ¹⁴	0.9
	Male	2.0	2.2	2.0	0.4	0.7	0.3	0.2	0.3	0.2
	Female	3.5	2.5	3.7	2.5	0.5	2.8	1.7	-	2.0
1995	Total	1.1	0.9	1.2	0.7	0.2	0.8	0.6	0.3	0.7
	Male	0.9	1.0	0.9	0.4	0.2	0.4	0.4	0.4	0.4
	Female	1.4	0.9	1.5	1.2	0.3	1.3	1.0	-	1.1
2000	Total	2.4	2.7	2.3	0.9	1.2	0.8	0.5	0.6	0.4
	Male	2.4	3.0	2.3	0.8	1.5	0.7	0.4	0.8	0.3
	Female	2.3	2.4	2.3	0.9	0.8	1.0	0.6	0.0	0.6
2005	Total	1.4	1.7	1.2	0.3	0.4	0.2	0.2	0.4	0.2
	Male	1.5	1.8	1.3	0.3	0.4	0.2	0.2	0.6	0.2
	Female	1.2	1.6	1.1	0.3	0.4	0.3	0.2	0.2	0.2

Sources: based on NSO (1991, 1995a, 2000, 2005a)

The unemployment of older persons, both male and female and in both urban and rural areas, has been even lower than that of the total working age population and among the 50-59 age group. It declined from 1.0 per cent in 1991 to 0.2 per cent in 2005. This implies that almost all older persons in the labour force have worked. Unlike other age groups, there was no rise in the unemployment rate of older persons between 1995 and 2000, which suggests limited impact from the 1997 economic crisis on them.

There have not been any noticeable regional variations regarding unemployment. However, there has been a reversal in the comparative size of the unemployment rate between Bangkok and other regions between 1991 and 1995 and between 2000 and 2005 (Table 9). This is similar to the pattern of urban-rural unemployment previously noted.

¹³ While traditional intra-family care generally was maintained in terms of living arrangements and material support, the co-residence of older parents and adult children declined from 74 per cent in 1994 to 66 per cent in 2002 (NSO 2003a). Older persons living alone increased (4.3 per cent in 1995 and 7.3 per cent in 2004). The figure is greater for women (9 per cent) than for men (5.6 per cent) (NSO 2007a). This may be partially due to the out-migration of younger adults seeking better education and/or employment.

¹⁴ In the tables, "0.0" means either non-existent or the number is less than 0.1.

Table 9: Unemployment by region and age (%)

	Bangkok			Central			North			Northeast			South		
	Total	50-59	60+	Total	50-59	60+	Total	50-59	60+	Total	50-59	60+	Total	50-59	60+
1991	2.3	0.4	-	2.2	0.8	0.1	2.0	0.4	0.3	4.0	2.2	0.7	1.0	1.1	0.1
1995	0.7	0.2	-	1.1	0.8	0.3	1.1	0.7	0.6	1.3	0.8	0.8	1.3	0.9	0.9
2000	3.0	2.0	1.1	1.7	0.8	0.4	1.6	0.9	1.2	3.2	0.9	0.1	1.9	0.1	0.0
2005	1.9	0.4	0.5	1.5	0.3	0.4	1.2	0.4	0.2	1.1	0.2	0.1	1.4	0.1	0.3

Sources: based on NSO (1991, 1995a, 2000, 2005a)

3.2 Employment situations

Employment status

Table 10 shows differences in the employment status of “all employed persons” and those aged 60 or older. In 2001 and 2005, “own account worker” and “private employee” characterised about a third of all employed persons, followed by “unpaid family workers”, which represented about a quarter. The majority of those aged 60 or older were own account workers (62.4 per cent in 2001 and 62.9 per cent in 2005), about twice the proportion of all employed persons.

Table 10: Employment status* (%)

	All employed persons						60+					
	2001			2005			2001			2005		
	Total	Urban	Rural	Total	Urban	Rural	Total	Urban	Rural	Total	Urban	Rural
Employer	2.9	4.5	2.1	3.1	4.3	2.6	5.2	9.2	3.9	4.6	6.8	4.0
Own account worker ¹⁵	32.0	23.5	36.0	31.5	23.2	35.1	62.4	54.0	65.1	62.9	55.8	64.8
Unpaid family worker	24.7	13.3	30.1	21.6	12.1	25.6	17.3	14.7	18.1	17.8	18.7	17.6
Government employee**	8.5	14.6	5.7	8.4	13.7	6.2	1.0	2.1	0.7	1.3	2.1	1.0
State enterprise employee**							0.1	0.2	0.1	0.1	0.4	0.0
Private employee	31.9	44.1	26.2	35.2	46.6	30.3	13.9	19.5	12.1	13.0	16.1	12.2
Occupational group member	0.1	0.0	0.1	0.1	0.1	0.2	0.2	0.3	0.1	0.3	0.1	0.3

*Gender disaggregated figures are not included because of the lack of data for persons aged 60 or older.

**For all employed persons, these two categories are combined as government employees.

Sources: based on NSO (2001a, 2001b, 2005a); MSDHS (2006)

The proportion of unpaid family workers among all employed persons in rural areas (30.1 per cent in 2001 and 25.6 per cent in 2005) was more than double the urban share (13.3 per cent in 2001 and 12.1 per cent in 2005). The proportion of older persons in this category was similar between urban areas (14.7 per cent in 2001 and 18.7 per cent in 2005) and rural areas (18.1 per cent in 2001 and 17.6 per cent in 2005). The urban share was greater for older persons than for all employed persons, both in 2001 (14.7 per cent versus 13.3 per cent) and 2005 (18.7 per cent versus 12.1 per cent). In rural areas, the share was much lower for older persons than for all employed persons (18.1 per cent versus 30.1 per cent in 2001 and 17.6 per cent versus 30.1 per cent in 2005). This may mean that, in urban areas, some of those who work to earn income voluntarily or involuntarily cease to do so at age 60. In rural areas, many unpaid family workers need to earn income as they grow older.

¹⁵ An own account worker refers to a person operating an enterprise on his/her own or jointly with others in the form of a partnership for profit or dividends but without engaging any employees. An unpaid family worker is a person who works without pay on a farm or in a business enterprise owned or operated by the household head or any other family member (NSO 2005a).

Due to the lack of information on the average retirement age in the private sector, no firm conclusion can be drawn. However, the larger share of own account workers in rural than urban areas (by about 10.0 percentage points in 2001 and in 2005) among all employed persons as well as older persons may indicate more limited access to public or private sector employment in rural areas.

In view of the age 60 mandatory retirement for the public sector, it is no surprise that the share of government employees was much smaller among older persons than all employed persons, both in 2001 and 2005 (8.5 per cent and 8.4 per cent respectively for all employed persons compared with 1.1 per cent and 1.4 per cent respectively for older persons). Meanwhile, a similar observation can be made regarding the private employees with no fixed retirement age, namely, 31.9 per cent (2001) and 35.2 per cent (2005) of all employed persons, compared with 13.9 per cent (2001) and 13.0 per cent (2005) for older persons, were in this category.

A large number of older persons may be engaged in community or cottage industry work as members of occupational groups, particularly in rural areas. This is not evident from the data in Table 10. It is possibly because many older persons engaged in community or cottage industry work part time or sporadically, and thus are not counted as occupational group members.

Formal and informal sector employment

There are NSO data in 2005 which suggest that nearly two-thirds of the total labour force worked in the informal sector (62.1 per cent). The level of informal employment was greater in rural areas (71.0 per cent) than urban areas (41.0 per cent) and greater in the North (72.7 per cent) and the Northeast (80.5 per cent) than the South (57.0 per cent), the Central region (46.9 per cent) and Bangkok (29.2 per cent) (NSO 2005b).

