

**Social protection assessment
based national dialogue:**

**Towards a nationally defined
social protection floor in Thailand**

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Social protection assessment based national dialogue: Towards a nationally defined social protection floor in Thailand

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Social protection assessment based national dialogue: Towards a nationally defined social protection floor in Thailand

Description of existing social security and social protection schemes for each of the four social protection floor guarantees, identification of policy gaps and implementation issues, recommendations, rapid costing exercise to estimate the cost of completing the social protection floor

Valerie Schmitt (ILO), Dr Thaworn Sakunphanit and Orawan Prasitsiriphol produced this report on behalf of the United Nations/Royal Thai Government (UN/RTG) Joint Team on Social Protection.

In addition to the three authors, Jittima Srisuknam (ILO) supported the assessment process and the finalization of the Thai version. Viennarat Chuangwiwat proofread and coordinated the publication of this report.

Bangkok, April 2013

Foreword

The Social Protection Floor (SPF) is a basic set of social security guarantees that should be extended to all. In line with the ILO Social Protection Floors Recommendation, 2012 (No. 202), which was adopted by the International Labour Conference (ILC) at its 101st session in June 2012, Thailand strives towards the extension of coverage and the establishment of a social protection floor for all. The right to social security for all is reflected in the Thai Constitution,¹ the Social Security Act, B.E. 2533 (1990), the National Health Security Act, B.E. 2545 (2002), the Quality of Life Promotion Act for persons with disabilities, B.E. 2550 (2007), the Old Age Act, B.E. 2546 (2003), the National Education Act, B.E. 2542 (1999), and in the strategic plan on social welfare for the Thai society (2012-16). It is also aligned with Thailand's Eleventh National Economic and Social Development Plan (NESDP, 2012-16).

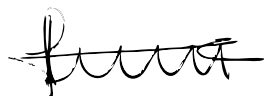
In Thailand, social protection was chosen as one of the six key areas of partnership between the Royal Thai Government and the UN system within the United Nations Partnership Framework (UNPAF). This partnership, for the period 2012-16, focuses on enhancing Thailand's capacity to provide universal basic social protection and higher levels of benefits through contributory schemes, with the overall objective of ensuring the financial and institutional sustainability of the system.

The Assessment Based National Dialogue (ABND) exercise took place in the framework of the UNPAF on social protection. Its purpose was to know whether the SPF is a reality for the whole population and how it could be extended to all members of society in Thailand. This over one-year process entailed bilateral consultations, tripartite workshops, and technical seminars to progressively devise a shared vision for the social security situation, the identification of policy gaps and implementation issues, and to draw appropriate policy recommendations for the achievement of a comprehensive social protection floor in Thailand, in line with International Labour Standards. This initiative is proceeded in the framework of the ILO's Decent Work Agenda in which social protection for all is one of the four interrelated strategic objectives along with the promotion of the rights at work, employment creation by sustainable enterprises and social dialogue.

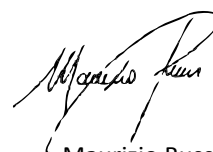
Despite the already advanced development of social protection in Thailand, a number of policy gaps and implementation issues were identified and some specific policy recommendations were formulated to complete the social protection floor. The study also calculates and projects the cost of these policy recommendations and formulates this cost as a percentage of Gross Domestic Product (GDP) and government expenditures. The financial implications of the proposed policy options were also added to government budget's projections. These cost calculations provide preliminary indications of the affordability of the additional social protection provisions.

We hope that the results of the assessment exercise and particularly the policy recommendations presented in this report will provide useful guidance in the development of a plan to complete the social protection floor in Thailand, and that some of these recommendations will be translated into action. We are confident that the participatory approach that was adopted throughout the exercise has raised awareness among line ministries, workers' and employers' representatives, civil society organizations, and UN agencies regarding the social protection floor concept, its relevance for Thailand, and the importance of a coordinated, holistic approach to social protection development.

Bangkok, April 2013



Luc Stevens
UN Resident Coordinator in Thailand



Maurizio Bussi
Officer-in-Charge
ILO Country Office for Thailand,
Cambodia and Lao People's Democratic Republic

1 Thailand's Constitution - http://www.senate.go.th/th_senate/English/constitution2007.pdf [20 Oct. 2012]. See notably sections 44 (right to income security during employment and retirement), 49 (right to 12 years of education), 51 (right to public health care services), 52 (right to survival and development for children), 53 (right to income security for the elderly of over 60 years of age with insufficient income), 54 (right to income security and appropriate services for people with disabilities) and 55 (right to income security for the homeless).

Table of contents

Foreword	iv
Table of contents	v
List of tables	vii
List of figures	viii
Acknowledgement by the Ministry of Social Development and Human Security	ix
Acknowledgement by the National Economic and Social Development Board	x
Acknowledgement by the Ministry of Labour	xi
Acknowledgement by the authors	xii
Executive summary	xiv
Methodological note	xvii
List of acronyms and abbreviations	xviii
1. Introduction	1
2. Context	3
2.1 The national context	3
2.2 The global and regional contexts	17
3. Assessment based national dialogue in Thailand: Objectives, methodology, and process	19
3.1 Objectives	19
3.2 Generic methodology and process	19
3.3 Process followed in Thailand	21
4. Step 1: Development of the assessment matrix (structure, existing provisions, policy gaps, implementation issues, recommendations)	24
4.1 Structure of the assessment matrix	24
4.2 Health care	25
4.3 Children	30
4.4 Working age population	34
4.5 Elderly	46
5. Step 2: Costing methodology, description of policy options and cost projections	52
5.1 The costing methodology using the RAP	52
5.2 Health care	54
5.3 Children	55
5.4 Working age	60
5.5 Elderly	66
5.6 Consolidated package to close the SPF gap in Thailand	69
5.7 Beyond the social protection floor: Towards a staircase approach and coordination of policies	71

6. Preliminary indications of the fiscal space projection	74
Bibliography	76
Appendix I: the Social Protection Floor (SPF) Assessment Matrix.....	77
Appendix II: the Social Protection Floors (SPF) Recommendation, 2012 (No. 202).....	82

List of tables

Table 1. Typology and list of recommendations of the ABND Exercise	xvi
Table 2. List of schemes for government officials.	4
Table 3. List of schemes for private sector employees.	6
Table 4a. Rate of contributions under SSA , Section 33	7
Table 4b. Rate of contributions under SSA, Section 39	7
Table 5. List of schemes for private school teachers and principals	8
Table 6. List of schemes for workers in the informal sector	9
Table 7. List of schemes for migrant workers	12
Table 8. Education policy benefits	15
Table 9. Recap of the legal framework	16
Table 10. Scope of the assessment based national dialogue.	20
Table 11. Steps of the assessment based national dialogue in Thailand	21
Table 12. The assessment on ILO’s knowledge sharing platform on the extension of social security, the “GESS platform” – www.social-protection.org	22
Table 13. Structure of the assessment matrix.	24
Table 14. Recap of the coverage for health care	29
Table 15. Recommendations on health	30
Table 16. Recap of the coverage for children	33
Table 17. Recommendations on children	34
Table 18. Recap of the coverage for the working age group	43
Table 19. Recommendations on the working age group	45
Table 20. Recap of the coverage for the elderly	50
Table 21. Recommendations on the elderly	51
Table 22. Results of the costing – Child Support Grant	58
Table 23. Projection of the additional cost – Maternity allowance.	61
Table 24. Projection of the additional cost – Sickness benefit	62
Table 25. Parameters of the vocational training	63
Table 26. Projection of the additional cost – Vocational training	63
Table 27. Projection of the additional cost – Disability allowance	64
Table 28. Results of the costing – Income security for the elderly	68
Table 29. Proposed combined low and high scenarios	70
Table 30. Fiscal space (status quo, low, and high scenarios entirely financed through government budget).	74

List of figures

Figure 1. Migrant workers' right to social security	13
Figure 2. RAP Model Structure	20
Figure 3. The process of the assessment based national dialogue in Thailand	23
Figure 4a. Cost projection of the introduction of a child support grant – in % GDP	59
Figure 4b. Cost projection of the introduction of a child support grant – in % revenue and grants	59
Figure 5a. Projection of the additional cost of a benefit package for the working age – in % GDP	65
Figure 5b. Projection of the additional cost of a benefit package for the working age – in % of revenue and grants	65
Figure 6a. Projection of total cost of old-age allowances, in percentage of GDP	68
Figure 6b. Projection of total cost of old-age allowances, in percentage of revenues and grants	69
Figure 7. Results of the additional cost estimates for the combined low and high scenario (in percentage GDP)	70
Figure 8. Beyond the social protection floor: Towards a staircase approach.	72
Figure 9. The growth diamond concept and its dimensions	73
Figure 10. Fiscal space in percentage of GDP (status quo, low, and high scenarios entirely financed through government budget)	75

Acknowledgement by the Ministry of Social Development and Human Security

The Cabinet resolution on 26 April 2012 endorsed the United Nations Partnership Framework (UNPAF) (2012-16) in support to the implementation of the 11th National Economic and Social Development Plan (2012-16) and government policy. The UNPAF has identified six areas of partnership; including (i) social protection; (ii) human rights and access to justice; (iii) strategic information; (iv) climate change; (v) international cooperation; and (vi) creative economy. For the implementation of the UNPAF workplan, the United Nations Country Team (UNCT) and the Royal Thai Government (RTG) have set up UNCT/RTG joint teams. For the UNPAF on social protection, the Ministry of Social Development and Human Security (MSDHS) is tasked to be the co-chair of the joint team together with the International Labour Organization (ILO). The joint team on social protection aims at contributing to the creation of a welfare society and a happy society with equity, fairness, and resilience. It also aims at developing human capital, promoting lifelong learning through skills development, and ensuring decent lives for all. Finally, the joint team promotes community resilience through strengthening social protection and local community institutions.

In order to promote the implementation of the UNPAF workplan on social protection the ILO has assigned a team of technical specialists to carry out the “Social protection assessment based national dialogue: Towards a nationally defined social protection floor in Thailand” in accordance with the thinking of the Social Protection Floors Recommendation, 2012 (No. 202) as adopted at the 101st International Labour Conference in June 2012. This recommendation focuses on the creation of income security and the provision of fundamental social services for all. This report provides a holistic description of existing social protection schemes and programmes and draws appropriate policy recommendations for the achievement of a comprehensive social protection floor in Thailand. The report was developed through a consultative process including trainings on costing of social protection policy options and meetings and workshops with relevant Government and private institutions.

The assessment report is a useful technical tool that can be used by the Royal Thai Government and UN agencies to further promote and develop a rights-based approach to social protection. The endorsement of the policy options proposed in this report will depend on the country’s context, the economic conditions, fiscal space, and appropriate implementation modalities. The new policy options should be integrated into Thailand’s social protection landscape with a view to ensure inclusiveness and sustainability of the system as a whole.



Vichien Chavalit
Permanent Secretary
Ministry of Social Development and Human Security

Acknowledgement by the National Economic and Social Development Board

The Eleventh National Economic and Social Development Plan (2012-16) envisions building “A happy society with equity, fairness and resilience”. Building an equitable society will be achieved by restructuring the tax system to improve income distribution, improving the quality and efficiency of social services, and increasing access to these services, particularly for vulnerable groups.

The social protection floor framework promoted by the UN and the G20 is a relevant tool to describe social security and social welfare programmes in Thailand, and to identify the necessary measures to establish a more comprehensive, rights-based, and systemic social protection floor in Thailand. The recommended measures contained in this assessment report relate to the expansion of benefits and the provision of adequate protection against poverty for all residents, especially the vulnerable groups, without increasing fragmentation and putting at stake the financial sustainability of the social security system as a whole. Special attention was also given to those social protection measures that, beyond their protective and redistributive roles, will also provide practical answers to the challenges of the middle-income trap and of the move towards an ageing society. In this context, synergies with other strategies (employment creation, skills development, and so on) may need to be explored.

We hope that the recommendations, the cost projections and the preliminary fiscal space analysis presented in this report will provide useful guidance in the development of a plan to complete the nationally defined social protection floor in Thailand, and that some of these recommendations will be translated into action.



Suwanee Khamman
Deputy Secretary General
Office of the National Economic and Social Development Board

Acknowledgement by the Ministry of Labour

Thailand has achieved a major breakthrough in the extension of social security coverage. A universal health insurance scheme, a free education policy, and a non-contributory old age allowance have been introduced in recent years. Beyond these schemes the Social Security Office of the Ministry of Labour has introduced a voluntary, partly government subsidized package for informal economy workers, under Section 40 of the Social Security Law. The package covers sickness, invalidity, death, and an optional old-age benefit (lump sum). Over one million people have already joined the scheme and extension of coverage continues to grow rapidly. Despite this progress, social security extension faces a number of challenges and there is still scope for improvement if we want to achieve a more comprehensive social protection floor for all.

The report “Social protection assessment based national dialogue: Towards a nationally defined social protection floor in Thailand” provides a holistic description of existing social protection schemes and programmes in Thailand. It uses the social protection floor framework as a benchmark to assess the existing social protection situation and to provide recommendations. It recommends the development of a more coherent and rights-based approach to social protection, by providing an enhanced basic social protection package that would be guaranteed to the entire population and by offering higher levels of social protection to those who are able to contribute. The social security landscape would be simplified with only two packages for informal sector workers instead of existing scattered programmes and schemes across ministries.

In June 2012, the International Labour Conference (ILC) adopted at its 101st session the Social Protection Floors Recommendation, 2012 (No. 202). This new international standard calls for immediate action from ILO member States in the field of the extension of social security coverage, with the progressive development of nationally defined social protection floors that would serve as the first step towards a comprehensive and coherent social security system. Thailand is one of the founding members of the ILO. According to ILO’s Constitution, Thailand has to submit the Social Protection Floors Recommendation before the national authorities to enact legislation or take action to give effect to the Recommendation. In this context the assessment based national dialogue report can be a useful tool since it proposes concrete routes for the further development of the social protection floor in Thailand.



Dr Somkiat Chayasriwong
Permanent Secretary
Ministry of Labour

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The authors, however, are solely responsible for the content of and especially for any opinions expressed in this report.

Bangkok, April 2013

Executive summary

The social protection floor is a basic set of rights and transfers that enables and empowers all members of a society to access a minimum of goods and services at all times.

The social protection floor targets at a situation where: 1) all residents have access to affordable essential health care, including maternity care; 2) all children receive basic income security and have access to nutrition, education, care, and any other necessary goods and services; 3) all persons in active age who are unable to earn sufficient income, in particular in cases of sickness, unemployment, maternity, and disability, receive basic income security; and 4) all residents in old age receive basic income security either through pensions or transfers in kind.

The social protection floor framework is used to describe existing social security, social protection, and poverty alleviation programmes, identify policy gaps and implementation issues, and draw recommendations for the further design and implementation of social protection provisions in order to guarantee at least the social protection floor to the entire population.

The costs of the proposed social protection provisions are then estimated and projected over a ten-year period using the ILO Rapid Assessment Protocol (RAP). This costing exercise can serve as a basis for discussions on the fiscal space and government budget reallocations, and in turn help prioritize between possible social protection policy options.

From June 2011 to October 2012, the UN/RTG Joint Team on Social Protection (co-chaired by ILO and MSDHS) engaged line ministries, UN agencies, social partners, civil society organizations, academia and other relevant stakeholders to assess the social protection situation in Thailand, identify policy gaps and implementation issues, and draw appropriate policy recommendations for the achievement of a comprehensive social protection floor in Thailand.

This policy dialogue called the Assessment Based National Dialogue (ABND) exercise consisted of the following steps:

STEP 1 – Development of the assessment matrix which lists and describes the existing social security schemes, identifies policy gaps and implementation issues, and provides policy recommendations to further design and implement social protection provisions with a view to close the social protection floor gaps.

STEP 2 – Costing using the ILO costing tool called the Rapid Assessment Protocol (RAP), where the recommendations formulated in STEP 1 for specific social protection provisions that need to be introduced or further expanded were translated into “costable” scenarios. The costs of these provisions were calculated and projected over the 2012-20 period in terms of percentage of gross domestic product (GDP) and government expenditures. The projected costs were then added to government budget projections in order to provide preliminary indications of the affordability of the proposed social protection provisions.

STEP 3 – Finalization and endorsement entailed sharing the results of the costing exercise and discussing the next steps (e.g. identification of possible measures to increase the fiscal space for social protection) with all stakeholders in the framework of workshops and meetings of the UN/RTG Joint Team on Social Protection. The final report was shared with the Royal Thai Government.

The assessment based national dialogue exercise provides three types of recommendations:

TYPE 1 – Additional SPF provisions to complete the social protection floor in Thailand and guarantee income security across the life cycle:

- Introduce a child support grant (either universal or targeted) which aims for poverty reduction by supporting parents with the costs of raising children (e.g. register children in day care centres and decrease school drop-out rates);
- Extend a maternity allowance to compensate all working women for the loss of income during pregnancy and after delivery;
- Extend a sickness benefit to compensate all workers for the loss of income during sickness;
- Transform the existing vocational training system into a more efficient, targeted mechanism which would systematically reach 20 per cent of informal economy workers¹ every year and provide an allowance to those trainees who are poor;
- Increase the benefit package for the non-contributory disability allowance; and
- Adjust the benefits under the Government's non-contributory allowance for older people to be indexed on inflation (low scenario) or calculated as a percentage of the poverty line (high scenario).

We estimated that the cost of these additional benefits would range between 0.5 and 1.2 per cent of GDP by 2020.

TYPE 2 – Structural reforms of the social security system that will require in-depth feasibility studies:

- Create a unified and financially sustainable health insurance system (based on a progressive harmonization of the provider payment mechanisms and the benefit packages, the introduction of co-payments for non-essential health care services, as well as other measures);
- Develop a long-term care system for older persons;
- Establish a child care service, including day care centres for pre-school children;
- Improve the quality of the education system through enhancing workforce skills and promoting innovation;
- Improve the vocational training system and introduce linkages between social protection and employment measures to enhance human capital and productivity, and ensure poverty reduction and sustainable growth of the economy;
- Create a coherent and financially sustainable old-age pension system (based on increased revenues through tax reforms, increased replacement rates of pension schemes for formal sector workers, portability of benefits across contributory schemes, legislation of the Non-contributory Allowance for Older People to ensure systematic and predictable protection, and a National Savings Fund that would complement the non-contributory allowance for older people).

TYPE 3 – Improved operations of existing schemes (e.g. reduce social evasion, provide adequate coverage for migrant workers, introduce preventive measures under the Workmen's Compensation Fund, create more linkages between unemployment insurance and employment services, raise awareness and share information on existing schemes among the target beneficiaries, simplify registration procedures under existing schemes in the informal sector, and so on).

1 Own account workers, employees of non-registered businesses (that are therefore not covered by the Social Security Act, Section 33) such as family businesses and unpaid family workers.

Table 1. Typology and list of recommendations of the ABND Exercise

	TYPE 1 – Additional SPF provisions	TYPE 2 – Structural reforms	TYPE 3 – Improved operations
Health	N/A	Create a unified and financially sustainable health insurance system	Reduce social evasion Provide adequate coverage to migrant workers
Children	Introduce a universal or targeted child support grant	Establish a child care service Improve the quality of the education system	Introduce preventive measures under the Workmen's Compensation Fund Create more linkages between unemployment insurance and employment services
Working Age	Extend maternity allowance and sickness benefit Transform existing vocational training system through a more efficient, targeted mechanism Increase the benefit package of the non-contributory disability allowance	Improve the vocational training system Introduce linkages between social protection and employment measures	Raise awareness and share information on existing schemes among the target beneficiaries Simplify registration procedures under existing schemes in the informal sector
Elderly	Adjust Government's non-contributory allowance for older people	Develop a long-term care system Create a coherent and financially sustainable old-age pension system	

We hope that the policy recommendations entailed in this document will be further explored by the Royal Thai Government and will lead to policy reforms.



Methodological note

The assessment based national dialogue's main function is to trigger a national dialogue on social protection with all key stakeholders in the country—the Royal Thai Government, social partners, civil society organizations, academia, and the UN Country Team. Its primary objective is to identify priority areas for government intervention in the field of social protection and to support informed decision-making towards the future development of the national social protection floor.

The assessment, which is the first step of the exercise, includes an inventory of existing schemes and identifies some design gaps and implementation issues for each scheme. The analysis, however, is cursory and cannot replace a comprehensive study of the management and the governance of these schemes.

The assessment led to three types of recommendations. For the first type *Additional SPF provisions to complete the social protection floor in Thailand and guarantee income security across the life cycle* we were able to calculate and project the cost of the proposed additional provisions. For the second and the third types *Structural reforms of the social security system* and *Improved operations of existing schemes*, additional in-depth feasibility studies are needed to provide solid recommendations to the government. These studies will be part of subsequent policy and technical support activities by the ILO and other UN agencies.

The costing part, which is the second step of the exercise, uses the Rapid Assessment Protocol (RAP). The RAP follows a logical analytical sequence and allows for:

- a) flexibility in the design of benefits;
- b) adaptable projections depending on the data available; and
- c) estimates of future costs of cash transfer elements. However, the results of the costing exercise remain simplistic and do not replace in-depth feasibility and actuarial studies.

In the case of Thailand, the ABND exercise was also used to define the nature of the partnership on social protection between the Royal Thai Government and UN agencies in Thailand and to develop the partnership's action plan within the UNPAF process.

List of acronyms and abbreviations

ABND	Assessment Based National Dialogue
AIDS	Acquired Immunodeficiency Syndrome
ART	Anti-Retroviral Treatment
B.E.	Buddhist Era ¹
CEB	Chief Executives Board
CMHI	Compulsory Migrant Health Insurance
CPI	Consumer Price Index
CSMBS	Civil Servants Medical Benefit Scheme
DoVE	Department of Vocational Education (MoE)
DRGs	Diagnostic Related Groups (DRGs)
DSD	Department of Skills Development (MoL)
EAP	Economically Active Population
FAO	Food and Agriculture Organization of the United Nations
FOPDEV	Foundation for Older Persons' Development
G20	Group of Twenty (G-20) Finance Ministers and Central Bank Governors
GDP	Gross Domestic Product
GESS	Global Extension of Social Security (www.social-protection.org)
Gini	A measure of the inequality of a distribution, a value of 0 expressing total equality and a value of 1 maximal inequality
GPF	Government Pension Fund
HISRO	Health Insurance System Research Office
HIV	Human Immunodeficiency Virus
ID	Identification Document
ILO	International Labour Organization
IMF	International Monetary Fund
MoE	Ministry of Education
MoF	Ministry of Finance
MoI	Ministry of Interior
MoL	Ministry of Labour
MoPH	Ministry of Public Health
MOU	Memorandum of Understanding
MSDHS	Ministry of Social Development and Human Security
NESDB	National Economic and Social Development Board
NESDP	National Economic and Social Development Plan
NGO	Non-Governmental Organization
NHSO	National Health Security Office
NSF	National Savings Fund
NSO	National Statistical Office
NVP	Nationality Verification Process
OHCHR	Office of the High Commissioner for Human Rights
PDR	People's Democratic Republic
PSTWF	Private School Teachers' Welfare Fund
RAP	Rapid Assessment Protocol
RTG	Royal Thai Government
SPF	Social Protection Floor
SSA	Social Security Act
SSF	Social Security Fund
SSO	Social Security Office
SSS	Social Security Scheme
TAO	Tambon Administrative Organization
TC	Technical Cooperation

1 There is a 543 years difference between the Buddhist calendar and the Gregorian calendar. Year 2012 A.D.is year 2555 B.E..

TDRI	Thailand Development Research Institute
THB	Thai baht (national currency)
UCS	Universal Coverage Scheme
UN	United Nations
UN SPF	United Nations Social Protection Floor (team)
UN WOMEN	United Nations Entity for Gender Equality and the Empowerment of Women
UN-HABITAT	United Nations Human Settlements Programme
UNAIDS	Joint United Nations Programme on HIV/AIDS
UNDESA	United Nations Department of Economic and Social Affairs
UNDP	United Nations Development Programme
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNFPA	United Nations Population Fund
UNHCR	United Nations High Commissioner for Refugees
UNICEF	United Nations Children's Fund
UNODC	United Nations Office on Drugs and Crime
UNPAF	United Nations Partnership Framework
UNRCO	United Nations Resident Coordinator's Office
UNWRA	United Nations Relief and Works Agency for Palestine Refugees in the Near East
WCF	Workmen's Compensation Fund
WFP	World Food Programme
WHO	World Health Organization
WMO	World Meteorological Organization



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Thailand has experienced rapid economic growth in recent decades, averaging 4.6 per cent GDP growth between 1999 and 2010.¹ This remarkable growth record has contributed to poverty alleviation, reducing the poor (living below the poverty line) from 25 per cent of the population in 1994 to 7.8 per cent in 2010.² However, the benefits of economic growth have not been equitable.

The development of social protection has been fragmented to date. It first centred on civil servants and their dependents, and workers in the formal private sector. Civil servants and their dependents accounted for 7.1 per cent of the population in 2010³ and benefit from tax-financed comprehensive coverage schemes. Private sector employees accounted for 15.6 per cent of the population or 27.0 per cent of the economically active population in 2010.⁴ The Social Security Fund (SSF) provides sickness, maternity, invalidity, death, unemployment, old-age benefits, and a child support grant, while the Workmen's Compensation Fund (WCF) provides sickness, disability, death, and survivors' benefits to private sector employees.

Until recently, vulnerable and poor people only had access to ad-hoc means-tested programmes. However, Thailand has recently made a significant move towards universal basic social protection by introducing two major universal schemes that constitute 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 the remaining majority who were not covered by existing public health protection schemes. The package is comprehensive and includes general medical care and rehabilitation services, high-cost medical treatment, and emergency care. The Non-contributory Allowance for Older People (known as the universal 500 baht scheme) was established in 2008 to provide income security to the elderly over 60 years of age who do not receive any other public pension. In 2011, the government approved an additional budget to increase the monthly pensions under this scheme beginning in October 2011. Under the new benefits schedule, elderly between 60 and 69 years old will receive a monthly allowance of 600 baht, those of between 70 and 79 years old will receive 700 baht, those between 80 and 89 years old will receive 800 baht, and elderly above 90 years old will receive 1,000 baht per month.

Coverage for informal economy workers⁵—who accounted for 62.4 per cent of the economically active population in 2010⁶—and their families remains one of the main challenges. One attempt to extend coverage beyond the two universal schemes mentioned above is the extension of a voluntary, partly government subsidized package provided under Section 40 of the Social Security Act. The package covers sickness, invalidity, death, and an optional old-age benefit (lump sum). In December 2011,

1 National Income of Thailand, 1990-2010 Editions. <http://www.nesdb.go.th/Default.aspx?tabid=94> [20 Oct. 2012].

2 National Statistical Office, Thailand - <http://web.nso.go.th/> [20 Oct. 2012].

3 Source: ILO/HISRO-RAP (based on latest census data from 2010, released by NSO in 2012)

4 Source: ILO/HISRO-RAP (based on latest census data from 2010, released by NSO in 2012)

5 Own account workers, employees of non-registered businesses such as family businesses, unpaid family workers, domestic workers.

6 Source: ILO/HISRO-RAP (based on Labour Force Survey data, 2010)

590,046 people had joined the scheme,⁷ representing 2.5 per cent of all informal economy workers. The National Savings Fund Act, B.E. 2554 (2011), provides the legal framework for the Fiscal Policy Office under the Ministry of Finance to implement a new old-age savings mechanism targeted at informal economy workers. In this new scheme, workers' contributions would be matched by the Government and beneficiaries would receive periodic pensions after retirement. The implementation has been delayed to date and the design is being reconsidered by the government.

The social protection floor framework promoted by the UN and the G20 is a relevant tool to frame social security, social protection, and poverty alleviation programmes in Thailand, and to identify the necessary measures to establish a more comprehensive, rights-based, and systemic social protection floor in Thailand.

The recommended measures relate to the expansion of benefits and the provision of adequate protection against poverty for all residents, especially the vulnerable groups, without increasing fragmentation and compromising the financial sustainability of the social security system as a whole.

Special attention was also given to those social protection measures that, beyond their protective and redistributive roles, will also provide practical answers to the challenges of the middle-income trap and of the move towards an ageing society. In this context, synergies with other strategies (employment creation, skills development, and so on) may need to be explored.



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⁷ http://www.sso.go.th/sites/default/files/R_D122012/statisticsmid40_en.html [20 Oct. 2012].

2.1 The national context

2.1.1 Social protection: A priority for equity and growth

Thailand has experienced remarkable economic growth over the past few decades. Prior to the 2008-09 global economic crisis, economic growth was perceived as the best and main poverty reduction instrument. The impressive overall economic performance contributed to a sharp decline in poverty levels, with a headcount index falling from 25 per cent in 1994 to 8.1 per cent of the total population in 2009.¹ Despite this sharp decline, persistent poverty (5.4 million people below the national poverty line in 2009) and inequality (a Gini coefficient of 0.48 in 2010)² are among the main economic and social challenges facing Thailand.

The recent global economic crisis, which led to negative 2.3 per cent growth in Thailand in 2009,³ and political disturbances in May 2010 highlighted the progressive role of social protection as a fundamental means to mitigate social inequalities. The growing recognition of the importance of social welfare led to the establishment of the National Commission on Social Welfare which is chaired by the Prime Minister. It was also reflected in former Prime Minister Abhisit Vejjajiva's five-point roadmap, which articulated a strategy to develop a universal, coherent social protection system by 2017 called the "Welfare Society". Based on four pillars (social services, social assistance, social insurance, and social promotion), this system would provide protection to all Thais throughout the life course. The roadmap sets a target to expand social security coverage to all groups of Thai people by the year 2016 while increasing the quality of social security services.

In a similar vein, the vision of the Eleventh National Economic and Social Development Plan (2012-16)⁴ is to build "A happy society with equity, fairness and resilience". Building an equitable society will be achieved by restructuring the tax system to improve income distribution, improving the quality and efficiency of social services and increasing access to them, particularly for vulnerable groups.

In the Policy Statement of the Council of Ministers delivered by Prime Minister Yingluck Shinawatra to the National Assembly on 23 August B.E. 2554 (2011), the Government's pledge to consolidate the existing social protection floor was reasserted with:

- 1) the further development of the health insurance system in order for all citizens to receive access to quality, convenient, timely, and equitable health care;
- 2) the improvement of the quality of education by undertaking a reform of Thailand's knowledge system and by creating and ensuring equal educational opportunities for all Thais, including the impoverished,

1 Source: NSO

2 Source: NSO

3 Source: National Income of Thailand (edition 2009)

4 See *Summary of the Eleventh National Economic and Social Development Plan (2012-16)*. <http://www.nesdb.go.th/> [20 Oct. 2012].

- disadvantaged, disabled, and minority groups;
- 3) the enhancement of people's standard of living through the introduction of a 300 baht per day minimum wage, an increase of the universal monthly allowance for older persons, and the introduction of a fair distribution of income for the majority of citizens; and
 - 4) the promotion of vocational training and internship programmes to better respond to demand in the labour market.

Recent policy announcements indicate the willingness of the Royal Thai Government (RTG) to extend aspects of the social protection coverage to the migrant workers and their children.

The UN system in Thailand established a team in March 2010 to support the Royal Thai Government in the development of a holistic and coherent social protection system.⁵ The team members include the following participating agencies (in alphabetical order): ILO (chair), UNDP, UNESCO, UNFPA, UNICEF, UN Resident Coordinator's Office, UN WOMEN, and WHO. It then developed into a UN/RTG Joint Team under the UNPAF, which is committed to support the Eleventh National Economic and Social Development Plan (NESDP) in "creating justice in society" and reach one of the key targets, namely "all citizens acquire social protection". This partnership over the period 2012-16 will focus on enhancing Thailand's capacity to provide universal basic social protection and higher levels of benefits, with the overall objective of ensuring the financial and institutional sustainability of the system.

2.1.2 Overview of existing schemes

The social protection system is principally composed of contributory social insurance schemes, non-contributory tax financed schemes (both targeted and universal), and partially subsidized voluntary social insurance schemes.

The social protection system is scattered across a number of funds, such as the government officials' pension system, the Government Pension Fund (GPF), the Civil Servants Medical Benefit Scheme (CSMBS), the Workmen's Compensation Fund (WCF), the Social Security Fund (SSF), several private provident funds, the Private School Teachers' Welfare Fund (PSTWF), the Universal Coverage Scheme (UCS), the National Savings Fund (NSF), the Universal Non-contributory Allowance for People with Disabilities, the Universal Non-contributory Allowance for Older People, the Compulsory Migrant Health Insurance (CMHI), and the Education for All Policy.

This section briefly describes existing schemes for each target group—government officials (civil servants), private sector employees, workers in the informal sector, migrant workers, and children—and identifies each scheme's corresponding legal framework.

Government officials

Table 2. List of schemes for government officials

Target group	Types of benefits	Institution	Responsible body
Government officials	Old-age pensions or lump sum	Government officials' pension system	Controller General Department, Ministry of Finance
Government officials	Old-age lump sum	Government Pension Fund (GPF)	Government Pension Fund Board of Directors
Government officials and dependents	Medical care	Civil Servants' Medical Benefit Scheme (CSMBS)	Controller General Department, Ministry of Finance

⁵ Source: *The United Nations Social Protection Floor Team in Thailand : A replicable Experience for other UN Country Team* - www.social-protection.org/gimi/gess/ShowProjectResource.do?resourceId=30388&pid=1325 [20 Oct. 2012].



The Government Officials' Pension System

The Pension for Civil Servants Act, B.E. 2494 (1951), established the government officials' pension system. Government employees receive pensions or lump sum payments from the government when they retire. These payments are financed from general tax revenues. Government officials can choose between receiving a lump sum payment or a pension under the condition that they reach the retirement age of 60, have been employed for at least 25 years, or wish to terminate their employment at the age of 50. Those younger than 50 who have been employed for at least ten years are eligible for a lump sum payment. Government officials who retire from work owing to work-related disability, injury, or loss of organs while on the job may receive a special pension. In the case of employment-related death, the government pension can be transferred to the beneficiary's children or relatives.

Government officials who started work after March 1997 are automatically members of the Government Pension Fund (GPF) (see below). Those employed before March 1997 have the option, but are not required, to become members of the Government Pension Fund. For non-members, the pension and lump sum under the government officials' pension system are calculated based on the last salary endorsed, and there is no cap on the pension payment. For those who are members of the GPF, the salary base for calculating the pension and lump sum payment is changed to the average salary over the last 60 months before retirement, and the pension payment is capped at 70 per cent of the average salary over the last 60 months of employment.

The Government Pension Fund (GPF)

The Government Pension Fund Act, B.E. 2540 (1997), established a provident fund with membership limited to government officials. Membership is compulsory for government officials who joined government service after 27 March 1997 and voluntary for the others. The monthly contributions are paid by workers (between three and 15 per cent of salary) and the government (three per cent of salary).

The Non-contributory Civil Servants Medical Benefit Scheme (CSMBS)

The Civil Servants' Medical Benefit Scheme (CSMBS) was established by the Royal Decree on Medical Benefit, B.E. 2553 (2010), issued pursuant to the Act on stipulation of payment rules in accordance with budget, B.E. 2518 (1975). This scheme covers selected workers in the public sector (civil servants and permanent employees, pensioners, the military, foreign employees whose wages are paid from the Government's budget and whose employment contract does not specify a condition on medical service) and their dependents (legitimate children, spouse, and parents). The scheme does not cover public employees from local governments and state enterprises, other types of government employees (i.e. temporary or fixed-term contract workers), or pensioners who chose to receive a lump sum payment. The scheme is financed from general tax revenue. The benefits include inpatient and outpatient treatment in public hospitals, specific private hospitals or, in case of emergency, any other private hospitals.

Private sector employees

Table 3. List of schemes for private sector employees

Target group	Types of benefits	Institution	Responsible body
Private sector employees	Work injury and work-related sickness	WCF (SSO) Compulsory scheme	Social Security Office, Ministry of Labour
Private sector employees (SSA Section 33)	Non-occupational injury or sickness benefits, maternity, invalidity, death, unemployment, old-age, and a child support grant	SSF (SSO) Compulsory scheme	Social Security Office, Ministry of Labour
Formerly insured under SSA Section 33, willing to continue insurance (SSA Section 39)	Non-occupational injury or sickness benefits, maternity, invalidity, death, old-age and a child support grant	SSF (SSO) Voluntary scheme	Social Security Office, Ministry of Labour
Employees of government organizations, state enterprises, and private companies	Lump sum upon retirement or termination of employment	Provident funds Voluntary scheme	Securities and Exchange Commission (SEC)



The Workmen's Compensation Fund (WCF)

The Workmen's Compensation Act, B.E. 2537 (1994), obliges any employer who has at least one employee in any type of business⁶ to contribute to the Workmen's Compensation Fund. The scheme is intended to cover employees in the formal private sector and regular migrant workers.⁷ The insured are entitled to benefits in case of work-related injury, death, sickness, and disappearance for not less than

⁶ Exceptions to the law include: 1) central, provincial, and local administrations; 2) state enterprises who are subject to the law governing state enterprises; 3) employers who operate a private school business who are subject to the law governing private schools; 4) employers who undertake non-profit activities; 5) other employers as specified in the Ministerial Regulation; and 6) employers who employ domestic workers.

⁷ Migrant workers from Cambodia, Myanmar, and Lao People's Democratic Republic who came to work to Thailand under the Memorandum of Understanding (MOU) between Thailand and their country of origin, or migrant workers who have entered as a tourist but have then passed the National Verification Process (NVP) once in Thailand can be registered by their employer under the WCF and the SSF.

120 days from the date of the incident. Although migrant workers are covered in principle, in practice most of them cannot satisfy the two conditions enacted by the Circular RS0711/W751 (issued on 25 Oct. 2001): migrant workers must possess a passport or nationality registration documents and their employers must have registered for and paid a contribution to the WCF. The benefits provided by the WCF include monthly indemnities, medical and rehabilitation expenses, and funeral expenses. The WCF is administered by the Social Security Office (SSO).

The Social Security Fund (SSF)

The Social Security Act, B.E. 2533 (1990) (SSA),⁸ established the Social Security Scheme (SSS) which provides several benefits for employees in the formal private sector (Section 33) and regular migrant workers.⁹ The act also established two other schemes. The SSA Section 39 aims to cover workers who were previously covered by Section 33 and are willing to continue the insurance (e.g. newly self-employed or retired persons). The SSA Section 40 aims to cover informal economy workers (see paragraph “Workers in the informal sector”).

The SSA Section 33 covers persons employed in non-agricultural enterprises who are over 15 years of age and not more than 60 years of age. Every employer who has at least one employee must register their employee(s) under the scheme. The insured are entitled to seven types of benefits: non-occupational injury or sickness (health care), maternity, invalidity, death, unemployment, old-age, and child support grants. The employer and employee pay equal contributions at a rate of five per cent of the worker’s salary. The Government contributes an additional 2.75 per cent for a total contribution of 12.75 per cent of the worker’s salary. According to the Ministerial Regulation Prescribing the Rate of Contributions to the Social Security Fund, B.E. 2552 (2009), the rates of contribution as a percentage of employee wages are depicted in table 4a and 4b (from 1 January B.E.2553 (2010) onwards):

Table 4a. Rate of contributions under SSA , Section 33

Benefits	Current contribution rate (% of insurable earnings)				Maximum contribution rate according to the ministerial regulation
	Total	Employer	Employee	Government	
Sickness Maternity Death Disability	4.5	1.5	1.5	1.5	4.5
Old-Age Child support grant	7	3	3	1	9
Unemployment	1.25	0.5	0.5	0.25	15
Total	12.75	5	5	2.75	28.5

Table 4b. Rate of contributions under SSA, Section 39

Section 39 (excluding unemployment branch)	11.5		9	2.5	
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Source: SSO, 2012.

⁸ <http://www.social-protection.org/gimi/gess/ResShowRessource.do?ressourceId=16953> [20 Oct. 2012].

⁹ Same as for WCF

In 2012, the Ministerial Regulation, B.E. 2555 (A.D. 2012), announced a reduction in workers' and employers' contributions as a temporary measure to cope with the impact of the 2011 floods. The contribution rates were adjusted from five per cent to three per cent for the first six months and from five per cent to four per cent for the last six months of 2012.

The SSA Section 39 covers individuals who were previously insured under Section 33, have paid contributions for not less than 12 months, ceased to be employees, and wish to continue being insured. For a contribution of 432 baht per month (nine per cent of the reference salary set at 4,800 baht), insured individuals are entitled to six types of benefits: non-occupational injury or sickness, maternity, invalidity, death, old-age, and child support grant.¹⁰ SSO is currently considering increasing the reference income since the current minimum wage is higher than 4,800 baht per month.

Provident funds

The provident fund system was established in Thailand for the first time in 1983, following the Ministerial regulation No. 162 (1983), in accordance with the Revenue Code on Provident Fund. Later the Ministry of Finance announced the application of the Provident Fund Act, B.E. 2530 (1987),¹¹ to encourage long-term saving by formal sector employees. Provident funds have a social function and aim to provide income security for employees and their families in case of retirement, disability, or unemployment. Since 2000 the Securities and Exchange Commission (SEC) has assumed responsibility for registering and monitoring the funds. Firms' fund committees select provident funds, which are managed by registered fund management companies. The worker makes monthly contributions of between two and 12 per cent of wages and the employer contributes an amount at least equal to the employee's contribution. Upon retirement or termination of employment, the employee receives a lump sum composed of the worker and employer contributions and the investment income.

Private School Teachers

Table 5. List of schemes for private school teachers and principals

Target group	Types of benefits	Institution	Responsible body
Private school teachers and school principals	Provident fund, welfare benefits, and financial assistance	Private School Teachers' Welfare Fund (PSTWF)	Ministry of Education

The Private School Teachers' Welfare Fund (PSTWF) was introduced in 1974 through an amendment to the Private School Act, 1954. A subcommittee, chaired by the head of the Office of the Private Education Commission, previously administered the fund. In 2008, the Government enacted a new Private School Act in which the PSTWF became a private entity run by a board of directors chaired by the Permanent Secretary of the Ministry of Education. The PSTWF provides a provident fund, welfare benefits, and financial assistance to private school directors, teachers, and staff. The monthly contributions are paid by the worker (cannot exceed three per cent of salary), the private school (equal to the member's contribution), and the Ministry of Education (twice the member's contribution).

¹⁰ Source: SSO, 2012.

¹¹ <http://www.thailawforum.com/database1/provident-fund-act.html> [20 Oct. 2012].

Workers in the informal sector

Table 6. List of schemes for workers in the informal sector

Target group	Types of benefits	Institution	Responsible body
Informal economy workers (Section 40 of the SSA)	Package 1: Sickness, invalidity, and death Package 2: Sickness, invalidity, death, and old-age (lump sum)	SSF (SSO) Voluntary scheme	Social Security Office, Ministry of Labour
Informal economy workers (all those not insured)	Medical care	Universal Coverage Scheme (UCS)	National Health Security Office, Ministry of Public Health
People with disabilities in the informal sector	Disability allowance	Universal Non-contributory Allowance for People with Disabilities	Local administration (TAO) under the responsibility of the Ministry of Interior
People living with HIV/AIDS	HIV/AIDS allowance	Universal Non-contributory Allowance for People with HIV/AIDS	Local administration (TAO) under the responsibility of the Ministry of Interior
Elderly with no old-age pension	Old-age allowance	Universal Non-contributory Allowance for Older People	Local administration (TAO) under the responsibility of the Ministry of Interior
Informal economy workers (all those not insured)	Old-age pension or lump sum (currently under review; not yet implemented)	National Savings Fund	National Savings Fund under Fiscal Policy Office, Ministry of Finance

The Social Security Fund (SSF)

The Social Security Act, B.E. 2533 (1990) (SSA),¹² established a scheme to cover workers in the informal economy under Section 40. A person who is over 15 and not more than 60 years of age, and who is not insured under Sections 33 or 39, may be registered under Section 40 of the Social Security Act. This target group is mainly composed of informal economy workers. The scheme's design was reviewed in May 2010 (Royal Decree on Rules, Rate of Contribution, Contingencies and Eligibilities to receive benefits of Insured Persons, B.E. 2554 (2011)). The scheme is partially subsidized by the Government, although this subsidy is not embedded in the Law and is subject to change with government policy. The scheme offers two benefit packages:

- Package 1 – For a contribution of 100 baht per month (70 baht paid by the worker and 30 baht paid by the Government), package 1 covers against sickness, invalidity, and death. The sickness benefit provides 200 baht per day limited to 20 days per year and only for inpatient care lasting at least two nights; if the hospital stay is one night members are not entitled to receiving any benefit; if it is two nights they receive 400 baht, if it is three nights they receive 600 baht and so on). Invalidity benefits include income replacement of 500-1,000 baht per month for 15 years. The death benefit is a lump sum of 20,000 baht.
- Package 2 – For a contribution of 150 baht (100 baht paid by the worker and 50 baht by the Government), package 2 offers a lump sum payment for old age in addition to the benefits in package 1.

The packages under Section 40 do not provide health care benefits, which are already provided by the Universal Coverage Scheme (UCS).

¹² <http://www.social-protection.org/gimi/gess/RessShowRessource.do?ressourceId=16953> [20 Oct. 2012].



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The Universal Coverage Scheme (UCS)

The National Health Security Act, B.E. 2545 (2002), complements Section 51 of the Constitution of Thailand, B.E. 2550 (2007), on rights to public health services, which states that 'A person shall enjoy an equal right to receive standard public health service, and the indigent shall have the right to receive free medical treatment from State's infirmary.' The Act establishes the Universal Coverage Scheme (UCS), which is intended to provide healthcare for persons who are not covered by the CSMBS, SSS, or other schemes provided by the government. Although Section 5 of the Act stipulates that 'every person' shall be entitled to the health service under this Act, 'the person' is interpreted to be of Thai nationality. Therefore, ethnic minorities, stateless persons, and migrant workers are not covered by this scheme.

The UCS provides all kinds of essential medical treatment to its beneficiaries, ranging from outpatient and inpatient treatment, maternity care, birth delivery, necessary dental care including acrylic denture, preventive care, and emergency care. Insured persons must register at a specified office to choose a 'regular service unit', which serves as the entry point (gatekeeper) except in case of emergency. If specialized care is required, patients are referred to a higher level hospital at no extra charge.

The scheme is financed from general tax revenue. UCS expenditure is transferred from the government budget to the National Health Service Office, which is the purchaser of healthcare for the people.

The Universal Non-contributory Allowance for People with Disabilities

The Universal Non-contributory Allowance for People with Disabilities was established by the Quality of Life Promotion Act for persons with disabilities, B.E. 2550 (2007), but came into effect in 2010 through the Regulation on Rules and Procedure of Providing Disability Allowance, B.E. 2552 (2009), and the Regulation on the Criteria and Method for the Disbursement of People with Disabilities Allowance by the Local Administration, B.E. 2553 (2010). Thai nationals with disabilities who: 1) are domiciled in the district of local government according to the census; 2) have a disability card according to the Persons with Disabilities' Quality of Life Promotion Act, B.E. 2550 (2007); and 3) are not taken care of by a government welfare shelter are entitled to a disability allowance of 500 baht per month. The allowance is administered by the Tambon Administrative Organization (TAO) under the responsibility of the Ministry of Interior.

The Universal Non-contributory Allowance for People with HIV/AIDS

The Universal Non-contributory Allowance for People with HIV/AIDS is a policy that was established several years ago. Thai nationals living with HIV/AIDS are entitled to a minimum living allowance of 500 baht per month. The allowance is administered by the Tambon Administrative Organization (TAO) under the responsibility of the Ministry of Interior.

The Universal Non-contributory Allowance for Older People

The Universal Non-contributory Allowance for Older People was established by the Old Age Act, B.E. 2546 (2003), and came into effect in 2009 through the Regulation on Disbursement of Old Age Allowance, B.E. 2552 (2009), and the Regulation on the Criteria and Method for the Disbursement of Subsistence Allowance for Older Persons, B.E. 2552 (2009). Under the scheme, 500 baht per month is granted to Thai nationals who: 1) are 60 years of age or older; 2) have registered and submitted an application to receive the old-age allowance to the local government (registration requires national identification card or other card with picture issued by a government agency, house registration book, and a bank account book); 3) have their domicile registered in the local government district in which they applied for the allowance; and 4) receive no other regular benefits from the Government, including a pension, care in a government welfare shelter, or other income or benefits (except persons with disabilities or with HIV/AIDS).¹³

To date, all elderly persons are eligible except pensioners from the government (former civil servants). Pensioners from SSF, whose first pension payments will start in December 2016, will similarly not be eligible to receiving the old-age allowance. In 2011, the new government approved additional budget to increase the monthly allowance, effective in October 2011. The elderly of 60 to 69 years of age now receive a monthly allowance of 600 baht, those of 70 to 79 years of age receive a monthly allowance of 700 baht, those of 80 to 89 years of age receive a monthly allowance of 800 baht, and those 90 years old and older receive 1,000 baht per month.



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¹³ A person with disabilities of 60 years of age or more can therefore be entitled to the disability allowance and the non-contributory allowance for older people (600 + 500 = 1,100 Baht per month). If in addition this person is living with HIV/AIDS, he/she is also entitled to the allowance for people with HIV/AIDS (600 + 500 + 500 = 1,600 Baht per month).

The National Savings Fund (not yet implemented)

The newly issued National Savings Fund Act, B.E. 2554 (2011), establishes the National Savings Fund targeting workers in the informal sector. To be eligible the member must be: 1) a Thai national; 2) between 15 and 60 years of age; and 3) not a member of other old-age pension schemes provided by law. This last point does not apply to the Universal Non-contributory Allowance for Older People (old-age persons can receive the allowance and save under the NSF). Workers registered under the SSA Section 40 and opting for package 1 can be a member of the NSF. On the contrary, those workers who opt for package 2 (which includes an old-age component) cannot join the NSF. A member must contribute at least 50 baht per month, but not more than 13,200 baht per year, to the NSF. The government will make a contribution in an amount determined by the member's contribution and the member's age. The benefits are (according to the law) a monthly old-age pension paid when the member reaches 60 years of age. If the member quits the fund before 60 years of age, the member will receive a lump sum composed of the member's savings and the investment income, but not the Government's contributions and its investment income. If the member becomes disabled before 60 years of age, the member will be entitled to receiving the member's savings and investment income; the Government's contribution and its investment income will be calculated and transferred to the member when he or she reaches 60 years of age. If the member dies before 60 years of age, the heir(s) will receive a lump sum composed of the member's savings, the Government's contributions, and the investment income.