Table 11 shows the age and gender disaggregated data on informal employment. In comparison to the already large share of informal employment for the total labour force, the proportion of persons aged 50 to 59 was larger, at 76.8 per cent, and was even greater for older persons, at 90.3 per cent¹⁶. The share of female workers in the informal sector was smaller than the male workers among the total working age population (58.5 per cent compared to 61.6 per cent) but was larger among the population aged 50 to 59 years (81.0 per cent compared to 73.3 per cent) and those aged 60 or older (92.4 per cent compared to 88.8 per cent).

Table 11: Share of informal employment in total employment¹⁷ (in 2005) (%)

Age	Total	Male	Female
15+	62.1	61.6	58.5
50-59	76.8	73.3	81.0
60+	90.3	88.8	92.4

Sources: based on NSO (2005b); MSDHS (2006)

The greater degree of informal employment among older persons is understandable, considering the employment status as discussed above. Older women appear to have

¹⁶ This figure appears to contradict the data on employment status in Table 10. This may be due to the differences in the definitions of formal and informal employment, survey methods or sample selections.

¹⁷ Informal sector workers mentioned here work in sectors including agriculture, manufacturing, trades, hotels and restaurants, construction and transportation (NSO 2005b).

more limited access to formal sector employment than older men. In rural areas, the greater degree of informal employment among older persons can be understood in view also of the large number of them engaged in agriculture (Tables 12 and 13). The high degree of informal employment suggests that a large proportion of the population, particularly older age groups, is susceptible to unfavourable working conditions, income insecurity and limited access to social protection.

Sector distribution

Older persons, as well as all employed persons, are engaged in a wide range of jobs (Table 12). Following agriculture (66.1 per cent), commerce (15.3 per cent) and manufacturing (7.6 per cent) constituted the second and third largest share of all older employed persons in 2000. The data on commerce employment depicted the most significant gender differences, with more women (21.0 per cent) than men (11.9 per cent). Notwithstanding a smaller difference, more of older men than women worked in agriculture (68.4 per cent compared with 62.1 per cent). Among older urban residents, the largest proportion, at 41.8 per cent, had commerce employment, although the share of service was relatively high, at 22.5 per cent, while about 10.0 per cent was employed in transport, storage or communication work.

Table 12: Employed persons by industry (in 2000) (%)

	All employed persons					60+				
	Total	Gender		Area ¹⁸		Total	Gender		Area	
		male	female	urban	rural		male	female	urban	rural
Agriculture, forestry, hunting and fishing	48.8	49.8	47.5	2.0	61.3	66.1	68.4	62.1	6.5	75.1
Mining and quarrying	0.1	0.2	0.0	0.1	0.1	-	-	-	-	-
Manufacturing	14.5	13.5	15.7	23.0	12.2	7.6	6.7	9.2	13.0	6.8
Construction, repair and demolition	3.9	6.0	1.3	4.0	3.8	2.2	3.4	0.1	-	-
Electricity, gas, water, sanitary service	0.5	0.7	0.3	1.4	0.3	-	-	-	5.6	1.7
Commerce	14.5	12.4	17.1	29.1	10.7	15.3	11.9	21.0	41.8	11.3
Transport, storage, communication	2.9	4.6	0.8	7.6	1.6	1.8	2.7	0.1	9.8	0.5
Services	14.7	12.7	17.3	32.7	10.0	6.9	6.5	7.4	22.5	4.5
Others	0.0	0.0	0.0	0.1	0.0	0.2	0.3	0.1	0.8	0.1

Sources: based on NSO (2000, 2001b)

The proportion of all employed persons engaged in agriculture declined from 2001 to 2005 regardless of gender, administrative area or region. However, it still constituted more than 40.0 per cent of the total labour force. Among all older persons, there was no parallel decline. Though slightly, the share of agricultural workers increased from 61.0 per cent in 2001 to 61.5 per cent in 2005. By category, however, there were declines within all the categories except a slight increase for older men (from 65.2 per cent to 66.7 per cent) and in Bangkok, and a holding steady in the North. In 2001 and 2005, the proportion of older persons in agriculture remained larger than all employed persons, by about 10.0 to 15.0 percentage points for both genders, in both administrative areas and all regions. In 2001, 61.0 per cent of older workers in agriculture contrasted with 46.0 per cent of all employed persons, while it was 61.5 per cent compared with 42.5 per cent in 2005 (Table 13).

In terms of gender, a larger proportion of men than women were engaged in agriculture in 2001 and 2005, for both all employed persons and older persons. The male-female difference in the share of those engaged in agriculture was larger among older persons

¹⁸ "Area" in the succeeding tables refers to an administrative area, unless otherwise specified.

than all employed persons (11.1 versus 4.4 percentage points in 2001 and 13.1 versus 3.5 percentage points in 2005). The male preponderance may be due to the nature of agricultural work and the physical strength required, which is possibly more suitable or acceptable for men than women in their older age.

Table 13: Share of labour force in agriculture (%)

		All employed persons		60+	
		2001	2005	2001	2005
Total		46.0	42.5	61.0	61.5
Gender	Male	48.0	44.2	65.2	66.7
	Female	43.6	40.7	54.1	53.6
Administrative area	Urban	10.3	8.8	24.7	23.2
	Rural	62.9	57.0	72.3	71.8
Region	Bangkok	0.5	0.5	2.1*	2.5
	Central	31.7	25.1	57.5*	53.8
	North	57.8	52.2	65.3*	65.3
	Northeast	65.7	62.8	83.0*	78.4
	South	50.3	46.3	67.7*	66.7

* Data from 2000

Sources: based on NSO (2001a, 2001b, 2005a, 2006); MSDHS (2006)

As for administrative areas, naturally the larger share of the population in rural than urban areas has been engaged in agriculture, by about 50.0 percentage points for all employed persons (62.9 per cent and 57.0 per cent in rural areas compared to 10.3 per cent and 8.8 per cent in urban areas in 2001 and 2005, respectively) and for older persons (72.3 per cent and 71.8 per cent in rural areas compared to 24.7 per cent and 23.2 per cent in urban areas in 2001 and 2005, respectively). In urban areas, the share of older persons in agriculture was more than double the share of all employed persons: 24.7 per cent versus 10.3 per cent in 2001 and 23.3 per cent versus 8.8 per cent in 2005. By region, a much larger share of all employed persons and older persons were engaged in agriculture in the North, Northeast and South. In Central Thailand, the share of older persons was approximately twice the share size of all employed persons.

Working hours

Older persons work a similar number of hours as younger people. In 2005, the majority of people of all ages worked more than 40 hours a week. The largest proportion of people in all categories worked more than 50 hours a week: i.e. 38.0 per cent of all employed persons, 37.9 per cent of people aged 50 to 59, and 32.6 per cent of older persons (Table 14). These figures imply that a large proportion of older persons do not work part time.

Table 14: Weekly working hours (in 2005) (%)

Hours	All employed persons			50-59			60+		
	Total	Male	Female	Total	Male	Female	Total	Male	Female
0	1.2	1.3	1.0	1.5	8.7	1.2	1.9	1.9	1.9
1-9	1.1	1.0	1.1	0.9	1.8	1.2	1.7	1.2	2.4
10-19	3.2	2.8	3.4	3.1	0.8	4.3	6.4	5.6	7.6
20-29	7.2	6.7	7.0	9.1	7.5	11.0	14.8	13.3	16.9
30-39	14.1	13.2	13.5	17.2	15.8	18.9	16.6	14.8	18.5
40-49	35.2	34.8	31.8	30.2	30.6	33.8	26.3	28.1	23.7
More than 50	38.0	40.4	31.6	37.9	41.3	40.9	32.6	35.1	28.9

Sources: based on NSO (2005a, 2006)

The working hours of male and female older persons were almost the same in 2001 and 2005, while working hours were longer in urban than rural areas by about 10 hours (Table 15). Among regions, working hours in Bangkok were longest, followed by the Central region. This difference may be due to the unstable and seasonal nature of agriculture work (varying working hours in on- and off-farm seasons), which engages a large share of older persons in rural areas in the North, Northeast and South of the country.