The Law allows the member to withdraw their savings before retirement, which may undermine the income security function of the NSF. The fund is managed by a committee under the supervision of the Fiscal Policy Office. At present the Ministry of Finance is still improving the design of the fund, with special focus on the management arrangements, the eligibility criteria of the members, contributions and benefits calculation, and how to avoid duplication of benefits with Section 40 of the Social Security Act. The implementation has been delayed to date and the programme design is now being reconsidered by the government.

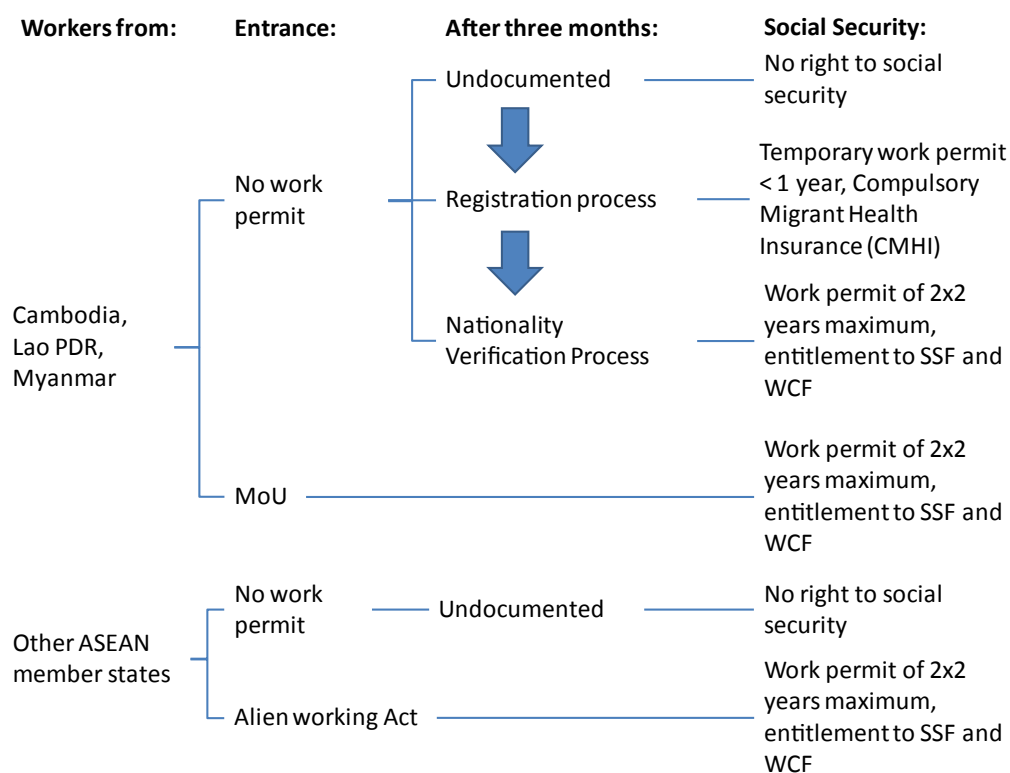
Migrant workers

Table 7. List of schemes for migrant workers

	Target group	Types of benefits	Institution	Responsible body
Cambodia, Lao PDR, Myanmar	MOU migrants	Entitled to SSF and WCF (must be employed by a formal sector enterprise)	SSO	Ministry of Labour
	Registered migrant workers	Against a contribution of 1,900 baht, they are entitled to health check-up and insurance	Compulsory Migrant Health Insurance (CMHI)	Ministry of Public Health
	Migrants who passed the Nationality Verification Process	Entitled to SSF and WCF (must be employed by a formal sector enterprise)	SSO	Ministry of Labour
	Undocumented migrants	No right to social security	N/A	N/A
Other ASEAN	Migrants complying with Alien Working Act, B.E. 2551 (2008)	Entitled to SSF and WCF (must be employed by a formal sector enterprise)	SSO	Ministry of Labour
	Undocumented migrants	No right to social security	N/A	N/A



Figure 1. Migrant workers' right to social security



Migrants coming from Cambodia, Lao People's Democratic Republic, and Myanmar can enter Thailand: 1) through the Memorandum of Understanding (MOU), which is a legal framework between Thailand and these three countries for low-skill migrant workers to enter and work in Thailand legally, or; 2) without work permit.

Migrant workers under the MOU receive a two-year work permit (renewable once) and are entitled to the same social security rights as Thai workers under the WCF and the SSF (Section 33 only). Note that the migrant workers must be employed by formal sector enterprises to be eligible for WCF and SSF.¹⁴

Migrant workers without a work permit can register for temporary stay with the Ministry of Interior. These workers need to register for the Compulsory Migrant Health Insurance (CMHI) programme as a part of the registration process. The migrant workers are then given a work permit card of one year maximum. These migrant workers then fall under the category of "registered migrant workers".

The CMHI scheme was established by the Announcement of Ministry of Public Health on Health Check-up and Health Insurance for Migrant Workers from Myanmar, Lao People's Democratic Republic and Cambodia, B.E. 2552 (2009), and provides health care for migrant workers. This CMHI is a prerequisite for the workers to apply for a work permit or a grace period to stay in Thailand temporarily. For a contribution of 1,900 baht, migrant workers are entitled to a health screening (600 baht) and health insurance (1,300 baht). In addition, the insured person must pay 30 baht per hospital visit in the case where they use a curative care service.

Since 2006 for Lao and Cambodian citizens and since 2009 for Myanmar citizens, registered migrant workers are required to go through the Nationality Verification process (NV) which gives them the opportunity to receive a regular status. Migrant workers who pass the NV receive a two-year work permit (renewable once) and are entitled to the same social security rights as Thai workers. Specifically, they can register for the WCF and the SSF (Section 33 only) as long as they are employed by a formal sector enterprise.

Although migrant workers under the MOU or who have passed the NV can in theory be registered under the SSF and the WCF, they encounter difficulties in fully accessing benefits because of limited compliance with the law by employers. In addition, when they are registered under the SSF, it is problematic for them to claim benefits, such as unemployment and old age pension, for at least two reasons. The first reason is that migrant workers have to leave the country within seven days after losing their job. This does not allow them to go through the process to declare their new status (unemployed) to the Department of Employment and the Social Security Office, nor to report back to the Department of Employment every month, as required under the unemployment scheme. The second reason is that the Department of Employment only accepts applications from Thai citizens, excluding therefore all migrant workers. A Ministry of Labour working group has been established to determine the appropriateness (and accessibility) of Thai social security benefits for migrant workers and to find ways to better align policies and practices regarding migrant workers across the Department of Employment and the Social Security Office.

Migrants coming from countries other than Cambodia, Lao People's Democratic Republic, and Myanmar have to comply with the Alien Working Act, B.E. 2551 (2008), to work in Thailand. Migrants permitted to work in Thailand under this Act are skilled workers. They are engaged in formal employment and thus entitled to the same social security rights as Thai workers. They are entitled to register for the WCF and the SSF.

¹⁴ For more information on the coverage of migrants, see: IOM, 2011. *Thailand migration report* and <http://www.socialsecurityextension.org/gimi/gess/ResShowResource.do?ressourceId=27722> [20 Oct. 2012].

Children

Table 8. Education policy benefits

Target group	Types of benefits	Institution	Responsible body
All children (from pre-school through high school)	Tuition fees (100 per cent free for public schools, subsidies for private schools), textbooks, learning materials, milk and school meals, school uniforms, among other items	15-year Free Education Policy	Ministry of Education (various offices and commissions)



The right to 12 years of education free of charge is guaranteed by the Thai Constitution of B.E. 2550 (2007). The National Education Act, B.E. 2542 (1999), with amendment No. 2, B.E. 2545 (2002), requires ‘any person’ to participate in nine years of compulsory education (6-15 years old) and is entitled to at least 12 years of free basic education, with quality. It also guarantees that basic special education will be available for people with disabilities and vulnerable groups of people. The free education policy was extended to 15 years in 2009. The policy is intended to address the need to educate children from pre-school through high school and vocational education. It covers formal, non-formal, and informal types of education. The free education policy applies to all children, including stateless and ethnic minority children, and children of migrants. The policy covers five categories of assistance, including: 1) tuition fees (100 per cent free for public schools and subsidies for private schools); 2) textbooks; 3) learning materials; 4) school uniforms; and 5) other activities that promote quality improvement among students.

Additional social welfare programmes

The Royal Thai Government provides other types of direct and indirect benefits to the people, which contribute to provide income support and access to services. These include school meals in approximately 60 per cent of schools nationwide by the Ministry of Education, allocations to community welfare funds (of a maximum of 365 baht per member per year), and budget support for farmers’ debt and price guarantees for agricultural products. The Ministry of Social Development and Human Security provides allocations to poor, homeless, people who have experienced violence, and other vulnerable groups as well as urgent social welfare assistance. The latter is either in cash or in kind and cannot exceed 2,000 baht per time per family except for persons with low income and no family support, in which case the assistance can reach 3,000 baht per time per family. This assistance cannot be provided more than three consecutive months per fiscal year. MSDHS also provides funeral grants to survivors and other financial assistance from different funds, such as the child protection fund, the old age fund, the fund to promote and develop the quality of life of people with disabilities, and the human trafficking fund. In addition, temporary subsidies for commodities and services were introduced as part of a stimulus package, including free electricity (fewer than 80 units (soon to be 90 units) per month), and free transportation on non-air conditioned buses and third class trains.

Table 9. Recap of the legal framework**Civil servants**

Government officials' pension system	• Pension for Civil Servants Act, B.E. 2494 (1951)
Government Pension Fund (GPF)	• Government Pension Fund Act, B.E. 2540 (1997)
Civil Servants' Medical Benefit Scheme (CSMBS)	• Royal Decree on Medical Benefit, B.E. 2553 (2010), issued pursuant to the Act on stipulation of payment rules in accordance with budget, B.E. 2518 (1975).

Private sector employees

Workmen's Compensation Fund (WCF)	• Workmen's Compensation Act, B.E. 2537(1994) ¹⁵ • Circular RS0711/W751 (issued on 25 Oct 2001)
Social Security Fund (SSF) Section 33 and Section 39	• Social Security Act, B.E. 2533 (1990) ¹⁶
Provident funds	• Provident Fund Act, B.E. 2530 (1987)
Private School Teachers' Welfare Fund (PSTWF)	• New Private School Act, B.E. 2551 (2008)

Informal economy workers

Social Security Fund (SSF) Section 40 (informal sector)	• Social Security Act, B.E. 2533 (1990) ¹⁷ • Royal Decree on Rules, Rate of Contribution, Contingencies and Eligibilities to receive benefits of Insured Persons, B.E. 2554 (2011)
Universal Coverage Scheme (UCS)	• National Health Security Act, B.E. 2545 (2002)
Universal Non-contributory Allowance for Persons with Disabilities	• Quality of Life Promotion Act for persons with disabilities, B.E. 2550 (2007) • Regulation on Rules and Procedure of Providing Disability Allowance, B.E. 2552 (2009) • Regulation on the Criteria and Method for the Disbursement of People with Disabilities Allowance by the Local Administration, B.E. 2553 (2010)
Universal Non-contributory Allowance for People with HIV/AIDS	• Decentralisation Act B.E. 2542 (A.D. 1999) • Mol's Regulation for Disbursement of the Subsistence Allowance by the Tambon Administration Organization (TAO) in 2003.
National Savings Fund (NSF)	• National Savings Fund Act, B.E. 2554 (2011) • Not yet implemented

Undocumented migrant workers

Compulsory Migrant Health Insurance (CMHI)	• Announcement of Ministry of Public Health on Health Check-up and Health Insurance for Irregular Migrant Workers from Burma, Lao People's Democratic Republic and Cambodia (1 July 2009)
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All children (until 15th year of education)

Education for all	• National Education Act, B.E. 2542 (1999), with amendment No. 2 B.E. 2545 (2002) • Free Education with Quality policy (2009)
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15 http://www.sso.go.th/sites/default/files/userfiles/file/workmen_s_compensation_act.pdf [20 Oct. 2012].

16 <http://www.social-protection.org/gimi/gess/RessShowRessource.do?ressourceId=16953> [20 Oct. 2012].

17 <http://www.social-protection.org/gimi/gess/RessShowRessource.do?ressourceId=16953> [20 Oct. 2012].

2.2 The global and regional contexts

In April 2009, the High Level Committee on Programmes of the UN Chief Executives Board (CEB) adopted the social protection floor (SPF) as one of its joint initiatives to face the financial and economic crisis and accelerate recovery, with the ILO and the WHO as lead agencies. This initiative supports countries in planning and implementing sustainable social protection schemes and essential social services. As this objective transcends the mandate of any single body or agency, the initiative built a global coalition of UN agencies (FAO, OHCHR, UNAIDS, UNDESA, UNDP, UNESCO, UNFPA, UN-HABITAT, UNHCR, UNICEF, UNODC, UN Regional Commissions, UNRWA, WFP, WMO), the IMF and the World Bank, as well as development partners and leading NGOs.

At its 101st session (2012), the International Labour Conference adopted the Social Protection Floors Recommendation, 2012 (No. 202)¹⁸ which reaffirms the role of social security as a human right and a social and economic necessity, and provides guidance to member States in building social protection floors within progressively comprehensive social security systems. The Recommendation was adopted almost unanimously (453 votes in favour and one abstention) after fruitful and constructive debate among ILO constituents. Recognizing the crucial role of social protection in social and economic development, and notably in combating poverty, vulnerability, social exclusion, and realizing decent work for all, the Conference also adopted the Resolution concerning efforts to make social protection floors a national reality worldwide,¹⁹ which invites governments, employers, and workers to jointly give full effect to Recommendation No. 202 as soon as national circumstances permit.

Social protection floors are nationally defined sets of rights and transfers that enable and empower all members of a society to access a minimum of goods and services at all times. They can be composed of:

- essential services, which refer to geographical and financial access to services such as water and sanitation, adequate nutrition, health, education, and housing;
- essential transfers, which refer to cash and in-kind transfers to the poor and the vulnerable to provide a minimum income and health security.

By calling for both demand and supply side measures (transfers and services), the SPF takes a holistic approach to social protection. The SPF calls for access to a minimum set of goods and services for all age groups, but with particular attention to the marginalized and vulnerable groups (such as ethnic minorities and people with disabilities). Once a social protection floor has been established, countries may then choose to progressively extend to their populations higher levels of social protection (e.g. by shifting from free primary education to free secondary and pre-primary education or by increasing levels of benefits through a mix of non-contributory and contributory schemes.)

The SPF promotes income security through a basic set of guarantees that aims to create a situation in which:

- All residents have access to a nationally defined set of essential health care services including maternity care that meets the criteria of availability, accessibility, acceptability, and quality.
- All children enjoy basic income security at least at the level of the nationally defined poverty line, ensuring access to nutrition, education, care, and any other necessary goods and services.

¹⁸ www.ilo.org/wcmsp5/groups/public/---ed_norm/---relconf/documents/meetingdocument/wcms_183326.pdf [20 Oct. 2012].

¹⁹ ILO: "Resolution concerning efforts to make social protection floors a national reality worldwide", in Provisional Record No.14, International Labour Conference, 101st Session (Geneva, 2012).

- All those in active age groups who are unable to earn sufficient income, in particular in cases of sickness, unemployment, maternity, and disability, enjoy basic income security at least at the level of the nationally defined poverty line.
- All residents in old age enjoy basic income security at least at the level of the nationally defined poverty line.

Defining the components of the floor as guarantees creates the flexibility that makes the concept of a social protection floor compatible with all possible national social protection systems. The four guarantees set minimum performance or outcome standards with respect to the access, the scope, and the level of income security and health care in national social protection systems rather than prescribing a specific architecture of national social protection systems. While not all countries will be able to immediately put in place all components for the whole population, the SPF provides a framework to plan a progressive implementation that ensures a holistic vision of the social protection system and that exploits synergies and complementarities between different components.

The SPF also serves as a tool for gender empowerment. Globally, women are disproportionately represented amongst the poor and the vulnerable. They face many legal and social constraints that limit their access to the labour market, productive assets, and better-remunerated work, or to equal remuneration with male counterparts. Women tend to be confined to more casual, insecure, and hazardous forms of work and self-employment, particularly in the informal economy, with no or only limited access to social protection. The SPF, which aims at extending basic social protection to those who are currently excluded, has great potential to redress existing gender imbalances. In societies where women are expected to take on caring roles, social transfers are also found to be particularly important supports.

While Asia and the Pacific have made considerable economic progress in the last two decades and have lifted millions out of poverty, not all have benefitted from these gains. Millions of people are still poor, deprived of basic rights, and vulnerable to increased risks due to global economic crises and climate change. This threatens to reverse hard-won human development gains of the past decade. Given this context, it is not surprising that social protection, which refers to a range of policy instruments for ensuring that the rights of all people to income security and access to a minimum level of social services are realized, is high on the policy agenda in the region. At their 67th Session in May 2011, member States of the UN Economic and Social Commission for Asia and the Pacific passed a resolution on “Strengthening social protection systems in Asia and the Pacific”. The SPF is also a priority on the G20 agenda. In a preparatory meeting to the G20 Heads of State Summit, G20 Labour and Employment Ministers recommended in September 2011 to “strengthen social protection by establishing social protection floors adapted to each country”. At the 15th ILO Asia and the Pacific Regional Meeting held in Kyoto, Japan on 4-7 December 2011, governments, employers, and workers from Asia and the Pacific recognized that “building effective social protection floors, in line with national circumstances” was one of the key national policy priorities for the Asia and the Pacific Decent Work Decade.²⁰

²⁰ http://www.ilo.org/global/meetings-and-events/regional-meetings/asia/aprm-15/reports/WCMS_169589/lang-en/index.htm [20 Oct. 2012].

Assessment based national dialogue in Thailand: Objectives, methodology, and process

3

3.1 Objectives

The assessment based national dialogue exercise's main objectives are:

1. To contribute to the national dialogue on social protection with all key stakeholders in the country, including the Royal Thai Government (RTG), social partners, civil society organizations, academia, and the UN Country Team, while raising awareness on the social protection floor (SPF) concept and increasing capacities in policy formulation and planning.
2. To identify priority areas for the Government's intervention in the field of social protection and the necessary measures for the establishment of a more comprehensive, rights-based, and systemic social protection floor in Thailand.
3. To support informed decision-making towards the future development of the national social protection floor while ensuring that the proposed new schemes and benefits do not threaten the financial sustainability of the social security system as a whole.
4. To define the partnership and action plan on social protection between the Royal Thai Government and the UN system.
5. To serve as a baseline against which the future and progressive realization of the SPF in Thailand can be monitored in the framework of the Eleventh National Economic and Social Development Plan.

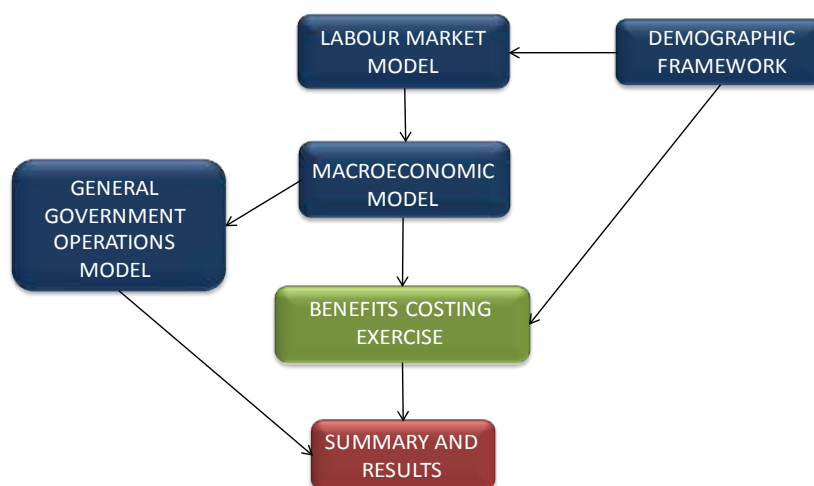
3.2 Generic methodology and process

The assessment describes existing social security schemes and social protection programmes, and identifies policy gaps and implementation issues for each of the four basic guarantees mentioned above. This assessment helps to draw recommendations for the further design and implementation of social protection provisions to reach the social protection floor for all the population. The subsequent rapid costing exercise estimates the cost of introducing these additional social protection provisions. The Assessment Based National Dialogue (ABND) exercise consists of the following steps:

STEP 1 – Development of the assessment matrix - An assessment matrix containing an inventory of existing social security, social protection, and poverty alleviation programmes for each of the four SPF guarantees is developed. The matrix helps to identify policy gaps, implementation issues, and a number of recommendations for the design and implementation of further social protection provisions with the aim of guaranteeing at a minimum the SPF to all the population.

STEP 2 – Rapid Assessment Protocol (RAP) - The cost of the proposed social protection provisions are then estimated and projected over a ten-year period using the ILO Rapid Assessment Protocol (RAP). This costing exercise can serve as a basis for discussions on available fiscal space, government budget reallocations, and the prioritization of different social protection policy options.

Figure 2. RAP Model Structure



STEP 3 – Finalization – The recommendations are shared with government representatives, workers and employers, and civil society organizations with a view to validate the assumptions and recommendations, and to prepare for the next steps, which may include feasibility studies for the design of new schemes, expansion of existing schemes, and establishment of coordination mechanisms.

Table 10. Scope of the assessment based national dialogue

The assessment tells us:

What is the situation?	Descriptions of existing schemes, laws, and regulations for each SPF guaranteee.
How far are we from the full realization of the SPF?	A comparison of existing schemes with the SPF framework - Does the entire population have access to health care and income security? Are the benefits adequate?
What should we do to complete the SPF?	Recommendations for new or the extension of existing social protection provisions.
How much will it cost?	Cost calculations of the additional SPF provisions using the RAP, cost estimates relative to GDP and government revenues and expenditures, and the incorporation of estimated costs into government budget projections, providing preliminary indications of the affordability of proposed social protection provisions.

The assessment can be followed by:

How to finance the new SPF provisions?	Recommendations on how to finance the new provisions through reallocation of government expenditures, increases in the fiscal space, or other means.
What will be the return on investment?	Analyse impact of the SPF provisions on the reduction of poverty and inequalities, employability and productivity, and economic growth. Also, study the comprehensive rate of return to investing in the SPF.
How to advocate for the recommendations?	Develop social marketing and communication strategies to advocate for the recommendations among the general public, civil society organizations, workers and employers, and the parliament and the Government (e.g. line ministries, Prime Minister's Office, Social Welfare Committee, NESDB).

3.3 Process followed in Thailand

From June 2011 to March 2013, the UN/RTG Joint Team on Social Protection (co-chaired by the ILO and MSDHS) engaged line ministries, UN agencies, social partners, civil society organizations, academia, and other relevant stakeholders to assess the social protection situation in Thailand, identify policy gaps and implementation issues, and draw appropriate policy recommendations for the achievement of a comprehensive social protection floor in Thailand. The table below summarizes the activities conducted under each of the three steps of the assessment process.¹

Table 11. Steps of the assessment based national dialogue in Thailand

STEP 1 – Development of the assessment matrix

Desk review	Based on a desk review, the ILO, in collaboration with other members of the UN SPF Joint Team, conducted a series of bilateral consultations in July and August 2011.
Bilateral consultations	Meetings were organized with the Ministry of Social Development and Human Security (MSDHS), the Ministry of Labour (MoL), National Economic and Social Development Board (NESDB), Ministry of Interior (MoI), the Social Security Office (SSO), the Health Insurance System Research Office (HISRO), social partners, HelpAge International, the Foundation for Older Persons' Development (FOPDEV), Thailand Development Research Institute (TDRI), Chulalongkorn University, and Mahidol University to take stock of existing social protection schemes and related laws and regulations for each of the four guarantees of the social protection floor.
National dialogue No. 1	The preliminary assessment matrix was presented and reviewed at the Consultative Meeting on Social Protection Floor on 10 August 2011, ¹⁰ which was attended by more than 70 representatives from the Royal Thai Government, social partners, civil society organizations, academia, and the UN Country Team. Several concrete policy recommendations emerged from this meeting to further design and implement social protection provisions with a view to close the social protection floor gaps.
Finalization of the matrix	Based on the inputs from the national dialogue, the assessment matrix and the legal framework were further elaborated.

STEP 2 – Costing using the RAP

Scenarios	The recommendations were translated into “costable” scenarios, i.e. specific social protection provisions that need to be introduced or further expanded to fill the gaps.
National dialogue No. 2	These scenarios were presented and reviewed at the workshop on Costing SPF Coverage Gaps: Methodology and First Results on 30 November 2011 and at the Civil Society Forum on the Social Protection Floor on 23 February 2012. The feedback received during these two workshops was used in the final selection of policy options.
Costing	A core technical working group was established to conduct the costing of the proposed social protection provisions. This core group was led by ILO and HISRO and received relevant inputs from other UN agencies, line ministries, NESDB, TDRI, and SSO. Through a number of working sessions and additional research on historical and projected population data, labour participation rates, economic indicators, and government budgets, this core group undertook the cost calculations and projections over the 2012-20 period for the proposed provisions using the ILO costing tool called the Rapid Assessment Protocol (RAP).