Table 15: Average working hours of older persons¹⁹ (hours)

		2001	2005
TOTAL		40.4	39.8
Gender	Male	40.1	39.9
	Female	41.1	39.8
Administrative area	Urban	47.9	46.7
	Rural	38.1	38.0
Region	Bangkok	54.2	52.1
	Central	45.6	44.7
	North	43.1	39.6
	Northeast	34.2	38.4
	South	35.2	33.3

Source: based on MSDHS (2006)

3.3 Intention to work

There is limited information on older persons' interest in working. Meanwhile, according to an NSO survey in 2002, 36.8 per cent of older persons aged 60 to 98 wanted to work. The proportion of those wanting to work was larger among men than women (47.4 per cent versus 27.9 per cent) and among those in rural than urban areas (40.8 per cent versus 27.9 per cent). The proportion was much larger among older persons aged 60 to 64 (57.1 per cent). In this age group, nearly as many women (46.7 per cent) as men (47.4 per cent) wanted to work. More older persons in rural than urban areas wanted to work (63.5 per cent compared with 43.3 per cent), while there was no major gender differences (Table 16).

Table 16: Intention to work (in 2002) (%)

Age	60-98					60-64				
	Total	Gender		Area		Total	Gender		Area	
		Male	Female	Urban	Rural		Male	Female	Urban	Rural
Want to work	36.8	47.4	27.9	27.9	40.8	57.1	47.4	46.7	43.3	63.5
Do not want to work	62.8	52.3	71.7	71.6	58.9	42.6	52.3	53.0	56.5	36.2
Do not know	0.4	0.4	0.4	0.5	0.3	0.3	0.4	0.3	0.2	0.3

Source: NSO (2003a)

Regarding the reasons for working, the largest proportion of older persons, both men and women, and both those in urban and rural areas, pointed to a need for income for themselves or for their family. To maintain their health was the second most mentioned reason. About 7.0 per cent of older persons said they wanted to work, to make use of their spare time (Table 17). These figures underscore the importance of employment among older persons in Thailand.

¹⁹ Data on average working hours for other age groups were not available.

The majority of older persons not working attributed it to their old age (Table 17). This can explain why a larger share of those aged between 60 and 64 years than those between 60 and 98 years said they want to work (Table 16). Another reason for not working reported by a relatively large number was household keeping. Due possibly to the expectations of women, a larger number of older women than men referred to this reason. A larger share of older persons in rural than urban areas did not work as they waited for the next season (Table 17), indicating that a larger share of older persons in rural areas are engaged in seasonal work.

Table 17: Reasons for working or not working (in 2002) (%)

	Total	Gender		Area	
		Male	Female	Urban	Rural
Working					
Health	36.4	36.4	36.3	37.4	36.0
Household / income	50.3	51.7	48.2	48.3	51.0
Children education	0.5	0.5	0.4	0.5	0.4
Routine, no one to take over	3.1	3.0	3.2	2.3	3.4
Not yet retired	0.3	0.4	0.1	0.8	0.1
Indebted	0.5	0.4	0.6	0.4	0.5
To make use of spare time	7.1	5.8	9.2	7.3	7.1
Others	0.1	0.1	0.2	0.3	0.1
Unknown	1.7	1.7	1.8	2.6	1.4
Not working					
Household keeping	6.6	1.7	9.8	6.1	6.9
Spouse/children won't allow	2.9	2.7	3.1	3.0	2.9
Waiting for next season	3.9	6.4	2.4	0.9	5.5
Too old	76.1	73.5	77.7	76.4	75.9
Sickness/disability	5.9	8.2	4.4	5.8	5.9
No intention to work	0.3	0.4	0.3	0.3	0.3
Looking for work	0.3	0.4	0.3	0.2	0.4
Retired government staff	3.3	6.1	1.5	6.9	1.5
Others	0.6	0.6	0.6	0.5	0.7

Source: based on NSO (2003a)

4. Income security

4.1 Income sources

Table 18 shows income sources of older persons in and out of labour force. Work was a source of income for the second largest share of older persons both in 1994 and 2002 (about 40.0 per cent), next to support from children. Work was an income source for a larger share of men (about 50.0 per cent) than women (about 30.0 per cent) both in 1994 and 2002. Work was an income source for a much larger share of older persons in rural areas (41.3 per cent in 1994 and 42.1 per cent in 2002) than urban areas (23.8 per cent in 1994 and 27.9 per cent in 2002).

Savings and interest constituted a relatively important source of income for older persons. It provided income for a larger or equal share of older persons in urban areas compared to rural areas: i.e. 29.3 per cent versus 14.2 per cent in 1994, and 27.9 per cent versus 13.5 per cent in 2002. A slightly larger share of men than women drew from this source. A similar trend seemed to hold regarding pension. It was a source of income for 12.1 per

cent (1994) and 9.7 per cent (2002) of urban older persons, compared to 2.3 per cent (1994) and 1.9 per cent (2002) of rural older persons. It provided income to 7.2 per cent (1994) and 6.9 per cent (2002) of men as opposed to 1.7 per cent (1994) and 2.1 per cent (2002) of women. These figures suggest a limited availability of savings/interest and pension particularly for older women and rural older persons. This, in turn, implies that women would need to depend upon work for income even more than men, as well as older persons in rural areas, than those in urban areas.

Table 18: Income sources for older persons* (%)

Source	Total		Gender				Area			
	1994	2002	Male		Female		Urban		Rural	
			1994	2002	1994	2002	1994	2002	1994	2002
Work	38.0	37.7	49.9	48.9	28.3	28.2	23.8	27.9	41.3	42.1
Pension	4.1	4.3	7.2	6.9	1.7	2.1	12.1	9.7	2.3	1.9
Living allowance	0.5	3.0	0.9	2.7	0.3	3.3	0.8	1.8	0.5	3.6
Savings/interest	17.1	18.0	18.9	19.7	15.6	16.5	29.3	27.9	14.2	13.5
Children		(a)15.6 (b)15.4 (c)44.8 (d)53.5		(a)16.0 (b)15.9 (c)41.8 (d)48.8		(a)15.2 (b)15.0 (c)47.3 (d)57.4		(a)16.4 (b)19.3 (c)41.3 (d)44.6		(a)15.2 (b)13.6 (c)46.4 (d)57.5
Spouse	21.4	17.4	19.8	16.5	7.2	18.1	16.7	15.8	22.4	18.1
Sibling	6.9	6.9	6.5	5.1	9.6	8.4	6.1	6.9	7.1	6.9
Relative	8.0		6.1		1.6		6.1		8.5	
Rent of property**	1.6	n/a	1.6	n/a	0.1	n/a	1.8	n/a	1.5	n/a
Sale of property**	0.2	n/a	0.2	n/a	-	n/a	0.1	n/a	0.2	n/a
Others	1.5	2.6	1.3	2.2	1.7	3.0	1.3	3.0	1.6	2.5

(a) single son; (b) single daughter; (c) married son; (d) married daughter

*Multiple answers. / **Category available only for 1994 survey.

Sources: based on NSO (1995b, 2003a)

Interestingly, as Table 19 shows, the share of income from work decreases in accordance with the socio-economic status²⁰, from 40.8 per cent for those in the lowest status to 33.4 per cent for those in the highest status. A similar trend appears on support from children (82.3 per cent for the lowest status and 62.6 per cent for the highest status). There is an inverse trend on pension (0.3 per cent share of income for the lowest status and 14.8 per cent for the highest status) and savings (6.0 per cent for the lowest status and 34.1 per cent for the highest status).

Table 19: Income sources by socio-economic status* (in 2002) (%)

	Lowest	Medium low	Medium	Medium high	Highest
Work	40.8	38.6	38.1	35.9	33.4
Pension	0.3	0.9	3.2	5.5	14.8
Living allowance	5.0	3.1	2.5	1.9	2.0
Savings/interest	6.0	12.4	18.7	25.3	34.1
Children	82.3	82.8	78.8	76.0	62.6
Spouse	17.1	18.4	17.3	17.2	16.6
Siblings	4.1	4.2	3.6	2.5	2.5
Relatives	5.9	6.0	5.7	4.8	3.8
Other	2.7	2.8	2.3	2.2	3.2

*Multiple answers

Source: based on University of Michigan and Chulalongkorn University (2005)

²⁰ There is no explanation in the literature as to how the socio-economic status is defined.

These figures suggest that work is an importance source of income for older persons, especially for those in a lower socio-economic status. The significance of work is even further stressed due to the limited availability of pension or savings among older persons in general and those in lower socio-economic status in particular. In addition, the gradual eroding of family support, specifically from children, is likely to more seriously affect older persons in a lower socio-economic status.

4.2 Wage and income

Table 20 presents a comparison on wage of all employed persons earn and income of older persons²¹. The Table includes the presumed average wage (referred to as [PW]) for older persons. This is calculated solely for the purpose of this report, based on the *Thai Elderly 2007* (NSO 2008: 24) according to which work constituted 76.3 per cent of income of older persons.

In most categories, the average monthly income of older persons was much lower than the average monthly wage of all employed persons: i.e. by 1,211 baht²² in 2001 and by 2,619 baht in 2005. The difference was greater when comparing the wage of all employed persons with the presumed wage of older persons: 2,522.9 baht in 2001 and 3,785.4 baht in 2005. Considering that older persons work a similar number of hours as all employed persons (Table 14), these figures seem to suggest that the daily or hourly wage of older persons is much lower than all employed persons.

Table 20: Average wage of all employed persons and income of older persons (baht/month)

		Wage of all employed persons		Income of older persons	
		2001	2005	2001	2005
TOTAL		6 746.0	7 538.4	5 534.8 [PW] 4 223.1	4 918.8 [PW] 3 753.0
Gender	Male	7 095.2	7 903.4	6 375.0 [PW] 4 864.1	5 753.1 [PW] 4 389.6
	Female	6 347.6	7 099.0	3 905.8 [PW] 2 980.1	3 436.2 [PW] 2 621.8
Area	Urban	9 140.9	-	9 153.3 [PW] 6 984.0	9 863.1 [PW] 7 525.5
	Rural	4 709.1	-	3 513.5 [PW] 2 680.8	3 069.4 [PW] 2 342.0
Region	Bangkok	10 928.4	12 445.1	13 793.6 [PW] 1 0524.5	18 093.1 [PW] 1 3805.0
	Central	6 631.6	6 557.1	5 322.8 [PW] 4 061.3	4 878.5 [PW] 3 722.3
	North	4 952.5	5 653.0	2 215.3 [PW] 1 690.3	2 649.0 [PW] 2 021.2
	Northeast	4 917.0	6 006.6	5 557.7 [PW] 4 240.5	3 157.5 [PW] 2 409.2
	South	5 191.6	6 185.7	2 814.3 [PW] 2 147.3	4 738.9 [PW] 3 615.8

Sources: based on NSO (2001a, 2001b, 2003a, 2005a); MSDHS (2006)

²¹ Data on all age groups are the average of all the employed persons, whereas the data for older persons are the average of government, state enterprise and private employees. Income for older persons includes both wage and other sources of income.

²² As of July 2008, US\$1 was equivalent to approximately 33 baht (Bank of Thailand 2008).

Table 20 also shows that the average wage of all employed persons in 2005 was higher than 2001 within all categories except the Central region. However, there was a decline in income of older persons in the majority of categories except the Central region. It can also be noted that the data for older persons refer to the average of only government, state enterprise and private employees. This could imply that if the income of all older persons was included in this calculation, the average income of older persons would be even lower.

There are male-female and urban-rural disparities. Among all employed persons, the average wage of men was higher than women, by 747.6 baht in 2001 and by 804.4 baht in 2005. The average income of older men was higher than older women's by 2,469.2 baht in 2001 and 2,316.9 baht in 2005. The urban-rural difference of the average wage in 2001 for all employed persons was 4,331.8 baht and 5,639.8 baht for older persons²³. As these figures suggest, income security is a major issue for older persons, especially for older women and those in rural areas.

In this connection, the majority of older persons consider their income insufficient. Although the proportion of older persons who described their income as "not enough" declined from 61.8 per cent in 1994 to 57.9 per cent in 2002, the proportion of those who deemed their income as "enough" also decreased from 35.4 per cent in 1994 to 32.6 per cent in 2002 (Table 21). This could be related to the decline in the average income of older persons, as explained above.

There were no major male-female differences, notwithstanding the income disparities noted above. The proportion of older persons who reported their income as insufficient was higher in urban than rural areas, by 17.1 percentage points in 1994 and 14.4 percentage points in 2002, despite the urban-rural income disparities also mentioned above.

Table 21: Income sufficiency²⁴ (%)

		1994				2002				
		enough	not enough	more than enough	do not know	enough	not enough	more than enough	do not know	no income*
TOTAL		35.4	61.8	7.7	0.1	32.6	57.9	0.7	7.0	1.8
Gender	Male	37.0	60.6	2.3	0.1	33.5	57.9	0.6	6.6	1.3
	Female	34.1	62.8	3.0	0.1	31.9	57.9	0.7	7.3	2.2
Area	Urban	19.8	75.7	3.9	0.6	22.2	67.9	1.1	6.7	2.2
	Rural	39.0	58.6	2.4	-	37.3	53.5	0.5	7.1	1.6

*Category available only for the 2002 survey.

Sources: based on NSO (1995b, 2003a)

4.3 Poverty

Poverty is widespread in Thailand. According to the data on the poverty line index,²⁵ 7.07 million people (11.2 per cent of the total population) lived under the poverty line in 2004 (NESDB 2006). The data on the population in expenditure poverty²⁶ indicates that there

²³ Urban-rural disaggregated data for all employed persons in 2005 was not available.

²⁴ This is based on personal assessment of the respondents.

²⁵ The calculation of poor persons in Thailand is based on two indices: i.e. the poverty line index and the basic minimum need index. By the latter, a poor person is defined as having income of less than 20,000 baht per year (Administrative Committee to Improve Quality of Life for People in Rural Areas 2002).

²⁶ Persons in expenditure poverty are those who have a level of expenditure below the set poverty line.

has been a gradual decline in the past decade: from 14.8 per cent of the total population in 1996 to 9.6 per cent in 2006, from 12.4 per cent of the working age population in 1996 to 7.4 per cent in 2006, and from 18.3 per cent of older persons in 1996 to 14.5 per cent in 2006. There was an overall rise in 1998 and 2000 (Table 22), which was possibly due to the economic crisis in 1997.

However, the urban-rural disparity has remained wide. In 2006, that disparity registered at 8.4 per cent for the total population, 7.1 per cent for the working age population and 10.5 per cent for older persons. Between 2004 and 2006, the disparity increased only among older persons (Table 22). Thus, although the higher poverty incidence in rural than urban areas is discerned particularly among older persons, it is the case also for the working age population, whose income level would affect the level of savings and pension as they grow into old age.