STEP 3 – Finalization and endorsement

National dialogue No. 3	On 16 March 2012, the UNSPF Joint Team organized the Assessment Based National Dialogue Workshop: Final Results and Recommendations to the Government, gathering representatives from the Royal Thai Government, social partners, civil society organizations, academia, and the UN Country Team to share the results of the costing exercise and to discuss the next steps (e.g. identification of possible measures to increase the fiscal space for social protection).
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¹ To access the content of the meeting: <http://www.socialsecurityextension.org/gimi/gess/ShowProjectPage.do?pid=1285> [20 Oct. 2012].

Training on the RAP	In addition, the ILO, HISRO, and the Faculty of Economics, Chulalongkorn University, organized a hands-on training course from 15 to 17 May 2012 called “How to Cost, Finance, and Monitor Social Protection Schemes”. Fifty participants from the Government, workers’ and employers’ representatives, civil society, and academia were familiarized with the ILO RAP developed for Thailand.
Writing of the report	The costing tool was further elaborated and the assessment report was produced in July-August 2012. The inputs from the UN/RTG Joint Team on Social Protection (UN agencies, MSDHS, NESDB, MoL, SSO, MoF and Civil Society) were included in the report before its launch. Preliminary considerations on the fiscal space were added to the report.
Advocacy	After the launch of the report, the advocacy work should be continued to seek for the endorsement of some of the recommendations and their inclusion in national development plans and social protection policies.

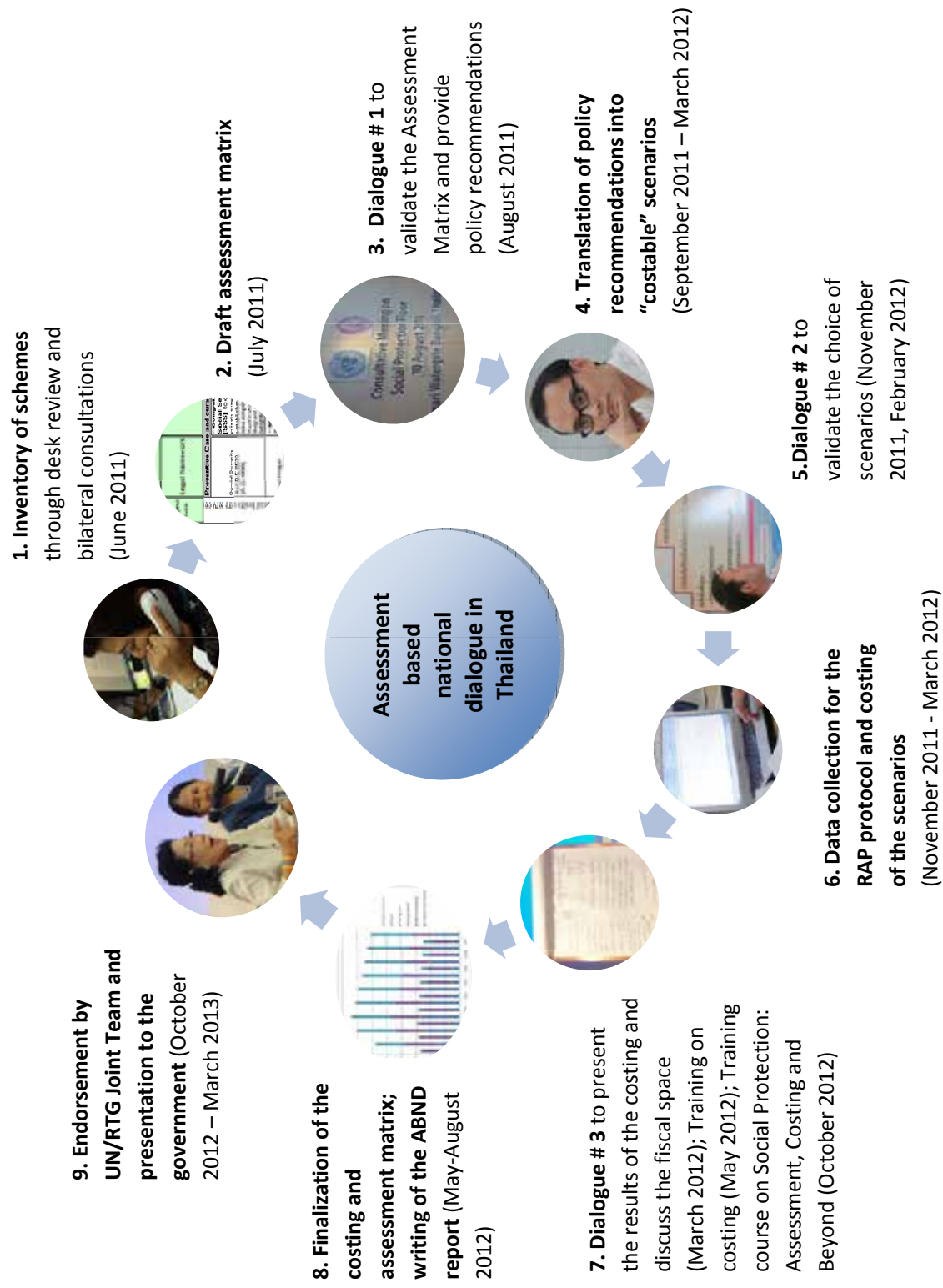
Table 12. The assessment on ILO’s knowledge sharing platform on the extension of social security, the “GESS platform” – www.social-protection.org

- Consultative meeting on Social Protection Floor in Thailand, 10 Aug. 2011, www.social-protection.org/gimi/gess/ShowProjectPage.do?pid=1285
- Costing SPF Coverage Gaps in Thailand: Methodology and First Results Workshop, 30 Nov. 2011, www.social-protection.org/gimi/gess/ShowProjectPage.do?pid=1335
- Civil Society Forum on Social Protection Floor in Thailand, 23 Feb. 2012, www.social-protection.org/gimi/gess/ShowProjectPage.do?pid=1445
- Assessment Based National Dialogue Workshop: “Final Results and Recommendations to the Government”, 16 Mar. 2012, www.social-protection.org/gimi/gess/ShowProjectPage.do?pid=1447
- Hands-on Training Course on “How to Cost, Finance and Monitor Social Protection Schemes?” from 15 to 17 May 2012, www.social-protection.org/gimi/gess/ShowProjectPage.do?pid=1585
- Training course on “Social Protection: Assessment, Costing and Beyond” organized by ILO DWT Bangkok, in close collaboration with the Faculty of Economics, Chulalongkorn University, from 15 to 19 Oct 2012, www.social-protection.org/gimi/gess/ShowProjectPage.do?pid=1735

The assessment process in Thailand was based on:

- literature review of studies, reports, laws and regulations, and statistical reports;
- bilateral consultations, technical workshops, and a wide range of national consultations to share the results at each step, gather inputs, and seek feedback, as well as enhance a national dialogue among the Government, social partners, civil society organizations, and academia;
- development of capacities through policy consultations and training workshops;
- establishment of a technical working group within the UN system (UN SPF Joint Team);
- enhancement of policy dialogue among the UN system, line ministries, academia, and civil society organizations; and
- establishment of a core technical working group on the costing of the proposed social protection provisions (including the ILO, relevant UN agencies, academia, and the Social Security Office).

Figure 3. The process of the assessment based national dialogue in Thailand



4

Step 1: Development of the assessment matrix (structure, existing provisions, policy gaps, implementation issues, recommendations)

The assessment matrix is a tool to analyze to what extent existing and planned social protection provisions match the benchmarks set by the four guarantees of the social protection floor framework and to support the identification of policy priorities to complete the floor. For each of the SPF guarantees, the matrix lists existing social protection provisions, their legal and effective coverage, design gaps and implementation issues, and identifies opportunities for improvement.

4.1 Structure of the assessment matrix

Table 13. Structure of the assessment matrix

	SPF objectives	Existing SPF provisions	Existing coverage	What is foreseen in the strategy	Design gaps	Implementation issues	Recommendations	Costing scenarios
Health	Social Protection Floor Template: Guarantees and Objectives	Describe present and planned social protection situation taking into account social protection strategy objectives			Identify design gaps and implementation issues		Priority policy options decided through national dialogue based on assessment results	Preliminary costing of selected priority options
Children								
Working age								
Elderly & Disabled								

The final assessment matrix is accessible on the GESS platform:

<http://www.social-protection.org/gimi/gess/ResShowResource.do?resourceId=25040> [20 Oct. 2012].

The sections below provide a detailed description of the information contained in the matrix for each of the SPF guarantee.

4.2 Health care

All residents have access to a nationally defined set of essential health care services including maternity care that meets the criteria of availability, accessibility, acceptability and quality.

4.2.1 Existing provisions

Thailand has established three social health protection schemes to provide social health protection to civil servants and their dependents, private sector employees, and informal economy workers. A centralized registration database has been developed since 2002 and is updated twice a month. The database covers the entire Thai population, including information from the Civil Service Medical Benefit Scheme, the Social Security Scheme, and the Universal Coverage Scheme.

The Civil Servants Medical Benefit Scheme (CSMBS)

Legal framework	The Royal Decree on Medical Benefit, B.E. 2553 (2010), issued pursuant to the Act on stipulation of payment rules in accordance with budget, B.E. 2518 (1975), establishes the Non-contributory Civil Servants Medical Benefit Scheme (CSMBS).
Target group	The CSMBS covers selected workers in the public sector: civil servants and permanent employees, pensioners, militia (receiving military pensions), foreign employees whose wages are paid from government budget and whose employment contract does not specify an alternative type of medical coverage, and their dependents (not more than three children under the age of 20 years old, ¹ spouse, and parents). The scheme does not cover public employees from local governments, state enterprises, other types of government employees (i.e. temporary or fixed-term contract workers), and pensioners who chose to receive a lump sum payment.
Benefit package	The CSMBS provides a comprehensive benefit package which includes ambulatory and inpatient care at public hospitals with minimum co-payments. Inpatient care at registered private hospitals is allowed only under certain conditions and with co-payments. The CSMBS reimburses emergency inpatient and haemodialysis outpatient services in private hospitals, with limitations.
Selection of providers	Patients can go to the hospitals of their choice.
Payment mechanism	<p>The scheme uses a fee-for-service payment mechanism based on the real tariffs applied by the public hospitals or, in some cases such as medical devices and artificial organs, based on fee schedules fixed by the Ministry of Finance.</p> <p>The payment is made to the hospitals directly in case of inpatient care. However, the beneficiaries have to register with one preferred hospital before they can benefit from this third-party payment mechanism. The beneficiaries can also pay upfront for outpatient and inpatient services and receive reimbursement retrospectively.</p>
Financing	The scheme is financed from general tax revenue.
Population covered	In 2011 the CSBMS covered 4,320,883 people out of a total population of 64,082,400, i.e. 6.7 per cent of the total population (civil servants and dependents). ²

¹ Children who are not legally adults include persons who are younger than 20 years old and who do not have a marriage license.

² Based on latest census data from 2010, released by NSO in 2012 and used in the RAP calculations.

The Health Branch of the Social Security Fund (SSF), Section 33

Legal framework	The Health Branch of the Social Security Fund was established by the Social Security Act, B.E. 2533 (1990) (SSA). ³
Target group	Employees in the private sector and regular migrant workers ⁴ are covered by the Social Security Fund (SSF), Section 33. To date, dependents are not covered by the scheme.
Benefit package	The SSF provides a relatively comprehensive benefit package including general practitioner and specialist care, outpatient and inpatient care, drugs and pharmaceuticals as determined by the National Drug List, ambulance and transportation services, and ancillary services. The following treatments are not covered: psychosis (except acute attacks), drug addiction, long-term hospitalization (more than 180 days in a year), haemodialysis (except for acute renal failure which requires immediate treatment for not more than 60 days and end-stage of chronic renal failure), cosmetic surgery, experimental treatments, infertility, tissue biopsy for organ transplantation (except for bone marrow transplantation), non-medically indicated procedures, organ transplantation except for bone marrow and corneal transplantation, transsexual surgery, reproductive surgery, recovery care, dental services (except extraction, filling, scaling, and dentures at rate specified by SSO), and glasses and contact lenses.
Selection of providers	Patients select one health care provider within the contracted network of hospitals where they will receive treatment. In cases of emergency, the insured can choose any hospital, even outside the contracted network.
Payment mechanism	<p>For outpatient care, the SSF pays contracted health care providers, both public and private, based on a capitation method (number of registered insured members in the hospital multiplied by the per capita amount with a risk-adjusted formula).</p> <p>For inpatient care, the SSO uses Diagnostic Related Groups (DRGs) for all admissions.</p> <p>For some special high cost services (open heart surgery, coronary bypass, brain surgery, acute renal failure treatments such as haemodialysis and peritoneal dialysis, among others), the SSF uses a fee-for-service mechanism to pay the hospital, based on fee schedules.</p> <p>For emergency cases, insured patients who seek medical treatment from non-contracted hospitals are entitled to reimbursement at rates set by the SSO. After three days and if the life threatening condition of the insured patients no longer exists, the insured can be transferred free of charge to a registered hospital for continued treatment.</p>
Financing	This scheme is financed on a tripartite basis (employers, employees, and the Government). The contribution to the sickness and health care branch of the Social Security Fund is 2.64 per cent of salaries, of which workers, employers, and the Government pay equal shares (0.88 per cent). ⁵
Population covered	In December 2011, SSF Section 33 insured 9,054,535 people, ⁶ which accounted for 14.1 per cent of the total population. ⁷

3 <http://www.social-protection.org/gimi/gess/RessShowRessource.do?ressourceId=16953> [20 Oct. 2012].

4 Migrant workers who passed the National Verification Process or came to work in Thailand under the MOU between Thailand and Cambodia, Lao People's Democratic Republic, and Myanmar.

5 Source: SSO, 2012

6 http://www.sso.go.th/sites/default/files/R_D122012/statisticsmid3_en.html [20 Oct. 2012].

7 Based on latest census data from 2010, released by NSO in 2012 and used in the RAP calculations

The Social Security Fund (SSF), Section 39

Legal framework	The Health Branch of the Social Security Fund was established by the Social Security Act, B.E. 2533 (1990) (SSA). ⁸
Target group	Persons can be insured under Section 39 when they have been previously insured under Section 33, have paid contributions for not less than 12 months, cease being employees, and wish to continue being insured.
Benefit package & selection of providers	Health benefits are the same as provided in Section 33.
Payment mechanism	Same as Section 33.
Financing	Under Section 39, the total contribution (for all benefits, not only health care) is 11.5 per cent of the reference income of 4,800 baht, ⁹ of which nine per cent is paid by the worker and 2.5 per cent by the government. There is no detailed breakdown of the contribution by benefit. SSO is currently considering increasing the reference income since the current minimum wage (300 baht per day) is higher than the 4,800 baht per month reference income.
Population covered	In December 2011, the total number of persons insured by Section 39 was 855,412 people, ¹⁰ or 1.3 per cent of the total population. ¹¹

The Universal Coverage Scheme (UCS)

Legal framework	The National Health Security Act, B.E. 2545 (2002), established the Universal Coverage Scheme (UCS) and complements Section 51 of the Constitution of Thailand, B.E. 2550 (2007), which states that 'A person shall enjoy an equal right to receive standard public health service, and the indigent shall have the right to receive free medical treatment from State's infirmary'.
Target group	The UCS is intended to provide healthcare for persons who are not covered by the CSMBS, SSS, or other schemes provided by the government. Although Section 5 of the Act stipulates that 'every person' shall be entitled to the health service under this Act, 'the person' is interpreted to be a person of Thai nationality who possesses a 13-digit government ID number. Therefore, ethnic minorities, stateless persons, and migrant workers are not covered by this scheme.
Benefit package	The UCS provides a comprehensive benefit package. Benefits include curative services, health-promotion and disease-prevention services, rehabilitation services, and services based on traditional Thai or other alternative medicine practices. The Scheme also provides personal preventive services and health-promotion services to all Thai citizens. The triple antiretroviral drugs therapy (ART), which is considered standard care for people living with HIV/AIDS, was integrated into the benefit package in 2006. In addition, UCS beneficiaries gained access to chronic haemodialysis, continuous ambulatory peritoneal dialysis, and renal transplantation in 2007.

8 <http://www.social-protection.org/gimi/gess/RessShowRessource.do?ressourceId=16953> [20 Oct. 2012].

9 Source: SSO, 2012

10 http://www.sso.go.th/sites/default/files/R_D122012/statisticsmid39_en.html [20 Oct. 2012].

11 Based on latest census data from 2010, released by NSO in 2012 and used in the RAP calculations

Selection of providers	The Scheme is designed for efficiency by using primary care as a gatekeeper and a referral service for complicated cases that need inpatient care. Health facilities must register for the UCS. The primary health care unit is the first contact point for beneficiaries, who are not allowed to go directly to secondary or tertiary care facilities without referral from the primary health care unit except in cases of severe accidents or other health emergencies.
Payment mechanism	The UCS uses a capitation payment mechanism for outpatient care and a global budget allocation plus Diagnostic Related Groups (DRGs) for inpatient care.
Financing	The scheme is financed from general tax revenue. UCS expenditure is transferred from the government budget to the National Health Service Office, which is the purchaser of health care services.
Population covered	The UCS covered 48,142,994 people or 75.1 per cent ¹² of the total population in 2011. Most of the insured account for the informal economy.



Compulsory Migrant Health Insurance (CMHI)

Legal framework	The Announcement of Ministry of Public Health on Health Check-up and Health Insurance for Irregular Migrant Workers from Myanmar, Lao People's Democratic Republic and Cambodia, 1 July 2552 (2009), established the CMHI scheme.
Target group	The CMHI targets undocumented migrant workers and does not cover dependents. CMHI registration is a prerequisite for workers to apply for work permits or grace periods to stay in Thailand temporarily.
Benefit package	The benefit package includes a compulsory health screening, a health insurance component (capitation, fund managed by the hospital), and a health reinsurance component for high cost diseases.
Selection of providers	Similar to UCS in which the primary care provider plays the role of gatekeeper.
Payment mechanism	The insured person must pay 30 baht per hospital visit when using a curative care service. The contributions are collected by the MoL and the fund is managed by the hospital directly. The reinsurance component is managed by the MoPH.
Financing	The insured member pays a contribution of 1,900 baht per year.
Population covered	According to an actuarial valuation made by HISRO, CMHI covered 880,614 persons during the 2009-10 period.

¹² Based on latest census data from 2010, released by NSO in 2012 and used in the RAP calculations

Table 14. Recap of the coverage for health care

Scheme	% of total population (2011) ¹³
Civil Servants Medical Benefit Scheme (CSMBS)	6.7
Health Branch of the Social Security Fund (SSF), Sections 33 and 39	15.5
Universal Coverage Scheme (UCS)	75.1
Compulsory Migrant Health Insurance (CMHI)	N/A (since the total population does not include migrant workers)

4.2.2 Policy gaps and implementation issues

Policy gaps

Legal framework

Thailand's social health protection system laws and institutions tend to be fragmented, which may cause inefficiencies and, in some cases, conflicts in legislation.

Target groups

The health care branch of the Social Security Fund (SSF) does not cover dependents. This may lead to situations where in the same family one parent is covered by the SSF while the spouse and children are covered by the UCS. This complicates access to health care services for families.

It is believed that a significant number of undocumented migrant workers are not covered by the Compulsory Migrant Health Insurance (CMHI) due to problems of affordability.

(In)equity in the access to services

Formal sector workers contributing to the SSF receive a similar benefit package to those covered by the non-contributory UCS which may create a sense of unfairness.

In the cases of the UCS and SSF, patients receive treatment in a pre-selected hospital of their choice, which is usually located near their residence (except for emergency cases). This poses a difficulty in accessing treatment for people who have experienced gender-based violence who may not wish to receive treatment in a place where they are well known.

Implementation issues

Information issues

A share of the population (between two and five per cent) who is entitled to the UCS does not register because of a lack of information or a misperception concerning the quality of the services provided.

A significant number of undocumented migrant workers are not covered by the Compulsory Migrant Health Insurance (CMHI) due to a lack of information.

There is a lack of information on the services covered by the UCS, leading to low utilization of preventive care services and health check-ups.

People living with HIV/AIDS may face confidentiality and stigma issues under the schemes.

People who have experienced gender-based violence and who require investigative or forensic treatment are often not covered by the UCS and SSF. Coverage relies greatly on the understanding and sensitization of health-care personnel.

Enforcement

A significant number of documented migrant workers are not registered for the SSF by their employers and are therefore not covered by any scheme.

¹³ Based on CSMBS/SS/UCS projected data for 2011 and on latest Census data from 2010, released by NSO in 2012 and used in the RAP calculations

Inequity from the supply side

The unequal distribution of health-care facilities among rural and urban areas and across regions affects people's access to care.

Essential health care services (such as HIV/AIDS treatments) are not available in some areas.

Owing to increasing work demands, lack of incentives, and more opportunities in the private sector, health-care personnel, particularly physicians, have left rural care facilities. This situation has an adverse effect on social health protection schemes, which rely mainly on public health-care facilities.

4.2.3 Conclusions and recommendations

>>The main conclusion is that the social protection floor for health care is achieved.

However, the national dialogue process generated a number of recommendations that will require more in-depth feasibility studies and/or will be implemented through specific technical cooperation (TC) projects. These recommendations are marked with a delta (Δ) in the table below.

Table 15. Recommendations on health

Recommendations	
Δ	H1. Create a unified health insurance system: 1) Create a unified system to reduce fragmentation and address the issue of inequity through a progressive harmonization of the provider payment mechanisms and the benefit packages; and 2) Carry out a legal review and propose concrete recommendations aiming at reducing conflicts between existing acts, decrees, regulations, and policies.
Δ	H2. Create a financially sustainable health insurance system: Ensure the long-term financial sustainability of the system by introducing new measures such as a co-payment for non-essential services.
Δ	H3. Carry out a review of the legal framework and practice; provide recommendations to ensure HIV-sensitiveness throughout the entire health-care system.
Δ	H4. Develop a long-term care system: Conduct a feasibility study on chronic care and health care for the elderly. Develop recommendations on essential equipment for health-care facilities, the provision of age-friendly services, the training of health care personnel on geriatric care, the development of mobile clinics to cure people at home, and so on.

4.3 Children

All children enjoy basic income security at least at the level of the nationally defined poverty line, ensuring access to nutrition, education, care and any other necessary goods and services.

4.3.1 Existing provisions

Thailand has only two social protection schemes targeting children embedded in legislation: the child support grant of the Social Security Act (Sections 33 and 39) and the free education policy.

Child support grant of the Social Security Act, Sections 33 and 39

Legal framework

The Social Security Act, B.E. 2533 (1990), provides a child support grant for insured persons under Sections 33 and 39 (not under Section 40), provided that they have paid contributions for not less than 12 months during a period of 36 months.

Target group	The grant covers not more than two legitimate children (excluding adopted children or children of the insured member who are adopted by others) at a time. The insured person is entitled to receive the grant until the child reaches 6 years of age. If the parents are both insured under the SSF, only one receives the grant while, if they are separated, the person who is the guardian is entitled to it.
Benefits	The support grant is intended to cover living expenses, tuition fees, medical expenses, and the other expenses of raising a child. It is a lump sum payment of 400 baht per month per child.
Financing	<p>The child support grant is financed through tripartite contributions. Under Section 33, the total amount of contributions is one per cent of the employee's salary, of which 0.2 per cent is paid by the employee, 0.2 per cent by the employer, and 0.6 per cent by the Government.¹⁴</p> <p>Under Section 39, the total contribution for all benefits is 11.5 per cent of the reference income of 4,800 baht, of which nine per cent is paid by the worker and 2.5 per cent by the Government. There is no detailed breakdown of the contribution by benefit type.</p>

Education for all

Legal framework	The right to 12 years of free education is guaranteed by the Thai Constitution, B.E. 2550 (2007). The National Education Act, B.E. 2542 (1999), with amendment No. 2, B.E. 2545 (2002), guarantees nine years of compulsory education (from 6 to 15 years of age) and 12 years of free basic education, with quality. It also guarantees that basic special education will be available for children with disabilities and other vulnerable groups. The free education policy was extended to 15 years in 2009. The policy which was approved under the Act of Additional Budget Expenditure, B.E. 2552 (2009), is intended to address the need for education from pre-school through high school and vocational training. It includes formal, non-formal, and informal education.
Target group	The free basic education policy applies to all in Thailand, including stateless children, ethnic minorities, and migrants.
Benefits	The scheme provides 15 years of free education from kindergarten through high school, including vocational and non-formal education. It covers five categories of assistance, including: 1) tuition fees; 2) textbooks; 3) learning materials; 4) school uniforms; as well as 5) other activities which promote quality improvement among students.
Financing	The budget is allocated by the Ministry of Education.



¹⁴ Source: SSO, 2012

Education grants for children of civil servants

Legal framework	Royal Decree on fringe benefit related to children's education, B.E. 2523 (1980), and amendments No.2, B.E. 2532 (1989), through No. 7, B.E. 2554 (2011).
Target group and eligibility criteria	Children of civil servants and civil servant pensioners. Education grants apply to children of civil servants or permanent government employees who receive salary or wages from the government budget under the budget item "regular salary and wage", children of pensioners (under the Government Pension Act), and children of reservists who are entitled to military pension. The education grant is limited to the first three legitimate children (excluding adopted children), from 3 years to 25 years of age.
Benefits	Reimbursement of education fees from 3 to 25 years of age. The tuition fees depend on the type of institutions (public or private) and the level of studies.
Delivery	The entitled person may submit a claim form from the Comptroller General's Department together with receipts.
Financing	Government budget, Ministry of Finance.

Other schemes

Apart from these schemes, many laws have set up funds to provide scholarships, loans, or assistance in kind (school meals, food distribution) to children, but the use of funds may vary making these programmes unpredictable. This is the case of the Loans and Scholarships Programme (Fund for Education Loan, B.E. 2541 (1998)) and the Supplementary Food and Milk Project (Fund for Primary Schools Lunch Project, B.E. 2535 (1992)).

The legal basis for the following assistance programmes is unclear:

- Grants for widows and children who are affected by the situation in the south of Thailand;
- Grants for street children;
- Child support grant for children of workers employed in state-owned enterprises;
- Education grants for children of teachers in private schools;
- Loans for lower socio-economic background students ("Kor-Yor-Sor");
- Scholarships for students whose parents are dedicated to social activities;
- Scholarships to disadvantage children (financed by the national lottery);
- Distribution of bicycles to students living in remote areas;
- Distribution of tablet PCs for primary school children (grade 1); and
- Grants for children living with HIV/AIDS or within families affected by HIV/AIDS (including orphans).

Table 16. Recap of the coverage for children

Scheme	% in total population (2011)
Child support grant of the Social Security Act, Sections 33 and 39	1,256,114 children or 23.1% of total children from 0 to 6 years of age in 2011
Education grant for children of civil servants	859,494 children or 5.5% of total children from 3 to 20 years of age in 2011 ¹⁵
Education for all scheme	100% of total children in 2011
Other schemes	Ad hoc, targeted

4.3.2 Policy gaps and implementation issues

Legal framework

Many of the social protection policies and programmes related to children are based on political decisions which are not always supported by evidence-based analysis and full compliance with international obligations; their legal basis is at times unclear making them unpredictable (budget allocations can change from one year to the other or the programme can be re-designed or suppressed).

Benefits and target groups

In Thailand only formal sector workers are entitled to a child support for pre-school children (from 0 to 6 years of age).

Centres for Early Childhood Development and other services for mother and child are insufficiently developed (these centres would contribute to the promotion of child development).

Scholarships may contribute to maintaining school attendance by covering expenses such as transportation costs or school meals that may not always be provided. Scholarships can be particularly relevant for children in rural, poor households, and reduce the risk of child labour. However, apart from some specific groups, such as civil servants and private school teachers, most children are not entitled to scholarships.

Education outcomes

Despite the free education policy, learning achievements require further improvements. Quality of education seems to be weak in remote rural areas and the lack of adapted support (after school programmes and similar supportive measures) may hamper the development of school-age children in less endowed schools.

Information

Because of the lack of information on the universal education policy, some children have limited access to education (children of migrant workers, ethnic communities in remote areas, and stateless children). There is also a lack of general awareness on existing support programmes (scholarships, grants, distribution of bicycles, and so on).

Monitoring & Evaluation

In the framework of the Government's decentralization process, the implementation of policies related to children's issues is now under the responsibility of local administration offices, based on standards and implementation guidelines set at the national level. However, there is limited or inexistent monitoring and evaluation system in place to keep track of the effective implementation of policies at the decentralized level.

¹⁵ Projected data (HISRO)

4.3.3 Conclusions and recommendations

>> To complete the social protection floor for children, the main recommendation is to implement a universal child support grant in Thailand.

The recommendations which emerged from the national dialogue process are summarized in the table below. Items marked with an asterisk (*) indicate a recommendation to provide new social protection provisions or increase of coverage of existing provisions. The cost of these additional provisions or coverage is calculated using the ILO Costing Tool (RAP). The items marked with a delta (Δ) indicate a recommendation that requires further in-depth feasibility studies and/or can be implemented through specific technical cooperation projects.

Table 17. Recommendations on children

Recommendations	
*	C1. Design and implement a universal child support grant for various age groups (0-3, 0-6, or 0-12 years of age) with the aim of child poverty reduction and to support parents with the cost of raising children.
Δ	C2. Include a child support grant in the benefit package of the SSA Section 40.
Δ	C3. Support for poor students and school-age children should be made on a statutory rather than ad hoc basis.
Δ	C4. Improve the quality of the education system including through enhancing workforce skills and promoting innovations.
Δ	C5. Establish a comprehensive early child development service, including day care centres for pre-school children.

4.4 Working age population

All those in active age groups who are unable to earn sufficient income, in particular in cases of sickness, unemployment, underemployment, maternity and disability, enjoy basic income security at least at the level of the nationally defined poverty line.

4.4.1 Existing provisions

Cash benefits are provided to workers in the formal sector under the Social Security Act Section 33 (and 39 for those previously covered by Section 33) and the Workmen's Compensation Act. Cash benefits are provided to workers in the informal sector under the Social Security Act Section 40. In addition to these main schemes, Thai nationals with disabilities or living with HIV/AIDS can benefit from a minimum allowance of 500 baht per month. All Thai nationals from 15 to 45 years of age can attend skills training and those whose income is less than 10,000 baht per month can apply for low interest loans to develop their skills.

Government employees

Civil servants are entitled to sick leave with pay, maternity and paternity leave with pay, and work injury/invalidity/disability benefits. In the case of death of a civil servant for employment-related reasons or in the course of work, the government pension (legislated by Pension for Civil Servants Act, B.E. 2494 (1951)), is transferred to the heirs.

Sick leave with pay

Legal framework	Regulation of Prime Minister's Office on civil servants leave, B.E. 2555 (2012); Royal Decree on payment of salary, annuity, pension and other payment of the same kind, B.E. 2522 (1979), and its amendments No. 2-4.
Target group	1) Civil servants under Civil Servants Regulation; 2) Civil Servants in higher education under Higher Education Regulation; 3) Political Officials under Political Officials Regulation; 4) Police officers under Royal Thai Police Law; and 5) Military Personnel.
Benefits	<p>Sick leave with pay (Section 18 of Regulation of Prime Minister's Office on civil servants leave, B.E. 2555 (2012)).</p> <p>Sick leave with pay not exceeding 60 days per year; sick leave can be extended for an additional 60 days at the discretion of the Director-General (Section 27 Royal Decree on payment of salary, annuity, pension and other payment of the same kind, B.E. 2522 (1979)).</p>
Financing	Government budget.
Responsible authority	The Prime Minister's Office and the Comptroller General's Department, Ministry of Finance.

Maternity and Paternity leave

Legal framework	Regulation of Prime Minister's Office on civil servants leave B.E. 2555 (2012); Royal Decree on payment of salary, annuity, pension and other payment of the same kind, B.E. 2535 (1992) and its amendments No. 2 to 5.
Target group	1) Civil servants under Civil Servants Regulation; 2) Civil Servants in higher education under Higher Education Regulation; 3) Political Officials under Political Officials Regulation; 4) Police officers under Royal Thai Police Law; and 5) Military Personnel.
Benefits	<p>Maternity leave with pay not exceeding 90 days; maternity leave can be extended for an additional 150 working days, but without pay.</p> <p>Paternity leave with pay of 15 days, subject to the approval of the supervisor.</p>
Financing	Government budget.
Responsible authority	The Prime Minister's Office and the Comptroller General's Department, Ministry of Finance.

Work injury/invalidity/disability compensation

Legal framework	Ministry of Finance's Regulation on compensation for civil servants and employees, B.E. 2546 (2003); Regulation of committee on rules and procedures related to receiving and granting compensation for civil servants and employees, B.E. 2550 (2007).
Target group	Civil servants under the Law on Administration of State Affairs (central and provincial administration) and Military Personnel.
Conditions and Benefits	<p>The insured are entitled to benefits if they meet two conditions: 1) have an accident or sickness, organ loss or disability as a consequence of performing official duties; and 2) is not entitled to a special pension according to the Act on welfare for civil servants who were harmed or ill due to performing official duties, B.E. 2546 (2003).</p> <p>Compensation depends on affected organs and severity (ability loss), as well as the salary or wage of the beneficiary.</p>
Financing	Government budget.

Responsible authority The Comptroller General's Department, Ministry of Finance.

Work injury/invalidity/disability in-kind and cash benefits

Legal framework Act on welfare for civil servants who were harmed or ill due to performing official duties, B.E. 2546 (2003).

Target group Civil servants under the Law on Administration of State Affairs (central and provincial administration) and Military Personnel.

Conditions and Benefits In the case of accident or sickness resulting in loss of organs or disability as the consequence of performing official duties, the civil servant is entitled to: 1) medical fees; 2) leave with pay; 3) being reassigned to an appropriate position in case of disability; 4) higher salary (if they can work) and/or special pension (if they cannot work); and 5) in case of death, the heirs receive a lump sum payment.

Financing Government budget.

Responsible authority The Comptroller General's Department, Ministry of Finance.

Workers in the formal sector (Social Security Act, Sections 33 and 39 and Workmen's Compensation Act)

Sickness benefits (sick leave) under the Social Security Act, Sections 33 and 39

Legal framework The Social Security Act, B.E. 2533 (1990) (SSA),¹⁶ Sections 33 and 39.

Target group For Section 33: persons employed in non-agricultural enterprises who are over 15 years of age and not more than 60 years of age. Every employer who has at least one employee has the obligation to register their employee(s) under the scheme. Regular migrant workers are entitled to being covered under the SSA Section 33.

Persons can be insured under Section 39 when they were previously insured under Section 33, have paid contributions for not less than 12 months, cease being employees, and wish to continue being insured. Regular migrant workers cannot be covered under the SSA Section 39.

Eligibility The insured person must have paid contributions for not less than three months during a period of 15 months before the date of receiving medical services, and should not have intentionally caused (or permitted other persons to cause) the injury or sickness.

Benefits The benefits include a partial income replacement (50 per cent of wages) during the period of cessation of work for a maximum of 90 days per case and 180 days per calendar year in the case of general disease. For cases of chronic disease, the insured can receive the partial income replacement for a maximum of 365 days. The covered chronic diseases are listed under the Ministerial Regulation on Chronic Disease, B.E. 2549 (2006).

¹⁶ <http://www.social-protection.org/gimi/gess/RessShowRessource.do?ressourceId=16953> [20 Oct. 2012].

Financing

Under Section 33, the contribution to the sickness and health care branch of the Social Security Fund is 2.64 per cent of salary, of which the worker, the employer, and the Government pay equal shares (0.88 per cent).¹⁷ For employees who earn salaries less than 1,650 baht per month or greater than 15,000 baht per month, the contribution is based on a salary floor of 1,650 baht and salary ceiling of 15,000 baht, respectively. Both the floor and the ceiling are low with respect to the 300 baht daily minimum wage. SSO is currently considering increasing the floor but not the ceiling.

Under Section 39, the contribution to the sickness and health care branch is 2.64 per cent of the reference income of 4,800 baht per month,¹⁸ of which the worker pays 1.76 per cent and the government 0.88 per cent. SSO is currently considering increasing the reference income since the current minimum wage of 300 baht per day is higher than the 4,800 baht per month reference income.

Disability and invalidity benefits under the Social Security Act, Sections 33 and 39

Eligibility

The insured person must have paid contributions for not less than three months during a period of 15 months before the date of receiving medical services, should not have intentionally caused (or permitted other persons to cause) the injury or sickness, and is classified as invalid by the medical committee (loss of more than 50 per cent of ability).

Benefits

The medical benefits include: 1) medical examination expenses; 2) medical treatment expenses; 3) medicine and medical supply expenses; 4) inpatient meals and treatment expenses in hospital; 5) cost of ambulance or transportation for invalid person; 6) physical, mental, and occupational rehabilitation expenses; and 7) other necessary expenses.

The amount of medical benefits are based on: 1) real expenditures for outpatient care in public hospitals and payment per DRG for inpatient care in public hospitals; 2) real expenditures up to a maximum amount of 2,000 baht per month for outpatient care in private hospitals and real expenditures up to a maximum amount of 4,000 baht per month for inpatient care in private hospitals; and 3) a lump sum not exceeding 500 baht per month to cover ambulance service and transportation costs.

The benefits also include a partial income replacement (50 per cent of wages) during the whole life of the insured person (the pension can be reduced if the person's condition improves after rehabilitation).

Financing

Under Section 33, the contribution to the disability branch is 1.32 per cent of salary, of which the worker, the employer, and the Government pay equal shares (0.44 per cent). The salary floor and ceiling used for calculating the contribution are the same as for the item above.

Under Section 39, the contribution to the disability branch is 1.32 per cent of the reference income of 4,800 baht,¹⁹ of which the worker pays 0.88 per cent and the Government pays 0.44 per cent.

¹⁷ Source: SSO, 2012

¹⁸ Source: SSO, 2012

¹⁹ Source: SSO, 2012

Maternity benefit under the Social Security Act, Sections 33 and 39

Target group	The maternity benefit applies to the insured or his wife/cohabitee.
Eligibility	<p>The insured person is entitled to a maternity benefit in the case where: 1) the insured person or the insured person's wife or cohabitee is pregnant; and 2) the insured has paid a contribution for not less than seven months during the 15-month period before the date of receiving medical services.</p> <p>An insured person is entitled to receive maternity benefits twice. If both partners are the insured persons, they are entitled to receiving benefits four times.</p>
Benefits	<p>The medical benefit is a 13,000 baht lump sum payment per one child delivery (Announcement of Medical Committee pursuant to Social Security Act on Rules and Rate of Maternity Benefit, B.E. 2553 (2011)). The lump sum is intended to cover: 1) medical examination and child bearing expenses; 2) medical treatment expenses; 3) medicines and medical supply expenses; 4) confinement expenses; 5) lodging, meals, and treatment expenses in hospital; 6) new-born baby nursing and treatment expenses; 7) the cost of ambulance or transportation for patient; and 8) other necessary expenses.</p> <p>The benefits also include a partial income replacement (50 per cent of wage for 90 days) for the insured person who has taken leave for the child's delivery (maternity leave).</p>
Financing	<p>Under Section 33, the contribution to the maternity branch is 0.36 per cent of salary, of which the worker, the employer and the Government each pay equal shares (0.12 per cent). The salary floor and ceiling used for calculating the contribution are the same as for the item above.</p> <p>Under Section 39, the contribution to the maternity branch is 0.36 per cent of the reference income of 4,800 baht,²⁰ of which the worker pays 0.24 per cent and the Government pays 0.12 per cent.</p>

Death and survivor benefits under the Social Security Act, Sections 33 and 39

Target group	The death and survivor benefit applies to the dependents/heirs of the insured person.
Eligibility	The insured person has paid contributions for not less than one month during a period of six months before the death and the death is not the result of suicide.
Benefits	The benefits include: 1) a lump sum of 40,000 baht to cover funeral expenses; and 2) a survivors' lump sum, the amount of which depends on the duration of contributions (150 per cent of monthly wages for contributions paid for more than 36 months and 500 per cent of monthly wages for contributions paid for more than ten years).
Financing	<p>Under Section 33, the contribution to the death and survivor branch is 0.18 per cent of salary, of which the worker, the employer, and the Government pay equal shares (0.06 per cent). The salary floor and ceiling used for calculating the contribution are the same as for the item above.</p> <p>Under Section 39, the contribution to the death and survivor branch is 0.18 per cent of the reference income of 4,800 baht,²¹ of which the worker pays 0.12 per cent and the Government pays 0.06 per cent.</p>

²⁰ Source: SSO, 2012

²¹ Source: SSO, 2012



Unemployment benefits under the Social Security Act, Section 33 only

Eligibility

The insured person has paid contributions for not less than six months during a period of 15 months before becoming unemployed and is able to work, available to work in suitable jobs provided, does not refuse to attend job training, is registered with the Government Employment Service Office, and reports to the Office not less than once each month. Furthermore, the unemployment status is not a result of any of the following situations: performing duty with dishonesty, intentionally committing a criminal offence against the employer; intentionally causing damage to the employer; seriously violating rule; work regulations; or lawful order of the employer; neglecting duties for seven consecutive days without a justifiable reason; being negligent rendering serious damage to the employer; or being imprisoned by a final court decision except for an offence committed through negligence or petty offence. The retrenched worker has not reached retirement age.

Regular migrant workers who are registered under the SSF have difficulties claiming unemployment benefits for at least two reasons. First, the migrant worker must leave the country within seven days after being retrenched, which does not allow them time enough to declare their new status (unemployed) to the Department of Employment and the Social Security Office, nor to report back every month to the Department of Employment, as required under the unemployment scheme. Second, the Department of Employment only accepts applications from Thai citizens, excluding therefore all migrant workers.

Benefits

The benefits include a partial income replacement. In the case of dismissal, the person receives 50 per cent of wages, not exceeding 180 days per time per calendar year. In the case of resignation or the end of a fixed-term contract, the person receives 30 per cent of wages, not exceeding 90 days per time per calendar year.

Financing

Under Section 33, the contribution to the unemployment branch is 1.25 per cent of salary, of which workers and employers pay 0.5 per cent and the Government pays 0.25 per cent. The salary floor and ceiling used for calculating the contribution are the same as for the item above.

Employment injury benefits under the Workmen's Compensation Act, B.E. 2537 (1994)

Legal framework	The Workmen's Compensation Act, B.E. 2537 (1994), obliges any employer who has at least one employee in any type of business to contribute to the Workmen's Compensation Fund (WCF). ²²
Target group	The scheme is intended to cover employees in formal sector and regular migrant workers. Although migrant workers are covered in principle, in practice most of them cannot satisfy the two conditions enacted by the Circular RS0711/W751 (issued on 25 Oct. 2001): migrant workers must possess a passport or foreign registration documents and their employers must have registered them and paid a contribution to the WCF.
Eligibility	Insured persons are entitled to benefits in case of work-related injury or death, sickness, or disappearance for not less than 120 days from the date of the incident. The employee is not entitled to benefits if they lose self-control because of alcohol intake or addiction. The employee should not have intentionally caused (or permitted other persons to cause) the injury.
Benefits	The benefits provided by the WCF include monthly indemnities, coverage of medical and rehabilitation expenses, and funeral expenses.
Financing	The WCF is financed by employers' contributions only. During the first four years of an enterprise's operation, the employer pays a basic contribution rate according to the type of enterprise. The rate varies from 0.2 to one per cent. After the fifth year of operation, employers pay contributions adjusted according to enterprise's claims history.

Workers in the informal sector (Social Security Act, Section 40)

Sickness benefits under the Social Security Act, Section 40

Legal framework	The Social Security Act, B.E. 2533 (1990) (SSA), ²³ Section 40. The design and content of the benefit package was reviewed in May 2010 (Royal Decree on Rules, Rate of Contribution, Contingencies and Eligibilities to receive benefits of Insured Persons B.E. 2554 (2011)).
Target group	A person who is over 15 and not more than 60 years of age and who is not insured under the SSA Sections 33 or 39 may apply to be an insured person under Section 40 of the Social Security Act. This target group is mainly composed of informal economy workers.
Eligibility	The insured person must have paid contributions for not less than three months during a period of four months before the date of receiving medical services.
Benefits	The sickness benefit is the same for both package 1 and package 2: the insured person is entitled to a benefit of 200 baht per day (limited to 20 days per year) and only in the case that inpatient care lasts at least two nights.

22 Exceptions to the law include: 1) central, provincial, and local administrations; 2) state enterprises who are subject to the law governing state enterprises; 3) employers who operate a private school business who are subject to the law governing private schools; 4) employers who undertake non-profit activities; 5) other employers as specified in the Ministerial Regulation; and 6) employers who employ domestic workers.

23 <http://www.social-protection.org/gimi/gess/RessShowRessource.do?ressourceId=16953> [20 Oct. 2012].

Financing	<p>The contribution is 100 baht per month and 150 baht per month for package 1 and package 2, respectively. (There is no detailed breakdown of the contributions by benefit.)</p> <p>Not all members pay contributions regularly. As of December 2011, there were 590,046 persons registered under Section 40, but only 61 per cent paid contributions. As of June 2012, the number of registered members increased to 877,425 persons, but only 53.8 per cent paid contributions.²⁴</p>
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Disability benefit under the Social Security Act, Section 40

Eligibility	The insured person must have paid contributions for not less than six months during a period of ten months before the date of receiving medical services.
Benefits	The disability benefit is the same for package 1 and package 2: the insured person receives an income replacement of between 500 and 1,000 baht per month over 15 years, where the amount depends on the duration of contributions prior to the accident.
Financing	Same as above.

Death and Survivor benefits under the Social Security Act, Section 40

Eligibility	The insured person must have paid contributions for not less than six months during a period of 12 months before death.
Benefits	The benefits include a lump sum of 20,000 baht to cover funeral expenses, paid to the administrator of the funeral.
Financing	Same as above.

Other programmes for the working age group

The Universal Non-contributory Allowance for People with Disabilities (administered by the Tambon Administrative Organization (TAO), under the responsibility of the Ministry of Interior)

Legal framework	The Universal Non-contributory Allowance for People with Disabilities was established by the Quality of Life Promotion Act for persons with disabilities, B.E. 2550 (2007), but went into effect in 2010 through the Regulation on Rules and Procedure of Providing Disability Allowance, B.E. 2552 (2009) and the Regulation on the Criteria and Method for the Disbursement of People with Disabilities Allowance by the Local Administration, B.E. 2553 (2010).
Target group	Thai nationals with disabilities.
Eligibility	The beneficiaries: 1) are domiciled in the district of local government according to the census; 2) have a disability card according to the Persons with Disabilities' Quality of Life Promotion Act, B.E. 2550 (2007); and 3) are not taken care of by a government welfare shelter.
Benefits	Disability allowance of 500 baht per month.
Financing	Tax-funded.

²⁴ Source: SSO, 2012

The Universal Non-contributory Allowance for People with HIV/AIDS (administered by the Tambon Administrative Organization (TAO), under the responsibility of the Ministry of Interior (MoI))

Legal framework	The Universal Non-contributory Allowance for People with HIV/AIDS is a policy which was established a number of years ago. Following the Decentralisation Act B.E. 2542 (A.D. 1999), the MoI issued the Regulation for Disbursement of the Subsistence Allowance by the TAO in 2003.
Target group	Thai nationals living with HIV/AIDS and/or the HIV/AIDS affected families.
Eligibility	The beneficiaries are domiciled in the district of local government according to the MoI registration.
Benefits	Minimum living allowance of 500 baht per month.
Financing	Tax-funded.

Other cash benefits

In addition, the Ministry of Social Development and Human Security administers a number of funds, including a 2,000 baht allowance provided up to three times per year to support households in financial or economic difficulties.

Skills development

At the pre-employment stage, skills development channels include formal upper-secondary education, second-chance education, apprenticeships, technical and vocational education and training (TVET), and tertiary education. At the work and re-skilling stage, other providers outside schools and formal education help workers to upgrade their skills and to acquire new skills. The two ministries in charge are the Ministry of Education (Department of Vocational Education (DoVE)) and the Ministry of Labour (Department of Skill Development (DSD)). The DSD is responsible for skills training, retraining, and upgrading to meet the national qualification standards in the manufacturing, services, and commercial sectors.

The Skills Development Promotion Act, B.E. 2545 (A.D. 2002), encourages employers to establish themselves as training providers and to conduct skills development in the workplace in close collaboration with the Department of Skills Development (DSD) in the Ministry of Labour. The Act also encourages private sector actors to set up and to register with the DSD their own training centres for workplace learning and training.



Table 18. Recap of the coverage for the working age group

Type of workers	Benefits	Coverage (2011)
Civil servants	Sick leave with pay Maternity and paternity leave with pay Work injury/invalidity/disability benefits Survivor benefits (transfer of the pension to the heirs)	1,376,609 ²⁵ people or 3.7% of Economically Active Population (EAP)
Private sector employees - Social Security Act (SSA), Section 33	Sickness benefits Disability and Invalidity benefits Maternity benefits Death and Survivor benefits Unemployment benefits	9,054,535 ²⁶ people or 24.4% of total EAP in December 2011
Private sector employees – Workmen’s Compensation Fund (WCF)	Employment injury benefits	8,222,960 ²⁷ people or 22.2% of total EAP in December 2011
Insured persons under SSA Section 39	Sickness benefits Disability and Invalidity benefits Maternity benefits Death and Survivor benefits	855,412 ²⁸ people or 2.3% of total EAP in December 2011
Workers under SSA Section 40 (packages 1 and 2)	Sickness Death Disability	590,046 ²⁹ people or 1.6% of total EAP, ³⁰ representing 2.5 per cent of the target (informal economy workers) in December 2011
People with disabilities (workers, elderly, children)	Non-contributory allowance	959,502 people with disabilities received the 500 baht allowance in 2011, ³¹ representing 1.5 per cent of the total population (not only the EAP)

4.4.2 Policy gaps and implementation issues

Fragmentation The present co-existence of many schemes providing income security for the working age population may contribute to inefficiencies and administrative burdens, and does not always guarantee the portability of benefits across schemes.

Coverage Only 2.5 per cent³² of informal economy workers are covered by the Social Security Act, Section 40.

The Royal Decree on Rules, Rate of Contribution, Contingencies and Eligibilities to receive benefits of Insured Persons, B.E. 2554 (2011), (decree of application of Social Security Act, Section 40) excludes employees of the fishery and agriculture sector,

25 Projected total number of active civil servants in 2011 (HISRO)

26 Source: SSO. http://www.sso.go.th/sites/default/files/R_D122012/statisticsmid39_en.html. [20 Oct. 2012]. The number of active contributors to SSO includes workers who are above 60 years of age particularly under Section 39, who prefer upon retirement to switch from Section 33 to 39 in order to be entitled to the health care benefits.