Table 22: Proportion of population in expenditure poverty²⁷ (%)

	Total population				15-59				60+			
	Total	Urban	Rural	Rural minus urban	Total	Urban	Rural	Rural minus urban	Total	Urban	Rural	Rural minus urban
1996	14.8	6.8	18.2	11.4	12.4	5.5	15.7	10.2	18.3	11.5	20.7	9.2
1998	17.5	7.1	22.0	14.9	15.2	5.7	19.8	14.1	19.9	10.7	23.3	12.6
2000	21.0	8.6	26.5	17.9	18.0	7.0	23.6	16.6	24.1	12.3	28.5	16.2
2002	14.9	6.4	18.9	13.5	12.4	5.2	16.3	11.1	19.2	9.1	23.4	14.3
2004	11.2	4.6	14.2	9.6	9.2	3.6	12.2	8.6	14.6	7.8	17.2	9.4
2006	9.6	3.6	12.0	8.4	7.4	2.6	9.7	7.1	14.5	6.8	17.3	10.5

Sources: based on NESDB (2008)

Table 22 shows that the expenditure poverty is higher for older persons than the total population and the 50-59 age group. The difference between the 15-59 age group and older persons increased from 5.9 per cent in 1996 to 7.1 per cent in 2006. This difference in rural areas increased from 5.0 per cent in 1996 to 7.6 per cent in 2006 (with some fluctuations). In addition, between 2004 and 2006, there was a slight rise in the proportion of expenditure poverty among older persons in rural areas, while the decline among total older persons was only 0.1 per cent, much lower than 1.6 per cent among the total population (from 11.2 per cent to 9.6 per cent) and 1.8 per cent for the 15-59 age group (from 9.2 per cent to 7.4 per cent). These figures suggest that older persons, especially in rural areas, are particularly susceptible to poverty. This is possibly due to the differences in their wage/income, as previously noted.

5. Social security schemes

Social security schemes may constitute an important source of income for older persons, particularly when their income from work declines or discontinues. Matrix 1 outlines the social security schemes in Thailand for different population groups. The schemes targeting older persons are shadowed in grey.

Most of these schemes can be categorised into two types: (1) those for public sector employees that the government has established (Government Pension Fund, Government Permanent Employee Provident Fund and State Enterprise Provident

²⁷ Gender and region disaggregated data for older persons are not available.

Fund); and (2) those for private sector workers set up by respective companies, mostly among the large and medium-sized businesses (Private Sector Provident Fund and Old Age Pension Fund). There is also a Retirement Mutual Fund that both public and private sector workers can join. In addition, the government provides Monthly Subsistence Allowance (MSA) to older persons in an economically difficult situation.

Matrix 1: Social security schemes

Target ²⁸		Occupational injury	Maternity allowance	Child allowance	Medical insurance	Old-age	
Public sector	- Government employee - Military staff and family	Civil Servant Medical Benefit Scheme²⁹				Tax-based Civil Service Pension Government Pension Fund (GPF)	Retirement Mutual Fund (RMF)
						Government Permanent Employee Provident Fund (GPEF)	
	State enterprise employee					State Enterprise Provident Fund (SOE-PF)	
Private sector	Company employee	[Some companies] Own scheme - Workmen's Compensation Scheme - Social Security Scheme (SSS)				- Private Sector Provident Fund (PSPF) - Old Age Pension Fund (OAPF): <i>part of SSS</i>	
Agricultural worker Informal sector worker Low income earner		[Few workers] Social Security Scheme			30 baht health scheme	Monthly Subsistence Allowance (MSA)	

Sources: based on Japan Bank for International Cooperation (2002); Suehiro (2003)

As Matrix 1 shows, the formal institutional set up for social security for older persons in Thailand appears relatively elaborate. However, as in other developing countries in the region, the consolidation of social security schemes targeting older persons, including a pension fund, is a critical issue. The actual scope of these schemes remains a major challenge. As explained earlier (see Section 4.1), pension provides income for only a small proportion of older persons.

Matrix 2 outlines the main features and coverage of the schemes targeting older persons: i.e. Pension Government Pension Fund (GPF); Government Permanent Employee Provident Fund (GPEF); State Enterprise Provident Fund (SOE-PF); Private Sector Provident Fund (PSPF); Old Age Pension Fund (OAPF); Retirement Mutual Fund (RMF); and MSA. These schemes are quite complex and under the responsibility of a number of organisations. This makes understanding on the overall picture of the social security system difficult, as well as coordinating them.

No social security schemes are in place for most small company employees, agricultural, forestry and fishery workers, informal sector workers and low income earners. There is a plan to expand the scope of pension coverage. However, the government's principle strategy is to increase national savings, with limited consideration of affordability (Office

²⁸ A person may belong to more than one of these categories (e.g. agricultural worker and low-income earner).

²⁹ There are separate schemes for groups of public sector workers, such as private school teachers (in which status is equivalent to public sector employees) and local government officials.

of the Permanent Secretary, MOL 2008). This is a pressing issue for countries such as Thailand, where older persons have limited income.

Matrix 2: Schemes related to social security for older persons

Scheme	Target	Contribution [C] / savings [S] (% of salary)	Entitled amount/ age	Responsible/ overseeing agency	Start year	Coverage (persons)	Target coverage
GPF	Government employee (professional category)	(Non-contributory, tax-based)	Up to 70% of last salary/55 (25+ years of service)	Social Security Office, MOL	1902	n/a	n/a
		[C] 3% (voluntary/ mandatory ³⁰) and 5% by employer	Contributed or saved amount plus investment yield (SOE) / 55	Government Pension Fund	1997	8 655 (2005); 14 065 (2006)	n/a
GPEF	Government employee (general category)	[C] 3% (voluntary) matched by employer		Government Employee Pension Fund	1976	161 000 (2003)	n/a
SOE-PF	State enterprise employee	[S] 3-15% (voluntary by enterprise) matched by employer		n/a	n/a	1.82 million	n/a
PSRF		(Depends on employer-employee agreement)		Securities and Exchange Commission	n/a	n/a	n/a
OAPF	Private sector employee	[C] 3%, matched by employer (minimum 180 month), matched by employee - mandatory	Based on last 5 years' salary ³¹ / 55 (15+ years service)	Social Security Office, MOL	1998 (current SSS)	8.9 million (2006)	69.5% of private sector employee
RMF	(Anyone with annual disposable income)	[S] 3-15% (voluntary) (or 5 000-500 000 baht)	Saved amount plus investment yield/ 55 (5+ year savings)	Securities and Exchange Commission	2001	513 funds (2008)	n/a
MSA	Older persons deemed poor ³²	(Non-contributory)	500 baht / month ³³	MSDHS	1993	1 763 178 (2007)	24.9% of older persons (2007)

Sources: based on Department of Local Administration (2007); Japan Bank for International Cooperation (2002); MSDHS (2007); Niwat (2003); Social Security Office (2007); Suehiro (2003); Thai Provident Fund (2008); Yamabana (2008)

According to a 2004 survey conducted by the Social Security Office and the National Statistical Office, with the ILO support (Mizunoya 2004), becoming old was the primary concern regarding income security for the highest proportion of the older persons surveyed (33 percent). Yet, nearly two-thirds of them were not willing to join the social security scheme. The majority of them said they could not afford it.

For people who are not covered by a formal social security scheme, community-based saving groups could provide some degree of security, although to a varied extent. While this appears to be a viable option, its long term sustainability needs to be carefully assessed, particularly in view of declining community unity.

³⁰ Government officials in service before 27 March 1997 may choose to stay with the old pension scheme (a pay-as-you-go system and a non-contributory scheme).

³¹ For 15 years of service, the amount is 15 per cent of the average salary of the last five years of service. For more than 15 years, 1.0 per cent per year is added. The first payment of OAPF will be in 2014.

³² There are no standard criteria for being "poor" in this regard.

³³ The amount was 200 baht until 1999 and 300 baht until 2007.

▪ Monthly Subsistence Allowance (MSA)

Older persons who are deemed “poor” may receive a non-contributory MSA of 500 baht per month. Equivalent to a third of the country’s poverty line, which was set at 1,386 baht in 2006 (NESDB 2008), this amount is not sufficient to sustain older persons’ well-being.

According to the Department of Local Administration (the agency in charge of implementing MSA), the coverage increased from 6.4 per cent in 2003 to 24.9 per cent in 2007 (Table 23). This means one in four older persons received the allowance. Nevertheless, there is no information available on whether or not the coverage includes the designated targets: i.e. “poor” older persons.