27 Source: SSO

28 Source: SSO http://www.sso.go.th/sites/default/files/R_D122012/statisticsmid39_en.html [20 Oct. 2012].

29 http://www.sso.go.th/sites/default/files/R_D122012/statisticsmid39_en.html [20 Oct. 2012].

30 Based on latest census data from 2010, released by NSO in 2012 and used in the RAP calculations

31 Source: MSDHS

32 Based on latest census data from 2010, released by NSO in 2012 and used in the RAP calculations

domestic workers, temporary employees, and all employees from non-registered businesses in the informal sector (family businesses and others). It is estimated that 60 per cent of all informal economy workers are de facto excluded from the scope of the Law.

Although the number of registered workers under Section 40 is steadily increasing, SSO lacks human resources to follow-up on registered members and to ensure regular contribution payments. As a result, the percentage of active members (those who pay contributions regularly) was only 61 per cent at the end of 2011, and 54 per cent in June 2012.³³ Mechanisms to make contribution payments automatic need to be conceptualized, e.g. by outsourcing the collection of premiums to local administrations or linking with the tax collection system.

Many informal workers do not fully understand their entitlements to benefits.

The Social Security Act, Section 33, excludes employees of a number of business units (salons, family businesses) as well as domestic workers.

Regular migrant workers have to leave Thailand seven days after the termination of their contract and cannot therefore enjoy benefits (such as unemployment benefits and pension) for which they have made contributions.

Migrant workers are so far excluded from TVET.

People with no 13-digit identification number are excluded from all existing schemes.

Lack of predictability

There is no “guarantee of benefits” under some schemes (such as the 2,000 baht emergency scheme) which are ad hoc, based on demand, and where all demands cannot be favourably answered given limited budget.

Benefit packages

The two benefit packages under Section 40 of the Social Security Act are limited. The absence of maternity and child allowance benefits makes the packages less attractive to workers.

There are no preventive actions or occupational safety and health activities under the Workmen’s Compensation Fund.

Contributions to the SSF Section 33 are calculated as a percentage of salary. For employees who earn salaries less than 1,650 baht per month or greater than 15,000 baht per month, the contribution is based on a salary floor of 1,650 baht and a salary ceiling of 15,000 baht, respectively. The cap of 15,000 baht limits the amount of contributions and results in low levels of benefits.

Enforcement

Social Security Act, Section 33, faces challenges in its enforcement. For instance, employers fail to register their staff under Section 33 and reporting and control mechanisms are insufficient to both assess the level of social evasion and fully enforce the law.

Social evasion also occurs through subcontracting practices. Formal sector companies often subcontract with smaller enterprises which are not registered with the Ministry of Commerce and not covered by the Social Security Act, Section 33.

Information

There is a general lack of information on existing schemes, registration procedures, and benefits.

Skills development

Skills training services have to strengthen their capacity and agility to respond to the varying needs of the workers and the pace of change in the labour market. At present, there is limited training provided in professional fields where the greatest needs exist.

³³ Source: SSO

4.4.3 Conclusions and recommendations

>>To complete the social protection floor for the working age population, the main recommendations are to establish a maternity allowance and a sickness benefit scheme for workers in the informal economy, as well as to expand and adapt the vocational training programme. In addition, the benefits under the Universal Non-contributory Allowance for People with Disabilities should be increased by an additional 500 baht per person per month.

The recommendations that emerged from the national dialogue process are summarized in the table below. Items marked with an asterisk (*) indicate a recommendation to provide new social protection provisions or increase of coverage of existing provisions. The cost of these additional provisions or coverage is calculated using the ILO Costing Tool (RAP). The items marked with a delta (Δ) indicate a recommendation that requires further in-depth feasibility studies and/or can be implemented through specific TC projects.

Table 19. Recommendations on the working age group

Main recommendations	
*	W1. Develop a combined benefit package composed of income support measures and mechanisms to increase employability and/or access to markets. This could be done by transforming the existing vocational training system through a more efficient, targeted mechanism which would systematically reach 20 per cent of informal economy workers ³⁴ every year and provide an allowance to those trainees who are poor.
*	W2. Introduce an additional disability allowance of 500 baht per person per month.
Δ	W3. For the implementation of W1, improve the vocational training system, introduce linkages between social protection and employment measures to enhance capabilities and productivity, build a skilled workforce, ensure graduation out of poverty, and develop sectors of the economy ("growth diamonds"). ³⁵
Δ/*	W4. Review existing SSA Section 40 in order to cover more people with more adequate benefits. This includes a revision of the legal framework and a cost estimate of the expansion of coverage to more people with enhanced benefit packages.
Δ	W5. Develop a standardized poverty and vulnerability assessment system to be used to verify the eligibility of those seeking social assistance.
Additional recommendations	
Δ	W6. Develop systems to measure social evasion and reinforce inspection (at provincial level) to increase compliance with SSA Section 33.
Δ	W7. Review social security coverage for migrant workers and ensure that they receive the benefits for which they pay under SSA Section 33.
Δ	W8. Develop a preventive benefit package under the Workmen's Compensation Fund.
Δ	W9. Establish a common database (or create linkages between existing databases) between unemployment insurance and employment services.
Δ	W10. Raise awareness on mandatory and voluntary schemes, notably through radio, meetings with workers and employers, health check-ups, networks of volunteers, among other channels.

³⁴ Own account workers, employees of non-registered businesses (that are therefore not covered by the Social Security Act Section 33) such as family businesses, unpaid family workers.

³⁵ See section "5.7 Beyond the social protection floor: Towards a staircase approach and coordination of policies" page 71 for a description of the growth diamonds concept.

4.5 Elderly

All residents in old age enjoy basic income security at least at the level of the nationally defined poverty line.

4.5.1 Existing provisions

The pension schemes in Thailand include various schemes for government officials (the government officials' pension system and Government Pension Fund (GPF)), private sector employees (the old-age branch of the Social Security Fund (SSF) Sections 33 and 39, and various provident funds), and informal economy workers (benefit package 2 under the Social Security Fund (SSF) Section 40, the Non-contributory Allowance for Older People, and the National Savings Fund (not yet implemented)).

The government officials' pension system

Legal framework	Pension for Civil Servants Act, B.E. 2494 (1951).
Target group	Retired government officials.
Eligibility	Government officials can choose between receiving a lump sum payment or a pension under the conditions that they reach the retirement age of 60, have been employed for at least 25 years, or wish to terminate their employment at the age of 50. Those younger than 50 who have been employed for at least ten years are eligible for a lump sum payment.
Benefits	<p>Government employees receive pensions or lump sum payments from the government when they retire.</p> <p>Government officials who started work after March 1997 are automatically members of the Government Pension Fund (GPF) (see below). Those employed before March 1997 may choose, but are not required, to become members of the Government Pension Fund. For non-members, the pension and lump sum under the government officials' pension system are calculated based on the last salary endorsed and there is no cap on the pension payment. For those who are members of the GPF, the salary base for calculating pension and lump sum payments is changed to the average salary over the last 60 months before retirement and the pension payment is capped at 70 per cent of the average salary over the last 60 months before retirement.</p>
Financing	General tax revenues.

The Government Pension Fund (GPF)

Legal framework	Government Pension Fund Act, B.E. 2540 (1997).
Target group	Government officials.
Eligibility	Membership is compulsory for government officials who join government service after 27 March 1997 and voluntary for the others.
Benefits	Lump sum payment.
Financing	Monthly contribution is paid by the worker (between three and 15 per cent of salary) and the Government (three per cent).

The old-age branch of the Social Security Act (SSA), Sections 33 and 39

Legal framework	The Social Security Act, B.E. 2533 (1990) (SSA), ³⁶ Sections 33 and 39.
Target group	<p>For Section 33: persons employed in non-agricultural enterprises and who are over 15 years of age and not more than 60 years of age. Every employer who has at least one employee must register their employee(s) under the scheme.</p> <p>Persons can be insured under Section 39 when they were previously insured under Section 33, have paid contributions for not less than 12 months, cease being an employee, and wish to continue being insured.</p>
Eligibility	A worker who has contributed for less than one year will receive a lump sum payment consisting only of the worker's contributions. Workers who have contributed for one to 15 years will receive a lump sum payment consisting of contributions made by the worker, the employer, and the Government, as well as the investment income. A worker who has contributed for 15 years or more is entitled to receive a pension.
Benefits	The monthly pension or lump sum payment is determined by the duration (as explained above) and the amount of contributions. The pension formula is 20% multiplies by average salary over the last 60 months of employment + 1.5% additional for each year of contribution above 15 years. For instance, if the insured has contributed for 30 years, the pension will amount to 42.5 per cent (20% + 15x1.5%) of the average salary over the last 60 months of employment.
Financing	<p>Under Section 33, the contribution to the old-age branch is six per cent of the employee's salary, of which the worker and employer pay 2.8 per cent each and the government contributes 0.4 per cent. For employees who earn salaries less than 1,650 baht per month or greater than 15,000 baht per month, the contribution is based on a salary floor of 1,650 baht and salary ceiling of 15,000 baht, respectively. Both the floor and the ceiling are low with respect to the 300 baht daily minimum wage. SSO is currently considering increasing the floor but not the ceiling.</p> <p>Under Section 39, the contribution to the old-age branch is six per cent of the reference income of 4,800 baht,³⁷ of which the worker pays 5.6 per cent and the government 0.4 per cent.</p>

The provident funds

Legal framework	Provident Fund Act, B.E. 2530 (1987).
Target group	Private sector employees and State enterprise employees.
Eligibility	Retirement or termination of employment.
Benefits	Upon retirement or termination of employment, the employee receives a lump sum composed of the employee's contributions, the employer's contributions, and the investment income.
Financing	Monthly contributions are paid by the employee (between two and 12 per cent of salary) and the employer (an amount at least equal to the employee's contribution).

³⁶ <http://www.social-protection.org/gimi/gess/RessShowRessource.do?ressourceId=16953> [20 Oct. 2012].

³⁷ Source: SSO, 2012

The Private School Teachers' Welfare Fund (PSTWF)

Legal framework	New Private School Act, B.E. 2551 (2008).
Target group	Private school directors, teachers, and staff.
Eligibility	Retirement or termination of employment.
Benefits	Provident fund, welfare benefits, and financial assistance for private school directors, teachers, and staff.
Financing	The monthly contributions are paid by the worker (cannot exceed three per cent of salary), the private school (equal to the member's contribution) and the Ministry of Education (twice the member's contribution).

Old-age benefits under the Social Security Act, Section 40

Legal framework	The Social Security Act, B.E. 2533 (1990) (SSA), ³⁸ Section 40. The design and content of the benefit package was reviewed in May 2010 (Royal Decree on Rules, Rate of Contribution, Contingencies and Eligibilities to receive benefits of Insured Persons B.E. 2554 (2011)).
Target group	A person who is over 15 and not more than 60 years of age and who is not insured under Sections 33 or 39 may apply to be an insured person under the Section 40 of the Social Security Act. This target group is mainly composed of informal economy workers.
Eligibility	There is no minimum duration of contribution payments.
Benefits	Package 2 adds an old-age benefit (lump sum) to the benefits in package 1. The lump sum is composed of the worker's and the Government's contributions, additional savings from the worker, and the investment income.
Financing	Under Package 2, the contribution is 150 baht per month (100 baht paid by the worker and 50 baht paid by the government), of which 50 baht is used for the old-age benefit. The worker can voluntarily save up to an additional 1,000 baht per month.



³⁸ <http://www.social-protection.org/gimi/gess/RessShowRessource.do?ressourceId=16953> [20 Oct. 2012].

The Non-contributory Allowance for Older People

Legal framework	Established by the Old Age Act, B.E. 2546 (2003), and implemented through the Regulation on Disbursement of Old Age Allowance, B.E. 2552 (2009) and the Regulation on the Criteria and Method for the Disbursement of Subsistence Allowance for Older Persons, B.E. 2552 (2009).
Target group	Thai elderly who do not receive any other public pension. In 2011, 68.6 per cent of the elderly over 60 years of age were registered under this scheme. ³⁹
Eligibility	<p>Thai nationals who: 1) are 60 years of age or older; 2) have registered and submitted an application to receive the old-age allowance to the local government (requires national identification card or card with picture issued by a government agency, house registration book, and a bank account book); 3) have their domicile registered in the local government district in which they applied for the allowance; and 4) do not receive welfare or benefits from government agencies, state enterprises, or local governments (i.e. pension), live in welfare shelter, or earn other income or benefits from the government regularly (except persons with disabilities or with HIV/AIDS).</p> <p>Currently, all elderly persons except pensioners from the government (former civil servants) are eligible. Pensioners under the SSF scheme will similarly not be eligible to receiving the old-age allowance when payments of the first pensions under SSF will start (in December 2016).</p>
Benefits	In 2011, the current government approved additional budget to increase the monthly allowance, effective in October 2011. The elderly of 60 to 69 years of age now receive a monthly allowance of 600 baht, those of 70 to 79 years of age receive a monthly allowance of 700 baht, those of 80 to 89 years of age receive a monthly allowance of 800 baht, and those 90 years old and older receive 1,000 baht per month.
Financing	General tax revenues.

The National Savings Fund (not yet implemented)

Legal framework	National Savings Fund Act, B.E. 2554 (2011).
Target group	Workers in the informal sector who are not covered by another old-age pension scheme.
Eligibility	To be eligible the member must be: 1) a Thai national; 2) between 15 and 60 years of age; and 3) not a member of another old-age pension scheme provided by law. This last point does not apply to the Universal Non-contributory Allowance for Older People (older persons can receive the allowance and save under the NSF). Workers registered under the SSA Section 40 and opting for package 1 can be a member of the NSF. On the contrary, workers who opt for package 2 (which includes an old-age component) cannot join the NSF.
Benefits	The benefits are (according to the law) a monthly old-age pension paid when the member reaches 60 years of age. If the member quits the fund before 60 years of age, the member will receive a lump sum composed of the member's savings and the investment income, but not the Government's contributions and its investment income. If the member becomes disabled before 60 years of age, the member will be entitled to receive the member's savings and investment income; the Government's contributions and its investment income will be calculated and transferred to the member when he or she reaches 60 years of age. If the member dies before 60 years of age, the heir(s) will receive a lump sum composed of the member's savings, the Government's contributions, and the investment income.

³⁹ Based on latest census data from 2010, released by NSO in 2012 and used in the RAP calculations.

Financing

A member must contribute at least 50 baht per month, but not more than 13,200 baht per year, to the NSF. The Government will make a contribution in an amount determined by the member's contribution and the member's age. The Law allows the member to withdraw their savings before retirement, which would undermine the income security function of the NSF.

The fund is managed by a committee under the supervision of the Fiscal Policy Office. The implementation has been delayed to date and the programme design is now being reconsidered by the Ministry of Finance, with special focus on the management arrangements, the eligibility criteria of the members, contributions and benefits calculation, and how to avoid duplication of benefits with Section 40 of the Social Security Act.

Table 20. Recap of the coverage for the elderly

Scheme	In % of total population
Government officials' pension system	249,055 ⁴⁰ people or 0.4% of the total population in 2011. This figure includes elderly or working age people who have already retired from civil service as well as disability pensioners and survivors.
Government Pension Fund (GPF)	188,520 people or 0.3% of total population in 2011.
Old-age branch of the Social Security Act (SSA), Sections 33 and 39	128,124 people (through Section 33) and 25,093 people (through Section 39) received old-age lump sums in 2011
Old-age benefits under the Social Security Act (SSA), Section 40	117 people received old-age lump sums in 2011
Non-contributory Allowance for Older People	6,001,387 people or 68.6% of the population over 60 years of age received the 500 baht elderly allowance in 2011. ⁴¹
National Savings Fund (not yet implemented)	N/A

4.5.2 Policy gaps and implementation issues

Fragmentation The present co-existence of many old-age pension schemes may contribute to inefficiencies, administrative burdens, and no guarantee of the portability of benefits across schemes.

Benefits Old-age lump sums provided under SSA Section 40 do not provide adequate protection in the long-term.

Under SSA Section 33, the level of benefits is very low for certain categories of formal sector workers because of low contribution rates (six per cent) and the low ceiling applied to the reference salary used to calculate contributions (15,000 baht per month).

In several schemes—including the Non-contributory Allowance for Older People—the pension levels are not indexed on inflation.

Affordability & accessibility Registration under the Non-contributory Allowance for Older People is difficult (long administrative procedures), particularly for the elderly living in remote areas.

⁴⁰ Source: The Comptroller General's Department

⁴¹ Source: Mol

4.5.3 Conclusions and recommendations

>>The main recommendation is that, to complete the social protection floor for the elderly, the government's Non-contributory Allowance for Older People should guarantee a certain level of income security (e.g. the amount of benefits should be indexed on inflation or expressed as a percentage of the poverty line). The development of a more holistic approach to long-term care should also be undertaken.

The recommendations that emerged from the national dialogue process are summarized in the table below. Items marked with an asterisk (*) indicate a recommendation to provide new social protection provisions or increase of coverage of existing provisions. The cost of these additional provisions or coverage is calculated using the ILO Costing Tool (RAP). The items marked with a delta (Δ) indicate a recommendation that requires further in-depth feasibility studies and/or can be implemented through specific TC projects.

Table 21. Recommendations on the elderly

Main recommendations	
*	E1. Express the level of benefits of the government's Non-contributory Allowance for Older People as a percentage of the poverty line or index the levels of benefits on inflation.
Δ	E2. Legislate the government's Non-contributory Allowance for Older People to ensure systematic and predictable protection.
Δ	E3. Design and establish a long-term social care insurance system in cash or in kind. This system may include: coverage of the cost for home-based care for all ages, including financial assistance for informal carers, who are mostly women; the establishment of more elderly residential homes (Thailand currently has only 20 of them); the implementation of a volunteer-based home-care programme involving non-government agencies and the private sector; the scaling up by local authorities of the community-volunteer carers for older people programme initiated by the Ministry of Social Development and Human Security; and so on.
Δ/*	E4. Create a coherent and financially sustainable old-age pension system based on increased revenues through tax reforms, increased replacement rates of pension schemes for formal sector workers, portability of benefits across contributory schemes, a National Savings Fund that would complement Non-contributory Allowance for Older People.
Δ	E5. Simplify procedures to register under existing schemes in the informal sector, including flexibility on the required documents, opportunity to register and claim in different localities, payment of contributions through bank transfers, development of an online registration system, and so on. In addition, the role of local government and of existing community networks including social workers should be reinforced in the operations of the schemes.



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5

Step 2: Costing methodology, description of policy options and cost projections

5.1 The costing methodology using the RAP

The Rapid Assessment Protocol (RAP), a new costing tool developed by the ILO on the basis of an earlier UNICEF/ILO costing tool, was used for this costing exercise.

The outcomes of the costing exercise include:

- Policy options (additional social protection provisions) that could be introduced to complete the social protection floor in Thailand, in line with the recommendations of the assessment.
- Projected costs of these policy options in Thai baht, comparisons of the costing results with GDP and government revenues and expenditures, and estimated costs in reference to government budget projections in order to provide preliminary indications of the affordability of the proposed social protection provisions.

The results of this costing exercise can be used to support discussions with different government agencies on social protection policy priorities and fiscal space and budget reallocations.

The RAP uses a simple methodology that builds on single age population projections, single age estimates of labour force participation rates; along with a relatively crude economic scenario determined by assumptions about overall GDP growth, productivity, inflation and wages, interest and poverty rates. The model uses these variables as drivers of expenditure and revenues starting from initial statistical values given for the last observation years. The main assumptions and background calculations are listed below.

Historical population data and projections

At the beginning of the costing exercise using the RAP, it was necessary to choose between using the NESDB/NSO and the Mol population datasets. Both datasets include the Thai population only.

The NESDB/NSO dataset was initially based on the 2000 population census incorporating regular updates based on surveys conducted by the NSO. In October 2012, results from the latest census conducted in 2010 became available, allowing us to update historical population data and projections. This new dataset based on the 2010 census allows for greater accuracy through limiting inconsistencies across cohorts and overestimates of the population that were problems in the earlier dataset.

The Mol dataset is based on real birth registration. Due to delays in birth registration in Thailand, the dataset includes some inconsistencies within cohorts. The difficulties in using this dataset are the need to reconstruct the data in order to eliminate the errors due to late registration and the need to adjust the labour force participation rates.

Given the recent release of census data and the potential difficulties presented by the MoI data, we chose to use the NESDB/NSO dataset for the RAP.

The costing exercise utilizes population projections for the years 2011 to 2020 constructed using the NESDB/NSO dataset. The projections are based on national level mortality assumptions and medium fertility rate assumptions. In addition, it is assumed that net migration is equal to zero.

Labour force participation rates

The historical labour force participation rates come from the Labour Force Survey 2005-10 (NSO) for people aged 15 years and above. After 2010, we assume that the labour force participation rates will remain constant for all age groups except for 15 to 19 years old. For this group we assume the male labour force participation rate decreases from 33 per cent in 2010 to 27 per cent in 2020 and the female labour force participation rate decreases from 18.7 per cent in 2010 to 15 percent in 2020, as a consequence of the free education policy. The targets of 27 and 15 per cent are based on a recent TDRI study.

Minimum wage

The costing exercise utilizes minimum wage data from the Ministry of Labour covering the years 2005 to 2011. In April 2012, the minimum wage increased to 300 baht per day in seven provinces and by 40 per cent in other provinces. The government aims to reach a minimum wage of 300 baht per day for all workers in Thailand by the end of 2013. The minimum wage is assumed to increase with inflation.

Average wage

The average wages (historical data and projections) were calculated from the Labour Force Survey.

Poverty line

The Thai poverty line is based on the concept of the absolute poverty. It is the minimum amount of baht per person per month required to fulfill an individual's basic food and non-food needs. The historical data comes from the Household Socio-Economic Survey, compiled by the National Statistical Office, for the years 2005–10. The poverty line is expected to increase with inflation.

Poverty rate

The shares of children, the working age, and the elderly who live in poverty come from the NESDB (socio-economic survey) for the years 2005–10. Poverty trends for each age group were calculated in order to forecast future group poverty rates. These shares were then used to project the number of children, working age, and elderly living in poverty.

Nominal and real GDP and GDP deflator

The 2005-09 historical data comes from National Income of Thailand (2009 edition), table 3 (nominal GDP) and table 4 (GDP at constant price). For 2010-20 we use TDRI's projections¹ for nominal and real GDP as well as the GDP deflator.

Headline inflation

For the headline inflation, we used the comprehensive "overall commodity price index" (according to the Ministry of Commerce's definition). The 2005-09 historical data comes from Bank of Thailand. For 2010-20 projections, we follow Dr Somchai Jitsuchon's forecast from the "potential growth" scenario. According to this model, inflation will increase 2.5 annually from 2012 onwards.

Unemployment rate

Based on the historical data from NESDB, we calculated the unemployment trend and applied the trend to subsequent years.

1 All of the TDRI projections used in this costing exercise are based on Dr Somchai Jitsuchon's models and calculations.

Employment per sector

We calculated the total formal and informal employment for primary, secondary, and tertiary sectors based on NESDB historical data. We then applied the 2010 proportions by sector to calculate formal and informal employment in primary, secondary, and tertiary sectors in subsequent years.

Government total revenues, grants, and expenditures

Total government revenues, grants, and expenditures used in the costing exercise are based on historical data and projections. In the RAP we express the cost of introducing new SPF benefits as a percentage of projected revenue and grants and as a percentage of government expenditures. Although this model and the model from the Fiscal Policy Research Institute Foundation (which works closely with the Ministry of Finance) are different, the results are similar. Please note that government expenditures may be underestimated since investments in infrastructure are not included in the expenditure projections.

Total newborns in the informal sector based on high fertility rates assumption

For the informal sector, we used a high fertility rate assumption. Based on the fertility rates per age group for 2010, 2015, and 2020 (NESDB), we made fertility rate estimates for the missing years (2011, 2012, and so on).

The number of female economically active population per age group (EAP sheet in the RAP) was then multiplied by the employment rate to obtain the number of female active workers, which was then multiplied by the informal worker ratio to obtain the female active workers in the informal sector.

We applied the fertility rates to the female active workers in the informal sector to obtain projections of the number of newborns born to active female workers in the informal economy.

Informal sector workers undertaking training

We applied the proportion of informal economy workers in each level of education to the projected number of informal economy workers.

Inpatient care utilization by informal economy workers (sickness benefit of 200 baht per day of hospitalization)

Since the target beneficiaries for the proposed sickness benefit are the same as for the UCS, we used UCS inpatient care figures. The inpatient utilization rate is multiplied by the average length of utilization and the number of persons covered (by single age). This number is then multiplied by the amount of benefit per hospital day (200 baht per day). The total cost is obtained by adding the total costs per single age. The inpatient utilization rate in the UCS is assumed to increase by two per cent per year (based on an historical trend).

5.2 Health care

All residents have access to a nationally defined set of essential health care services including maternity care that meets the criteria of availability, accessibility, acceptability and quality.

The main conclusion is that the social protection floor for health care is achieved. Some recommendations were formulated to reduce fragmentation of the health system, ensure the long-term financial sustainability of the system, guarantee the HIV-sensitiveness of the whole health care system, guarantee the gender sensitivity of the entire health care system both in policy and practice, particularly in the case of female experiencing violence, and conduct a feasibility study on long-term care for older persons. These recommendations require additional in-depth studies. The UN SPF Joint Team will provide support to some of the studies in the framework of the UNPAF on social protection.

5.3 Children

All children enjoy basic income security at least at the level of the nationally defined poverty line, ensuring access to nutrition, education, care and any other necessary goods and services.

To complete the social protection floor for children, the main recommendation is to implement a universal or targeted child support grant in Thailand. We translated this recommendation into the following scenarios for payment of the support grant:

Scenario 1: All children aged 0-3 (400 baht per month)

Scenario 2: All children aged 0-6 (400 baht per month)

Scenario 3: All children aged 0-12 (400 baht per month)

Scenario 4: All children aged 0-6 (500 baht per month)

Scenario 5: All children aged 0-12 (500 baht per month)

Scenario 6: Targeted to poor children only aged 0-14 (400 baht per month)

According to global standards, a child support grant should amount to US\$0.67 x 1.25 per day (or US\$25.125 per month, around 750 baht) to avoid extreme poverty, which is higher than proposed under the various scenarios (400 baht and 500 baht). We chose a relatively low level of child support grant to avoid creating disincentives for workers to contribute to the SSO schemes.

In addition to its other impacts on reducing poverty, the child support grant would assist parents and caregivers in putting children into kindergartens and day care centres and therefore would complement another recommendation from the assessment, which is the establishment of a comprehensive early child development service.

To support evidence-based policy decision-making, we calculated the cost of universal social protection provisions targeting all children (scenarios 1-5) and of a provision that targets only poor children (scenario 6).

Scenario 1: Universal Child Support Grant for all children aged 0-3 (400 baht per month)

Assumptions

- The population covered is all Thai children from 0 to 3 years of age, including those who already receive grants (covered under the Social Security Act, Sections 33 and 39). We understand that this recommendation is not in line with the Social Protection Floors Recommendation, 2012 (No. 202), which advocates for income security for all children; however, we hope that the child support grant would progressively be extended to all children of this age group (Thais and non-Thais). A strong body of scientific evidence indicates that early intervention in child development is one of the most cost-effective investments in creating human capital. This is why we recommend that a child allowance should be delivered to this age group (0 to 3 years old).
- In Thailand, almost all children are registered at birth and receive a 13-digit identification number. Therefore, the take up rate is assumed to be very high (50 per cent coverage in the first year, 80 per cent coverage in the second year, and reaching full coverage by the third year).
- The benefits are indexed using headline inflation projections.

- The administrative costs are relatively low (five per cent) since the scheme is universal.
- The amount of the allowance (400 baht per child per month) is based on the amount of the child allowance currently provided under the Social Security Act, Sections 33 and 39.
- The fund would be under the authority of the MSDHS; the distribution would be administered by the local administrations under the supervision of the Mol.

Results

The introduction of a universal child support grant of 400 baht per month for children of 0 to 3 years of age will entail an additional cost of 0.08 per cent of GDP and 0.39 per cent of government revenues and grants by 2020.

Scenario 2: Universal Child Support Grant for all children aged 0-6 (400 baht per month)

Assumptions

- Same as Scenario 1, except that the target group is all Thai children from 0 to 6 years of age.

Results

The introduction of a universal child support grant of 400 baht per month for children of 0 to 6 years of age will entail an additional cost of 0.14 per cent of GDP and 0.69 per cent of government revenues and grants by 2020.



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Scenario 3: Universal Child Support Grant for all children aged 0-12 (400 baht per month)

Assumptions

- Same as Scenario 1, except that the target group is all Thai children from 0 to 12 years of age.

Results

The introduction of a universal child support grant of 400 baht for children of 0 to 12 years of age will entail an additional cost of 0.27 per cent of GDP and 1.31 per cent of government revenues and grants by 2020.

Scenario 4: Universal Child Support Grant for all children aged 0-6 (500 baht per month)

Assumptions

- Same as Scenario 2, except that the amount of the support grant (500 baht per child per month) is based on existing non-contributory universal schemes (such as the Universal Non-contributory Allowance for People with Disabilities).

Results

The introduction of a universal child support grant of 500 baht for children of 0 to 6 years of age will entail an additional cost of 0.18 per cent of GDP and 0.86 per cent of government revenues and grants by 2020.

Scenario 5: Universal Child Support Grant for all children aged 0-12 (500 baht per month)

Assumptions

- Same as Scenario 3, except that the amount of the support grant (500 baht per child per month) is based on existing non-contributory universal schemes (such as the Universal Non-contributory Allowance for People with Disabilities).

Results

The introduction of a universal child support grant of 500 baht for children of 0 to 12 years of age will entail an additional cost of 0.34 per cent of GDP and 1.63 per cent of government revenues and grants by 2020.

Scenario 6: Support grant targeted to poor children aged 0-14 (400 baht per month)

Assumptions

- The population covered is all Thai children from 0 to 14 years of age living in poverty. We calculate the target population based on the projection of the percentage of children (0-14 years old) living in poverty in the total population.
- The take up rate is lower than that of the universal child support grant scheme since targeted schemes are more complex to administer than universal schemes.
- The amount of benefits is indexed using headline inflation projections.
- The administrative costs are higher than that of the universal scheme (15 per cent).
- The amount of the support grant (400 baht per child per month) is based on the amount of the child support grant provided under the Social Security Act, Sections 33 and 39.

Results

The introduction of a child support grant of 400 baht per month targeted to children of 0 to 14 years of age living in poverty will entail an additional cost of 0.04 per cent of GDP and 0.21 per cent of government revenues and grants by 2020.

Table 22. Results of the costing – Child Support Grant

Year	2012	2014	2016	2018	2020
Scenario 1: Universal Child Support Grant for all children aged 0-3 (400 baht per month)					
Take-up rate (%)	50	100	100	100	100
Number of beneficiaries (in thousands)	1 506	2 995	2 947	2 889	2 813
Total additional cost (millions of baht)	7 589	15 854	16 382	16 879	17 271
Total additional cost (% GDP)	0.07	0.12	0.11	0.09	0.08
Total additional cost (% revenue and grants)	0.37	0.60	0.52	0.45	0.39
Scenario 2: Universal Child Support Grant for all children aged 0-6 (400 baht per month)					
Number of beneficiaries (in thousands)	2 686	5 258	5 186	5 113	5 003
Total additional cost (millions of baht)	13 536	27 830	28 828	29 873	30 717
Total additional cost (% GDP)	0.12	0.21	0.19	0.16	0.14
Total additional cost (% revenue and grants)	0.67	1.05	0.91	0.80	0.69
Scenario 3: Universal Child Support Grant for all children aged 0-12 (400 baht per month)					
Number of beneficiaries (in thousands)	5 243	10 193	9 938	9 708	9 499
Total additional cost (millions of baht)	26 424	53 955	55 250	56 723	58 320
Total additional cost (% GDP)	0.24	0.41	0.36	0.31	0.27
Total additional cost (% revenue and grants)	1.30	2.03	1.75	1.51	1.31
Scenario 4: Universal Child Support Grant for all children aged 0-6 (500 baht per month)					
Number of beneficiaries (in thousands)	2 686	5 258	5 186	5 113	5 003
Total additional cost (millions of baht)	16 920	34 787	36 035	37 341	38 396
Total additional cost (% GDP)	0.15	0.27	0.23	0.21	0.18
Total additional cost (% revenue and grants)	0.83	1.31	1.14	1.00	0.86
Scenario 5: Universal Child Support Grant for all children aged 0-12 (500 baht per month)					
Number of beneficiaries (in thousands)	5 243	10 193	9 938	9 708	9 499
Total additional cost (millions of baht)	33 031	67 444	69 063	70 904	72 900
Total additional cost (% GDP)	0.29	0.52	0.45	0.39	0.34
Total additional cost (% revenue and grants)	1.62	2.54	2.19	1.89	1.63
Scenario 6: Targeted Child Support Grant for children aged 0-14 living in poverty (400 baht per month)					
Number of beneficiaries (in thousands)	274	415	835	1 260	1 406
Total additional cost (millions of baht)	1 514	2 404	5 084	8 061	9 454
Total additional cost (% GDP)	0.01	0.02	0.03	0.04	0.04
Total additional cost (% revenue and grants)	0.07	0.09	0.16	0.21	0.21

Figure 4a. Cost projection of the introduction of a child support grant – in % GDP

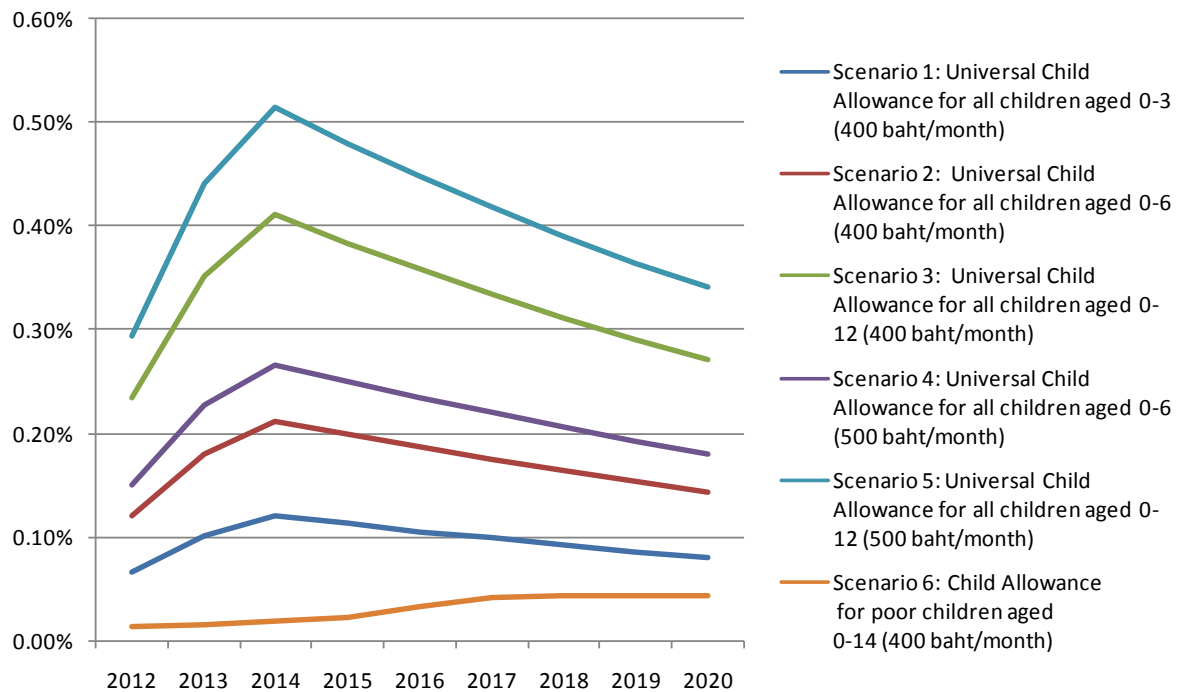
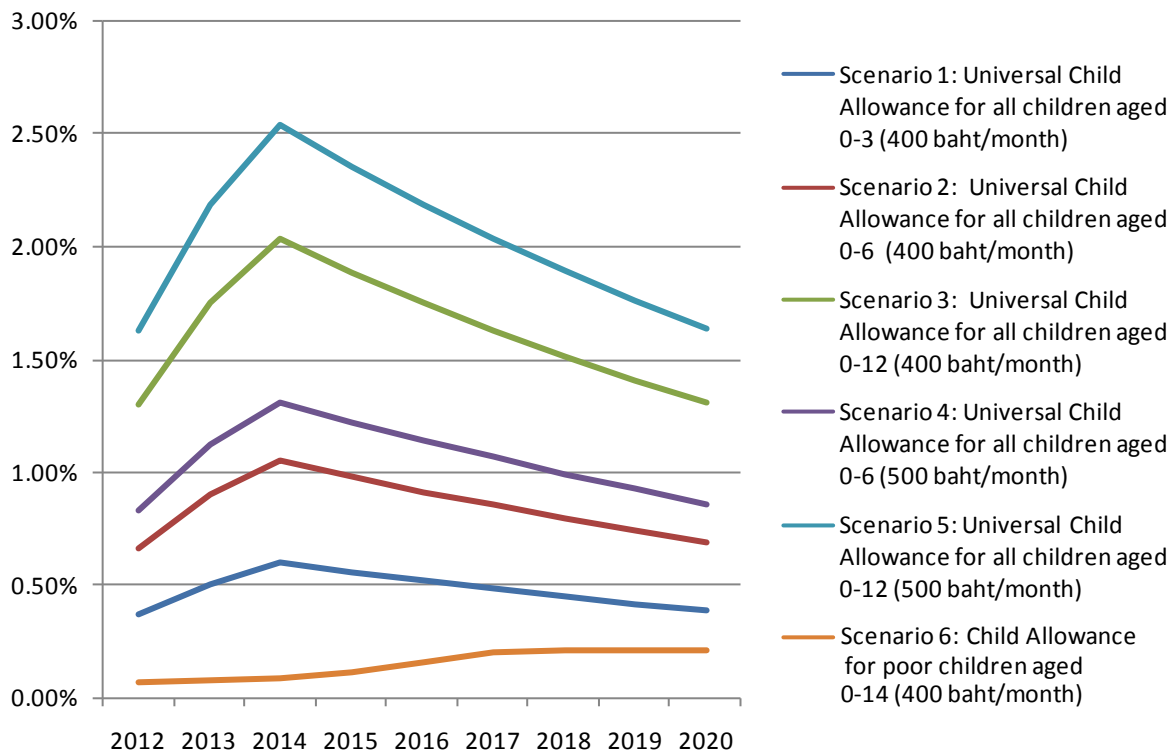


Figure 4b. Cost projection of the introduction of a child support grant – in % revenue and grants



5.4 Working age

All those in active age groups who are unable to earn sufficient income, in particular in cases of sickness, unemployment, underemployment, maternity and disability, enjoy basic income security at least at the level of the nationally defined poverty line.

To complete the social protection floor for the working age population, the main recommendations are to establish a maternity allowance and a sickness benefit scheme for workers in the informal economy, as well as to expand and adapt the vocational training programme. We translated these recommendations into the following scenarios:

Scenario 1: Maternity allowance for all women working in the informal economy

Scenario 2: Sickness benefit for all informal economy workers

Scenario 3: Vocational training programme for informal economy workers including an allowance for the poor

Another recommendation is that the Universal Non-contributory Allowance for People with Disabilities should be more systematic (covering all people with disabilities in the informal economy) and that the benefits should be higher and indexed on inflation. This recommendation was translated into the following scenario:

Scenario 4: Additional 500 baht for people with disabilities in the informal economy between 15 and 59 years of age

Scenario 1: Maternity allowance for all women working in the informal economy

The maternity allowance aims to compensate all working women in the informal economy for the loss of income during pregnancy and after delivery (it therefore does not overlap with the proposed child allowance). This scheme would provide a cash benefit equal to three months' income at the level of the poverty line for all female informal economy workers who have just given birth. The choice of benefit level is based on ILO Convention 183, Article 6.2, which states, "Cash benefits shall be at a level which ensures that the woman can maintain herself and her child in proper conditions of health and with a suitable standard of living."



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Assumptions

- The population targeted is all women working in the informal economy who gave birth during the year (this is calculated based on the female population in the informal economy per age group, multiplied by the corresponding fertility rates).
- The number of allowances is equal to the number of deliveries, which we assume in the model equals the number of births in the informal economy. This means that a woman who has twins will receive two allowances.
- The allowance is a lump sum payment based on three months' income, where the reference income is set at the poverty line and increases with inflation.
- In Thailand, all informal economy workers of Thai nationality are registered (13-digit identification number). Therefore, the take up rate will be very high (50 per cent coverage in the first year, 80 per cent coverage in the second year and reaching full coverage by the third year).
- The administrative costs are assumed to be similar to those of UCS, which are relatively low (five per cent).
- The scheme would be managed by the MoI, which is this authority in charge of registering newborn children. Note that the MoI, with the support of UNICEF, is currently implementing a new management information system, which will allow hospitals to register newborn children on site. The information will be sent automatically to the MoI database.

Results

The introduction of a maternity allowance for all women working in the informal economy who just delivered will entail an additional cost of 0.009 per cent of GDP and 0.045 per cent of the government revenues and grants by 2020.

Table 23. Projection of the additional cost – Maternity allowance

Year	2012	2014	2016	2018	2020
Take-up rate (%)	50	100	100	100	100
Number of beneficiaries (in thousands)	140.62	279.85	281.06	284.87	289.39
Total additional cost (millions of baht)	795	1 661	1 752	1 867	1 993
Total additional cost (% GDP)	0.007	0.013	0.011	0.010	0.009
Total additional cost (% revenue and grants)	0.039	0.063	0.056	0.050	0.045

Scenario 2: Sickness benefit for all informal economy workers

This scheme would guarantee compensation for loss of income due to sickness. The benefit is 200 baht per day as of the first day of hospitalization.

Assumptions

- The population targeted is all informal economy workers of Thai nationality from 15 to 59 years of age.
- In Thailand, all informal economy workers of Thai nationality are registered (13-digit identification number). Therefore the take up rate will be very high (50 per cent coverage in the first year, 80 per cent coverage in the second year and reaching full coverage by the third year).
- Workers would receive 200 baht per day of hospitalization as of the first day of hospitalization with no condition on the duration of the hospitalization. The average duration of hospital care was based on Universal Care Scheme data provided by HISRO. The benefit amount would increase with inflation.

- We use the inpatient statistics of UCS since the target group is composed of UCS beneficiaries.
- The assumptions do not include a maximum level of benefits, as it is the case under the SSA Section 40 (maximum of 20 days per year). According to HISRO, this does not change the overall results since the UCS is based on closed-end provider payment mechanisms, giving hospitals no incentive to provide unnecessary inpatient services.
- The administrative costs are assumed to be similar to those of UCS, which are relatively low (five per cent).

Results

The introduction of a universal sickness cash benefit for all informal economy workers will entail an additional cost of 0.013 per cent of GDP and 0.062 per cent of government revenues and grants by 2020.

Table 24. Projection of the additional cost – Sickness benefit

Year	2012	2014	2016	2018	2020
Take-up rate (%)	50	100	100	100	100
Number of beneficiaries (in thousands)	11 508	23 221	23 368	23 458	23 490
Total additional cost (millions of baht)	991.1	2 246.2	2 459.5	2 615.9	2 772.9
Total additional cost (% GDP)	0.009	0.017	0.016	0.014	0.013
Total additional cost (% revenue and grants)	0.049	0.085	0.078	0.070	0.062

Scenario 3: Vocational training programme for informal economy workers and allowance for the poor

Scenario 3 aims to transform the existing vocational training system to be a more efficient, targeted mechanism which would systematically reach 20 per cent of informal economy workers² every year and provide an allowance to those trainees who are poor. Through linkages between social protection and employment measures, the scheme would contribute to enhance capabilities and productivity, ensure graduation out of poverty, and develop sectors of the economy.

This scheme has two components: 1) a training component which provides one training every year to 20 per cent of the target (or one training every five years to all workers in the informal sector); and 2) a poverty alleviation component in the form of cash benefits of 200 baht per day of training (two-thirds of the minimum wage) for those participants who are below the poverty line.



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² Own account workers, employees of non-registered businesses (that are therefore not covered by the Social Security Act Section 33) such as family businesses, unpaid family workers.

Assumptions

- The population targeted is all the informal economy workers of Thai nationality from 15 to 59 years of age.
- They receive one training every five years, therefore only 20 per cent of the targeted population receives training every year.
- The duration of the training is 20 days for workers educated at the pre-primary, primary, lower secondary, and upper secondary levels. For those who have completed a vocational training programme, the scheme guarantees only ten days of training (they are assumed to be more equipped to respond to the market's needs). For those with higher education, the scheme does not provide any training.
- For those participants who are below the poverty line, the scheme provides a cash allowance of 200 baht per day of training (two-thirds of the minimum wage).
- It is assumed that the cost per day of training is 550 baht per person (this assumption was validated by TDRI). The cost per day of training is indexed with inflation.
- The administrative costs are assumed to be very low (one per cent of training costs) since the training scheme will use the Government's existing training infrastructure.

Table 25. Parameters of the vocational training

Anti-poverty component		Training component (average duration of training provided for informal economy workers according to their level of education)				
		Pre-primary and primary school (days)	Lower secondary school (days)	Upper secondary school (days)	Vocational training (need to add to their existing skills) (days)	Higher education
Poor	200 baht/day	20	20	20	10	N/A
Non-poor	N/A	20	20	20	10	N/A

One training per five years (20% per year)
Cost of training = 550 baht/person/day

Results

The introduction of a vocational training programme for informal economy workers and allowance for the poor will entail an additional cost of 0.28 per cent of GDP and 1.34 per cent of government revenues and grants by 2020.

Table 26. Projection of the additional cost – Vocational training

Year	2012	2014	2016	2018	2020
Take-up rate (%)	20	20	20	20	20
Number of beneficiaries (in thousands)	4 603	4 644	4 674	4 692	4 698
Total additional cost (millions of baht)	48 255	51 131	54 045	57 022	60 004
Total additional cost (% GDP)	0.4302	0.3905	0.3511	0.3144	0.2807
Total additional cost (% revenue and grants)	2.37	1.93	1.71	1.52	1.34

Scenario 4: Additional 500 baht for people with disabilities in the informal economy between 15 and 59 years of age



This scheme would complement the existing Universal Non-contributory Allowance for People with Disabilities, which already provides an allowance of 500 baht per month per person with disabilities (not indexed on inflation). The new proposed scheme would add on an additional 500 baht per person per month. The total benefit would be 1,000 baht per month indexed on inflation. It would only be provided to those people with disabilities who are currently targeted by the 500 baht disability allowance.

Assumptions

- The target population is all Thai people with disabilities in the informal economy between 15 and 59 years of age. The incidence rate of disabilities is based on Ministry of Interior data.
- The take up rate would be 100 per cent since the scheme is already in place.
- Beneficiaries would receive an additional disability allowance of 500 baht per person per month, which would be indexed on inflation.
- The additional cost includes the new benefit of 500 baht per month indexed on inflation plus the additional indexation cost of the existing 500 baht benefit.
- The administrative costs are assumed to be relatively low (five per cent).

Results

The introduction of an additional disability allowance of 500 baht per person per month for people with disabilities in the informal economy will entail an additional cost of 0.0125 per cent of GDP and 0.06 per cent of government revenues and grants by 2020.