Table 23: Older persons covered by Monthly Subsistence Allowance

	Recipients (persons)	Persons aged 60 or older (thousand persons)	Recipients in the population aged 60 or older (%)
2003	399 362	6 195.4	6.4
2005	527 083	6 719.7	7.8
2007	1 763 178	7 073.1	24.9

Sources: based on NSO (2003b, 2005a, 2007b).; Department of Local Administration (2007)

A report by the University of Michigan and the Chulalongkorn University (2005) presented a different picture. MSA provided a source of income for only 3.0 per cent of older persons in 2002, although the figure was an increase from the 0.5 per cent in 1994. In this connection, as shown in Table 24, only about half of older persons in total, both male and female both in urban and rural areas and at different socio-economic levels, had heard of this allowance. Moreover, although the largest proportion of recipients of MSA were older persons in the lowest socio-economic status in rural areas, this constituted only 7.7 per cent. These figures suggest limited coverage of MSA.

Table 24: Older persons who have heard of and received Monthly Subsistence Allowance (%)

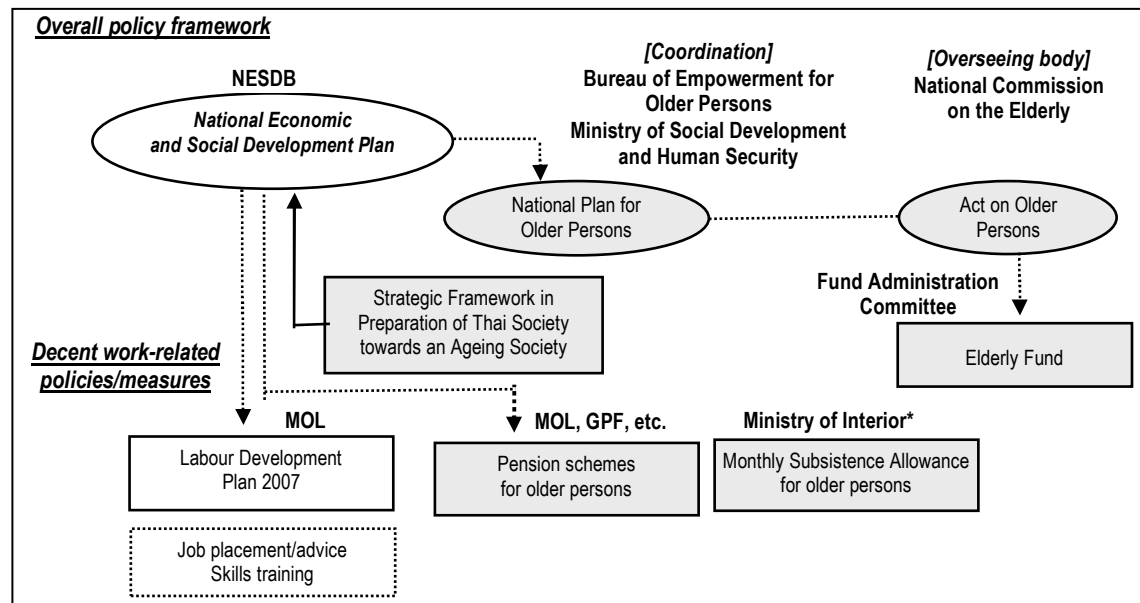
		Heard of allowance			Received allowance		
		Total	Urban	Rural	Total	Urban	Rural
Total		50.2	43.9	53.1	5.1	3.5	5.9
Gender	Male	52.7	46.6	55.4	4.7	3.8	5.1
	Female	48.1	41.7	51.1	5.5	3.3	6.5
Socio-economic status	Lowest	54.9	48.4	55.7	7.3	4.3	7.7
	Medium low	52.5	46.0	54.0	5.0	3.1	5.4
	Medium	49.6	45.2	51.1	5.1	4.2	5.4
	Medium high	46.2	39.9	51.0	4.1	4.2	4.0
	Highest	45.5	43.9	49.3	3.6	2.8	5.3

Source: based on NSO (2003a)

6. Government policies

In Thailand, several major policies make reference to the promotion of employment for older persons as well as the provision of social security. Figure 1 illustrates these policies. Those directly concerning older persons are shadowed in grey.

Figure 1: Policy framework relating to the promotion of decent work for older persons³⁴



Source: based on various sources

6.1 Overall policy framework

The framework of socio-economic planning in Thailand is set under the National Economic and Social Development Plan (hereinafter referred to as the Development Plan). Population ageing was addressed for the first time in the Ninth Development Plan (2002-06) as a major domestic trend. The Plan stipulates that "...Thailand will become an ageing society within the next 15 years". It characterised this demographic shift, along with a structural change in families from being extended to nuclear, as opportunity to improve the country's population development policies. The Ninth Plan stipulated the need to enhance the quality of education and health for children as well as health care, welfare and social security provision for older persons (NESDB 2002: 9). The Eighth Development Plan had a similar provision but as part of the overall development of poor and underprivileged persons (NESDB 1997).

Reflecting its increasing prominence in the country's socio-economic planning, ageing is addressed as a key national development issue in the Tenth National Development Plan (2007-11). The Plan regards population ageing in developed countries also as opportunity for Thailand, in terms of extending its markets for health food, indigenous knowledge, medical care and the long term stay for older persons from abroad. The promotion of Thai indigenous knowledge as a value added intellectual property is also declared essential. The Plan also refers to a trend of low to medium skilled labourers from developing countries working in developed countries with ageing population to supplement the declining work force. The Plan also emphasises an urgent need for Thailand to prepare for its ageing population by promoting employment opportunities for all age groups, raising the productivity of the present workforce and fostering the care of the older population (NESDB 2007).

³⁴ Since 2004, the Elderly Fund has served as a government fund for the protection, promotion and support of older persons, especially activities by elderly persons' organisations and activities related to the occupational development of older persons. Such activities include the provision of no-interest loans for occupational activities of older persons (MSDHS 2007: 32-3).

These references in the Tenth Plan to an ageing population echo the Strategic Framework in Preparation of Thai Society towards an Ageing Society issued in 2005. Five of the eight strategies in the Framework touch upon the promotion of decent work: (1) lifelong education for all age groups; (2) skill upgrade and labour force development; (3) promotion of savings for socio-economic security; (4) enhancement of the social security system; and (5) encouraged use of knowledge and experiences for income generation and participation in social activities.

Preceding this Framework, the National Plan for Older Persons (the first Plan covering 1982 to 2001, and the Second Plan, 2002 to 2011) provides a guideline for agencies looking to develop and implement support activities for older persons. The Second Plan takes into consideration the recommendations from the Second World Assembly on Ageing in 2002 and is in conformity with the Madrid International Plan of Action on Ageing. Its five broad strategies relate also to promoting decent work: (1) preparation for quality ageing; (2) capacity building; (3) social security; (4) national management and personnel development; and (5) research on the elderly, and monitoring and evaluation. The Bureau of Empowerment for Older Persons serves as the main coordination agency for the issues stipulated under the National Plan for Older Persons.

The Act on Older Persons has been in effect since 2004. This is the first legal basis for: (1) the enforcement of measures related to elderly person's rights; (2) a national mechanism on the elderly; (3) tax privileges for children who take care of their parents; and (4) Elderly Fund. In line with the Act, the National Commission on the Elderly was established to oversee the policies and measures regarding older persons. Concerning employment for older persons, the Act stipulates that "an older person shall be entitled to protection, promotion, and support in various areas including appropriate occupation or occupational training".

6.2 Policies on employment and training

As noted above, several conventional as well as newly established government policies refer to the employment of older persons. In terms of employment laws, however, the Labour Relations Act and the Labour Protection Act do not specifically refer to older persons. Meanwhile, the Labour Development Plan 2007 includes a clause on employment and income generation for older workers through skill development that responds to their needs and age. It also includes reference to the extension of social protection for older persons.

Within the government, MOL is the main agency responsible for promoting employment opportunities for older persons, with its departments carrying out specific activities. The Department of Job Placement is in charge of the registration and job placement of, and job information service to, older persons wanting to work. The Department of Skill Development provides occupational training (cooking, food preservation, massage, handicraft making, etc.) in provincial training centres. The Department also promotes the employment of skilled older persons as lecturers in training centres to transfer their knowledge to younger persons (MSDHS 2007: 40-1).

Notwithstanding the lack of assessment on these measures, their actual scope and effectiveness appear limited. For instance, annually, a reported 10,000 older persons access the job information made available by the Department of Job Placement, while around 1,000 older persons participate in the training offered by the Department of Skill

Development (MSDHS 2007: 40-1). This constitutes a very small proportion of the total number of older persons in Thailand (7.2 million persons) or even of those in the labour force (2.1 million persons as of 2005).

Lifelong learning is an important component in the promotion of decent work. In line with the National Plan for Older Persons, the Ministry of Education provides education opportunities (short term) for older persons on occupational and life skills development as well as social and community development. The subjects include artificial flower making, cooking and massage. Within the Ministry, the Departments of Higher Education, of Primary Education, of Private Education and of Non-formal Education are involved in the occupational education. In addition, the Ministry of Education encourages self-learning among older persons through the production of reading material, television, radio and information technology (Ministry of Education 2007).

The Ministry of Culture also promotes learning among older persons, mainly on art and culture. In this connection, the National Economic and Social Development Board initiated a programme to cultivate the expertise of older persons in a way that would allow them to participate in the country's development by sharing their skills with younger generations (Box 1). Overall, however, the lifelong learning opportunities also seem limited.

Box 1
Brain Bank

The Brain Bank was established in 2000, with an aim to encourage older persons with technical skills to remain active after retirement, and contribute their knowledge and skills to the country's development. The Bank maintains a database of older person volunteers with expertise in social development, community welfare, agriculture, handicrafts and religious activities and who are willing to share their knowledge. The Bank disseminates this information to organisations interested in receiving assistance from older persons (MSDHS 2007).

In conjunction with the Brain Bank, the Bureau of Empowerment for Older Persons in 2004 initiated the Community's Elderly Brain Bank Project. The Project promotes the sharing of older persons' knowledge and experiences with younger generations and aims to contribute to community development (MSDHS 2007).

The scope of these programmes remains relatively limited. As of December 2008, 3,162 persons were registered as Brain Bank volunteers (NESDB No date), while there were 2,819 Community's Elderly Brain Bank volunteers in 12 provinces as of 2006 (MSDHS 2007).

6.3 Decentralised level implementation

With the administrative decentralisation since the 1990s in Thailand, many public services that had been under the responsibility of the central ministerial agencies were transferred to newly established local administrative organisations³⁵ such as the *Tambon*³⁶ Administrative Organisation (TAO) (Figure 2). The shift brought the promotion of employment and income generation opportunities for older persons at the community level and older persons' welfare into the responsibility of TAO. For instance, TAO

³⁵ Under the line of command of the Ministry of Interior, local administrative organisations (TAO, provincial administrative organisation, municipality, and *tambon* municipality) are run by locally elected management staff.

³⁶ *Tambon* is a sub-district consisting of two or more villages.

manages MSA in its *tambon*, including the identification of “poor” older persons and distribution of the allowance.

Figure 2: Administrative structure of Thailand*

National (Bangkok)	Cabinet Ministerial Headquarters	
	<i>[Ministerial representation]</i>	<i>[Local administration under the Ministry of Interior]</i>
Provincial	Provincial office	Provincial administrative organisation
District	District office	(n/a)
Sub-district /Municipality	(n/a)	TAO/ <i>Tambon</i> municipality /municipality
Village	(n/a)	(n/a)

*Local administrative organisations are shadowed in grey.

Source: Various sources

A relatively large number of local administrative organisations (20.0 per cent of the total 8,169 as of 2001³⁷) provide support for the occupational development of older persons in terms of, for instance, training and revolving funds. To a large extent, however, the scope and coverage of such support are limited. In addition to the lack of budget and trained personnel, local administrative organisations are generally not aware of the issues relevant to older persons in development. At the same time, there is a lack of relevant data at the decentralised level.

7. Private sector and civil society

The promotion of decent work opportunities for older persons has been, or at least has been perceived to be, under the government responsibility. It is a relatively new issue in the private sector and, though to a lesser extent, in civil society.

7.1 Private sector

There have been limited initiatives in the private sector to enhance employment of older persons. Accordingly, little information is available on private companies' schemes and workplace practices targeting older persons. There have also been limited discussions in the employers' organisations and workers' unions on the ageing workforce. A small number of employers provide either full or part time employment to older persons (MSDHS 2007). The lack of prominence of the issue could be due to the relatively small share of older persons in the private sector, namely, about 10.0 per cent of the labour force aged 60 or older (see Section 3.2).

Regarding the social security schemes in the private sector (Matrix 1), the old-age pension has limited coverage. Although there are large and medium-sized corporations that contribute to the old-age pension funds, most small and medium-sized enterprises do not have schemes to support older workers (Thailand Productivity Institute and World Bank 2004).

³⁷ See Sapon (2005).

Insignificance of issues related to older workers in the private sector³⁸ could also be attributed to the organisationally and politically weak workers' unions. This weakness stems from their relative newness (began in 1973), a small proportion of the workforce unionised, and divisions within the unions. The issues do not attract attention among unions also partly because, as per the Labour Relations Act of 1975, those who are not employed (including retired persons) do not belong to a union³⁹.

7.2 Civil society organisations

In Thailand, the role of civil society in promoting decent work for older persons has also been limited. Nevertheless, there appears to be considerable potential for civil society organisations (CSOs), such as non-governmental organisations and associations, to contribute to this issue. This is the case particularly in countries like Thailand where the scope of government schemes and private sector measures are limited.

CSO support to older persons conventionally focused on welfare, similar to the government's (Kerksak 1996). There has been a shift during the past five years, with CSOs increasingly concerned with income generation. This appears to be in response to the growing need among older persons to earn income, particularly those with limited access to social security schemes.

There are approximately 363 national and international CSOs providing assistance to older persons in Thailand (Bureau of Empowerment for Older Persons 2003). One major international organisation is HelpAge International, a United Kingdom-based organisation which provides financial and technical support to government and non-governmental organisations worldwide. Primary among national CSOs is the Foundation for Older Persons Development⁴⁰ (FOPDEP). Since 2005, FOPDEP has promoted cotton weaving, artificial flower making and bamboo and basket weaving activities among HIV/AIDS affected older persons in 44 villages in four districts in Chiang Mai province⁴¹ (FOPDEP 2007).

The Senior Citizen Council of Thailand (SCCT) is a network with extensive geographical coverage that supports a range of activities for older persons. The Council consists of older persons' clubs and associations nationwide (Figure 3). It provides information and counselling to the government and state enterprise employees on physical and mental preparation for their retirement (MSDHS 2007). The Council also provides elderly clubs nationwide with funding for the income generation activities of their members.

There is no comprehensive assessment on the impacts of SCCT schemes. However, its support for income generation is regarded instrumental in reversing the decline in income generation activities by village-based elderly clubs (Sopon and Apichart 2001). An example is community product making. Owing partly to SCCT funding, some elderly clubs improved the quality of their products to be certified as *Mor Por Chor* (a product standard issued by the Ministry of Industry). Some of them received assistance under a

³⁸ Private companies seem to pay growing attention to the ageing population in terms of marketing. Older persons may be viewed as target customers, particularly among insurance, housing, food and nutrition, medical and health care industries (MSDHS 2007: 39-40).

³⁹ One exception is the Thai Durable Textile Union, which was formed by workers laid off from their jobs during the economic crisis in 1997 and who organised to demand that the government provide skills training and social protection.

⁴⁰ FOPDEP receives support from HelpAge International.

⁴¹ UNFPA also provides support.

nationwide scheme to promote community products known as the One Tambon One Product (OTOP) project (Dr. Pongsiri 2007).

Figure 3: Senior Citizen Council of Thailand

<i>National (Bangkok)</i>	Senior Citizen Council of Thailand (SCCT): Headquarters
<i>Provincial</i>	Regional branches (Central, North, Northeast, South)
<i>District</i>	Provincial branches
<i>Sub-district /Municipality</i>	District branches
<i>Village</i>	Village-based Elderly Clubs (11 990 clubs / associations)

Source: based on SCCT (2004)

Notwithstanding these examples, the scope and coverage of CSO support are generally still limited. This is due mainly to their limited technical and financial capacities.

8. Conclusions and policy implications

8.1 Conclusion

The pace of ageing in Thailand has been second fastest among South-East Asian countries. Ageing situation is particularly heightened among women, in rural areas and in the country's Northern region. Ageing entails impacts the labour market, which in turn affect the country's productivity and socio-economic development. It also influences the sustainability of social security schemes. Meanwhile, the severity of the impacts is contingent upon the size of the labour force including older persons at work.

The implications of ageing on labour market are still a new issue in Thailand. While the government has devised policies and measures to promote decent work opportunities for older persons, the extent and effectiveness have been limited. In the private sector, older workers do not yet seem to be a priority concern. CSO support increasingly focuses on income generation. However, there is little interface with the government assistance and private sector initiatives.

The available data on older persons in the labour market in Thailand, though limited, suggest that labour force participation of older persons is relatively low (38.8 per cent in 2005). This is half of the rate of the working age population (15 years or older). The tendencies observed among all employed persons, namely greater participation of men, rural residents and those living outside the capital, are generally more pronounced for older persons.

Though declining, agriculture remains an important source of employment and income all age groups in Thailand. It is particularly so for older persons, especially men and those in rural areas. Smaller numbers of older persons are engaged in a range of employment, such as commerce, manufacturing, transport, storage, communication and especially in urban areas, service.

In a country where the informal sector employment is prevalent, its incidence is even higher among older persons, reaching 90.0 per cent. Nearly two-thirds of them are own account workers, a proportion twice as large as the share among all employed persons. Government and private sector employment constitutes a much smaller share. Informal

employment is greatest in rural areas and in the North and Northeast. The proportion of women in the informal sector is smaller than men among all employed persons, but larger among those aged 50 or older.

Income security, which is a concern for all ages, is even more acute for older persons, particularly for women and those in rural areas who are especially susceptible to poverty. Regardless of gender, older persons work similar hours to all employed persons, with the largest share of them working more than 50 hours. However, the amount of income from work is much lower among older persons, particularly women and those in rural areas.

Nevertheless, work is an important source of income for older persons, particularly for men and those in rural areas, following support from children. More older women than men, more rural than urban older persons, and many in a lower socio-economic status, have little or no savings and/or access to pension. Despite the relatively low labour force participation rate of older persons, a sizable proportion of the older population seems to be in search of work, particularly those in the early 60th, those in rural areas and those in lower socio-economic status.

In terms of the formal institutional set up, social security schemes for older persons appear to be relatively well established. However, their actual scope and effectiveness are limited. The complex implementation mechanism adds to the difficulty in effective coordination. Access to social security is a serious concern, particularly among the most vulnerable: i.e. older women, as well as older persons with little income, living in rural areas and working in the informal sector.

8.2 Recommendations

As synthesised above, the analysis undertaken in this report confirms the importance of promoting decent work for older persons in Thailand. This report also demonstrates that many issues regarding the promotion of decent work for older persons are relevant to other age groups. In this regard, attention can be directed to a number of policy implications, as follows:

▪ *Promotion of employment opportunities: Presenting a choice*

In a rapidly ageing society like Thailand, the promotion of employment opportunities for older persons is timely and indispensable for enhancing the country's productivity and socio-economic development, as well as the sustainability of social security schemes. Flexible retirement is an option to be explored, particularly in the public sector. Raising awareness on the potential of older workers in the private sector is also essential, with the collaboration of employers' organisations and workers' unions. Government provision of incentives, such as subsidies for measures in favour of retaining and reemploying older persons, may be useful. Meanwhile, the promotion of employment opportunities needs to be pursued as an option, and not an obligation, for older persons, taking into account their skills and needs.

▪ *Areas of employment promotion: Expanding choices*

The employment promotion for older persons may target the sectors that meet their skills and respond to their needs. While agriculture is likely to remain a major employment opportunity for older persons, greater choice would be preferable. Potential

sectors include commerce, manufacturing, transport, storage and communications. Specifically in rural areas, off- and non-farm work, such as community-based cottage industry, could be an alternative or supplementary source of livelihood for older persons. In urban areas, the service industry appears to be a choice for continued or new employment.

▪ ***Income generating potential: Mitigating vulnerability***

As work constitutes an important source of livelihood for older persons, raising their income generating potential is essential, particularly for those who are socio-economically vulnerable. This includes measures to mitigate the large gap in income between older persons and younger age groups.

▪ ***Employability: Responding to the changing needs of the labour market***

Creation of employment opportunities for older persons and upgrading of their income generating potential need to be promoted in tandem with skill enhancement among older persons who want to work, in such a way as to respond to the changing needs of the labour market. For this purpose, expansion of currently limited lifelong learning opportunities would be useful for both the present and future older persons.

▪ ***Social security schemes: Reinforcing security***

The need to enhance social security schemes seems to have resonated in the public and private sectors. An issue to be emphasised further is the accessibility of social security schemes to a larger number of older persons, such as those in the informal sector. Attention needs to be drawn both to the financial viability of the system in view of the national budget and the affordability of contribution from recipients particularly those with limited income. An option that has been discussed and may be pursued is enhancing community-based social security schemes that may supplement the public and private social security system.

▪ ***Information: Understanding the situations of older persons and devising effective policies***

Compared to a number of other countries in the region, there is a variety of statistical data on older persons in Thailand. Nevertheless, it is still insufficient, particularly as a basis for policy formulation and assessment. On some topics, new data collection is not needed. The existing data may to be age and gender disaggregated, and broken down into administrative areas and regions.

▪ ***Tripartite partnership and beyond: Enhancing collaboration***

The newness of the issue of decent work for older persons in Thailand offers opportunity to engage government agencies at the national and local levels, employers' organisations and workers' unions, CSOs, research institutions and community groups from the early stages of policy formulation. This would allow their various interests to be reflected in the relevant policies and potential activities to supplement each other. In this undertaking, Thailand can learn from other countries in the region that have experienced the population ageing and devised measures to deal with the challenges to the labour market.

▪ *Understating society-wide and inter-generational issues: Preparing for the future*

Promoting decent work for older persons thus needs to be addressed as a society-wide and inter-generational issue. Raising the minimum wage for the working age population can contribute to greater savings into older age. Enhancing skills of the younger age groups can provide a basis for them to upgrade their skills when becoming older. The participation of the working age population in social security schemes not only enhances their security as they age but it also contributes to the sustainability of the country's social security system.

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Bangkok Post, 1 April 2008, “National Provident Fund Due Soon.”

Interview

Dr. Pongsiri Partthnadee, Honourable Professor, Senior Citizen Council of Thailand.
 June 2007.

Decent work for older persons in Thailand

This paper highlights the current and emerging issues concerning the promotion of decent work for older persons in Thailand, including the aspects of employment, income security, social security, government policies, as well as private sector and civil society initiatives. It is a case study of a developing country, which faces policy challenges to cope with the impacts of rapid population ageing on the labour market, and thus, on the country's productivity and socio-economic development. The study presents insights that are also relevant for many other countries which share a similar socio-economic, demographic and politico-institutional setting. Building upon the challenging task of compiling and analysing multi-year, age-, gender- and area-disaggregated data, the study contributes to supplementing the limited information available on the subject. It demonstrates that the promotion of decent work for older persons is an inter-generational and society-wide issue, which calls for policies responding to specific needs of older persons, and at the same time, in line with a broader policy framework.

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