Year	2012	2014	2016	2018	2020
Take-up rate (%)	100	100	100	100	100
Number of beneficiaries (in thousands)	333	336	338	339	340
Total additional cost (millions of baht)	2 096.6	2 275.84	2 404.23	2 534.92	2 663.56
Total additional cost (% GDP)	0.0187	0.0174	0.0156	0.0140	0.0125
Total additional cost (% revenue and grants)	0.1	0.09	0.08	0.07	0.06

Figure 5a. Projection of the additional cost of a benefit package for the working age – in % GDP

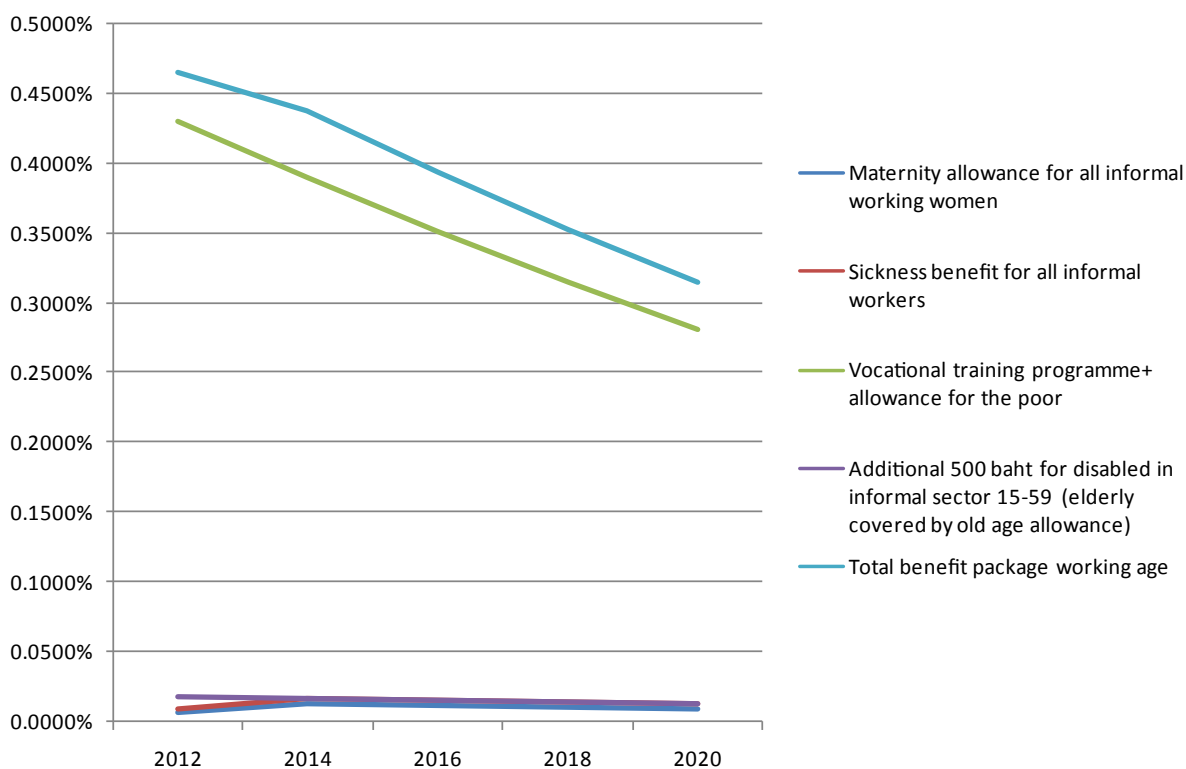
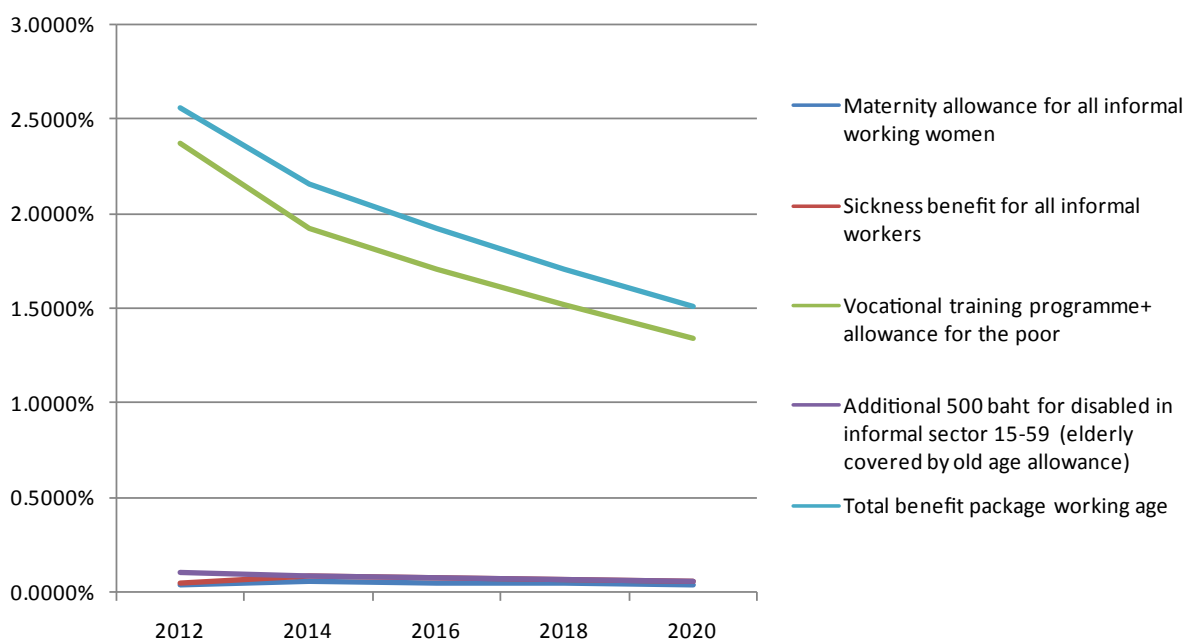


Figure 5b. Projection of the additional cost of a benefit package for the working age – in % of revenue and grants



5.5 Elderly

All residents in old age enjoy basic income security at least at the level of the nationally defined poverty line.

To complete the social protection floor for the elderly, the main recommendation is to adjust the Government's existing non-contributory allowance for older people in order to guarantee a certain level of income security (e.g. the amount of benefits should be indexed with inflation or expressed as a percentage of the poverty line). The development of a more holistic approach to long-term care should also be undertaken. We translated the recommendation into the following scenarios:

Status quo: Calculate the cost of the Government's new policy for the Universal Non-contributory Allowance for Older People (increase benefits according to age with no indexation of the benefits level).

Scenario 1: Calculate the cost of the government's new policy under the Universal Non-contributory Allowance for Older People with indexation of the benefits.

Scenario 2: Propose an alternative non-contributory allowance for older people (which would replace the new government's policy) with benefits expressed as a percentage of the nationally defined poverty line.

In line with the existing policy, the target group includes all people 60 years of age and older except civil service pensioners. The non-contributory old-age allowance is considered as a minimum income guarantee for elderly people.

Status quo: Government's new policy for the Universal Non-contributory Allowance for Older People (increased benefits according to age with no indexation of the benefits level)

This scheme was introduced in October 2011 by the current administration and replaces the previous 500 baht scheme for the elderly.

Assumptions

- The population targeted is all elderly (60 years of age and above) that do not receive any pension (i.e. all workers in the formal and informal sectors except pensioners from the civil service).
- The initial coverage rate is the coverage rate of existing non-contributory old-age allowance scheme (in 2011, 70.6 per cent of the population aged 60 years and above excluding the pensioners from the civil service) and increases regularly until it reaches 100 per cent of the target population.
- In line with the new government policy, the levels of benefits increase with age: 600 baht for the elderly of 60 to 69 years of age; 700 baht for the elderly of 70 to 79 years of age; 800 baht for the elderly of 80 to 89 years of age; and 1,000 baht for the elderly of 90 years of age and above. The benefits are not indexed on inflation.
- The administrative cost is assumed to be three per cent, which is the real administrative cost observed under existing 500 baht scheme.

Results

The Government's new policy for the non-contributory allowance for older people (increased benefits according to age with no indexation of the benefits level) will cost 0.47 per cent of GDP and 2.24 per cent of the government revenues and grants by 2020.

Scenario 1: Government's new policy for the Universal Non-contributory Allowance for Older People with indexation of the benefits



Assumptions

The assumptions are the same as the status quo except that the benefits are indexed on inflation.

Results

The Government's new policy for the Universal Non-contributory Allowance for Older People (with indexation of the benefits level) will entail an additional cost (compared to the status quo) of 0.10 per cent of GDP and 0.49 per cent of government revenues and grants by 2020.

Scenario 2: Alternative non-contributory Allowance for older people with benefits expressed in percentage of the nationally defined poverty line

Assumptions

Under scenario 2 the old-age allowance is expressed as a percentage of the poverty line. The allowance is 60 per cent of the poverty line for the elderly of 60 to 69 years of age, 70 per cent of the poverty line for the elderly of 70 to 79 years of age, 80 per cent of the poverty line for the elderly of 80 to 89 years of age, and 100 per cent of the poverty line for the elderly of 90 years of age and above.

Results

The alternative non-contributory allowance for older people with benefits expressed in percentage of the nationally defined poverty line will entail an additional cost (compared to the status quo) of 0.56 per cent of GDP and 2.66 per cent of the government revenues and grants.

Table 28. Results of the costing – Income security for the elderly

Year	2012	2014	2016	2018	2020
Take-up rate (%)	78	100	100	100	100
Status quo: New government policy without indexation (600 / 700 / 800 / 1,000 baht per month)					
Total cost (millions of baht)	55 894	78 252	85 165	92 401	100 086
Total cost (% GDP)	0.50	0.60	0.55	0.51	0.47
Total cost (% revenue and grants)	2.75	2.95	2.70	2.46	2.24
Scenario 1: New government policy with indexation (600 / 700 / 800 / 1,000 baht per month)					
Total cost (millions of baht)	55 894	82 181	93 940	107 121	121 923
Total cost (% GDP)	0.50	0.63	0.61	0.59	0.57
Total cost (% revenue and grants)	2.75	3.10	2.98	2.86	2.73
Additional cost (millions of baht)	0	3 930	8 775	14 720	21 837
Additional cost (% GDP)	0.00	0.03	0.06	0.08	0.10
Additional cost (% revenue and grants)	0.00	0.15	0.28	0.39	0.49
Scenario 2: Old-age allowance as a percentage of the poverty line (60%, 70%, 80%, 100%)					
Total cost (millions of baht)	100 303	147 476	168 578	192 232	218 794
Total cost (% GDP)	0.89	1.13	1.10	1.06	1.02
Total cost (% revenue and grants)	4.93	5.56	5.34	5.13	4.90
Additional cost (millions of baht)	44 409	69 225	83 413	99 831	118 708
Additional cost (% GDP)	0.40	0.53	0.54	0.55	0.56
Additional cost (% revenue and grants)	2.18	2.61	2.64	2.66	2.66

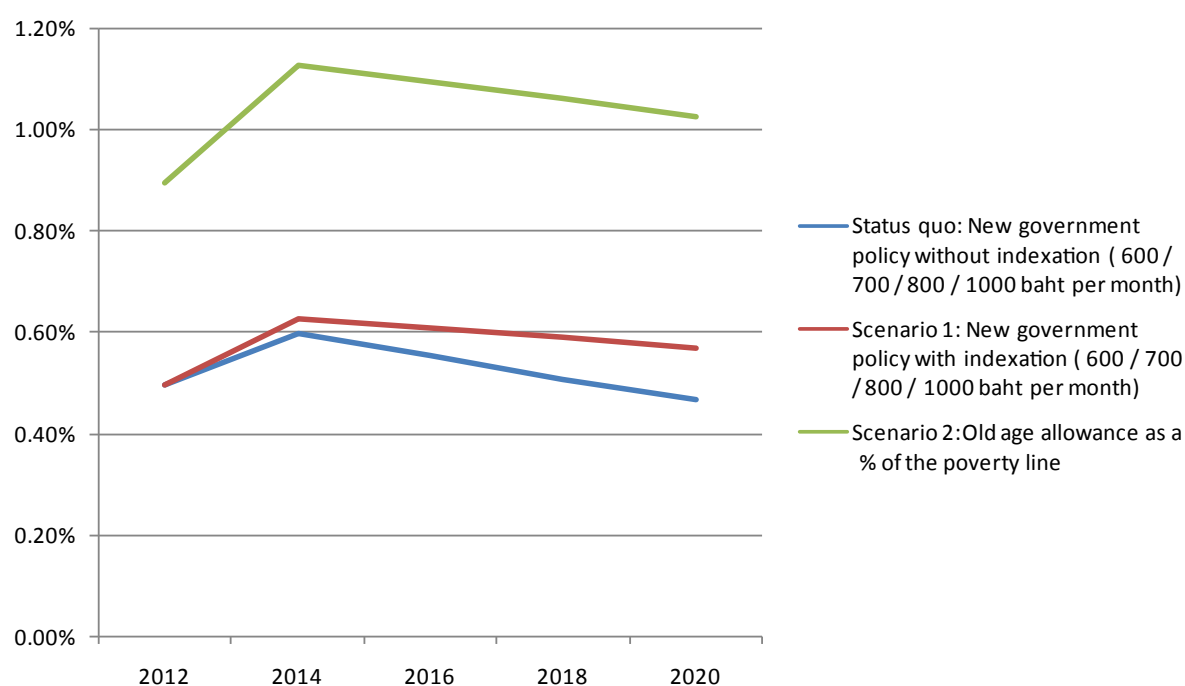
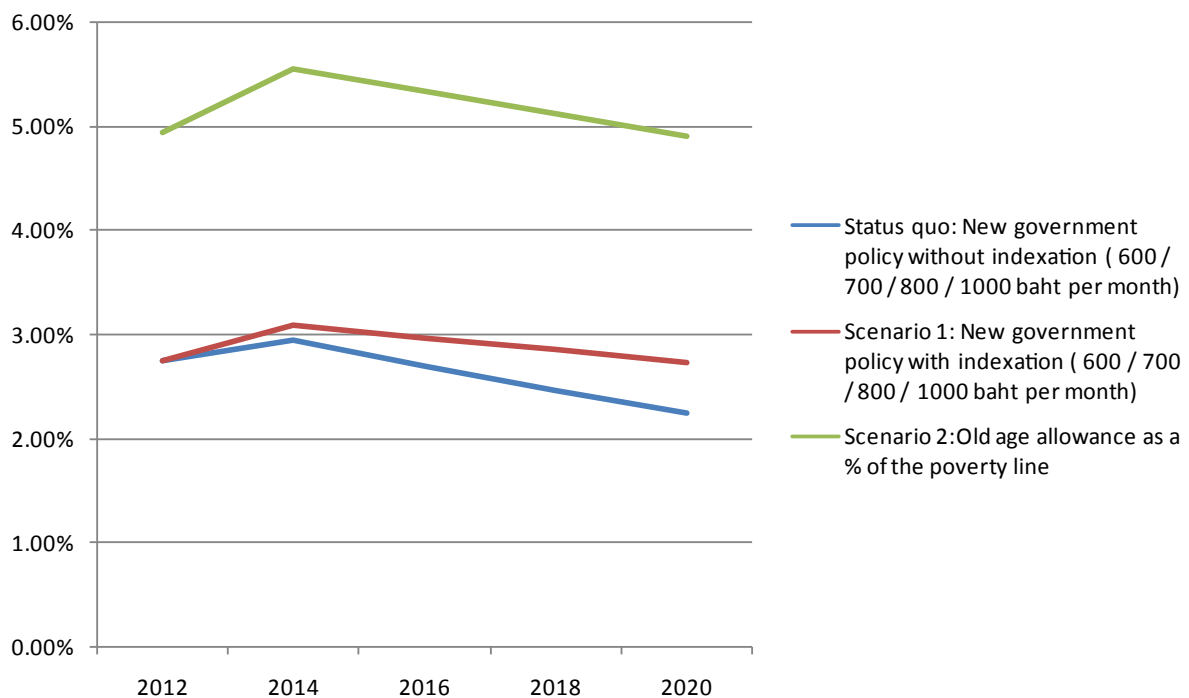
Figure 6a. Projection of total cost of old-age allowances, in percentage of GDP

Figure 6b. Projection of total cost of old-age allowances, in percentage of revenues and grants



5.6 Consolidated package to close the SPF gap in Thailand

To close the social protection floor gap in Thailand, the UN/RTG Joint Team on Social Protection recommends expanding Thailand's existing social protection floor in the following dimensions:

- To introduce a universal child support grant (which would inter alia support parents and caretakers with the cost of raising children);
- To extend a maternity allowance to compensate all working women for the loss of income during pregnancy and after delivery;
- To extend a sickness benefit to compensate all workers for the loss of income during sickness;
- To transform the existing vocational training system through a more efficient, targeted mechanism which would systematically reach 20 per cent of informal economy workers³ every year and provide an allowance to those trainees who are poor;
- To increase the benefit package of the non-contributory disability allowance; and
- To adjust the Government's non-contributory allowance for older people.

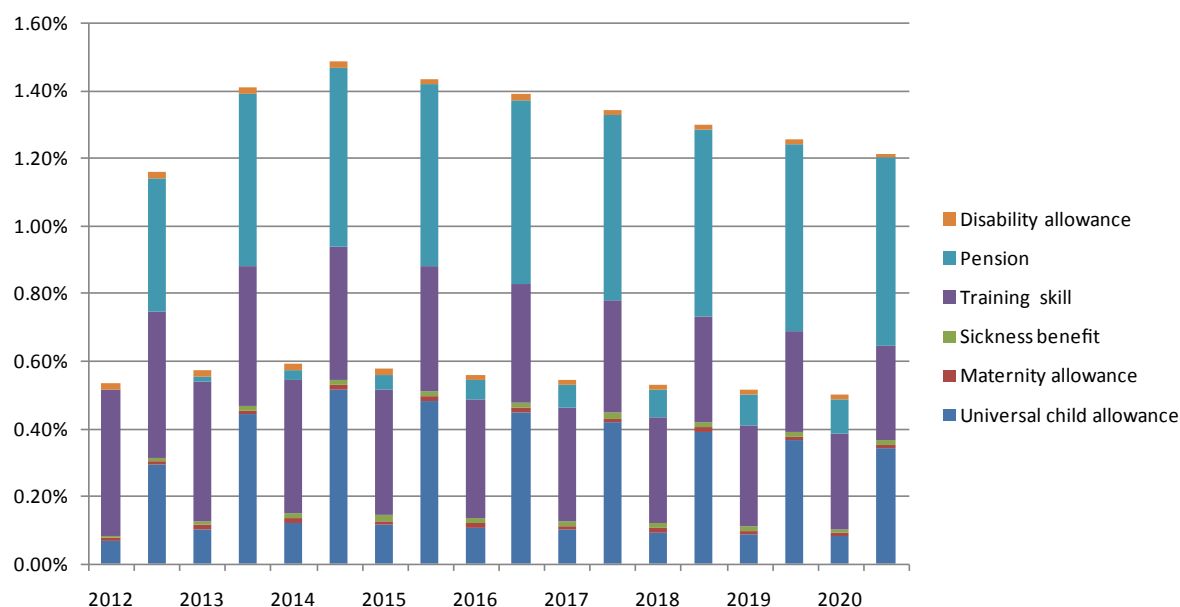
The UN/RTG Joint Team on Social Protection proposes two possible combinations of schemes. The first is the "low scenario" and the second is the "high scenario". **Based on these two combinations, completing the SPF would entail an additional cost of between 0.5 and 1.2 per cent of GDP by 2020.**

³ Own account workers, employees of non-registered businesses (that are therefore not covered by the Social Security Act Section 33) such as family businesses, unpaid family workers.

Table 29. Proposed combined low and high scenarios

		Low	High
Children	Scenario 1: Universal Child Support Grant for all children aged 0-3 (400 baht per month)	✓	
	Scenario 5: Universal Child Support Grant for all children aged 0-12 (500 baht per month)		✓
Working age	Scenario 1: Maternity allowance for all women working in the informal economy (3 months at the poverty line)	✓	✓
	Scenario 2: Sickness benefit for all informal economy workers (200 baht per day)	✓	✓
	Scenario 3: Vocational training programme for informal economy workers and allowance for the poor	✓	✓
	Scenario 4: Additional 500 baht for people with disabilities, of 15 to 59 years of age, in the informal economy	✓	✓
Elderly	Scenario 1: Government's new policy - non-contributory allowance for older people—600 baht for 60-69 years of age, 700 baht for 70-79, 800 baht for 80-89, 1,000 baht for 90+ - indexed on inflation	✓	
	Scenario 2: Non-contributory allowance for older people—60% of poverty line for 60-69 years of age, 70% for 70-79, 80% for 80-89 years of age, 100% for 90+		✓

Figure 7. Results of the additional cost estimates for the combined low and high scenario (in percentage of GDP)



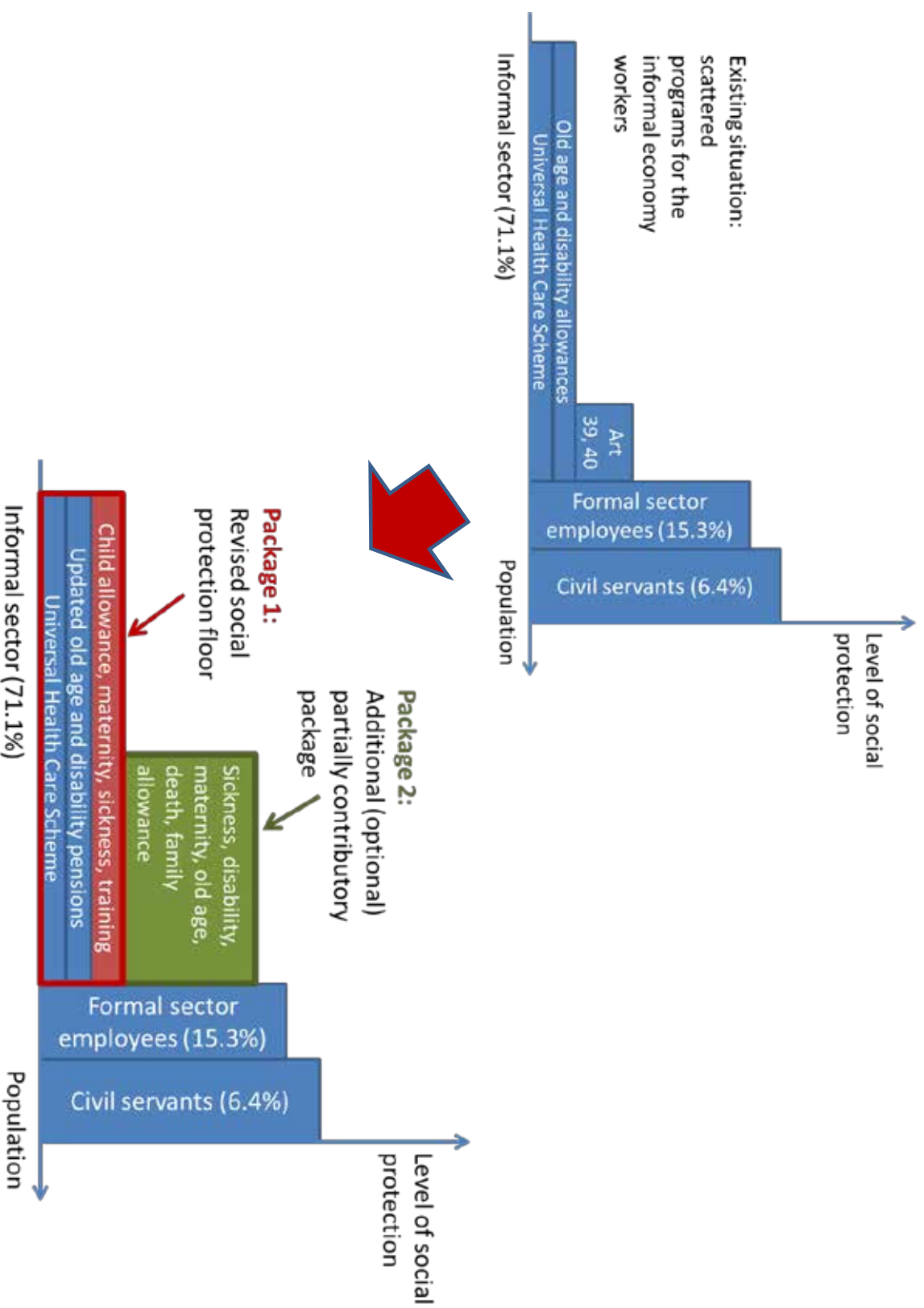
5.7 Beyond the social protection floor: Towards a staircase approach and coordination of policies

Towards a staircase approach

Based on this revised social protection floor, the UN/RTG Joint Team on Social Protection also recommends that higher levels of social security benefits are provided to the informal sector, through the extension of a partially contributory social security package which would provide higher protection in the case of sickness, disability, maternity, old age, death, and family allowance (see Figure 8 – Beyond the social protection floor: Towards a staircase approach).

The revised social protection floor (Package 1) would be guaranteed for all workers who are not yet covered by public social security schemes, whereas the additional package (Package 2) would be provided only to those who contribute. The social security landscape would be simplified with only two packages for informal sector workers, instead of existing scattered programmes and schemes across ministries. The social security law would need to be amended accordingly and would guarantee the Government's commitment to subsidize the premiums for both packages (one with full subsidy, one with partial subsidy). The delivery of both packages should be done by institutions that have an outreach capacity to the informal sector, the poor, and the vulnerable in both urban and rural areas. These institutions would act as a Single Window Service and would provide information to potential beneficiaries on the guarantees and services, facilitate registration processes, update beneficiaries' databases, and facilitate the appeals mechanisms.

Figure 8. Beyond the social protection floor: Towards a staircase approach

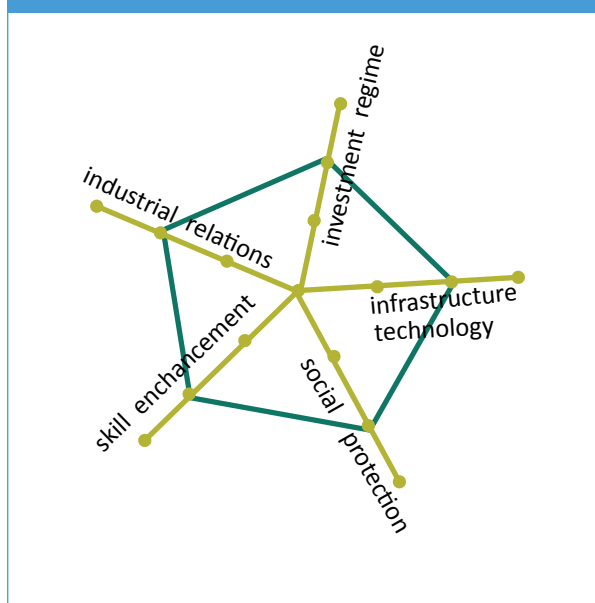


Coordination of policies

To overcome the middle-income country trap and boost productivity growth in a number of economic sectors, a careful coordination of policies targeted at these sectors is needed. Along the lines of the growth diamond concept (see Figure 9), the Government's sectorial policies could entail different mutually reinforcing dimensions:

- 1) social protection measures (e.g. universal and targeted transfers in cash and in kind, tailored to the specific needs and characteristics of the workers);
- 2) skills enhancement programs (such as adapted vocational training) as well as measures to facilitate apprenticeship and employment;
- 3) infrastructure and technological improvements (e.g. irrigation, roads, IT infrastructure);
- 4) investment regime (e.g. various regulations and tax incentives that aim to stimulate investment and employment in a certain sector of the economy); and
- 5) industrial relations.

Figure 9. The growth diamond concept and its dimensions⁴



Targets can be formulated and progress measured in each of the five dimensions. This is visible in the figure where the various points on the axes could be the milestones. Over time, when these milestones are achieved the growth diamond becomes larger.

This integrated approach would contribute to economic growth and performance, the generation of productive and decent job opportunities, and the reduction of poverty and vulnerability. An important element of the 'growth diamond concept' is that it helps to concentrate and coordinate policies across ministries (health, social development and human security, labour, commerce, agriculture, industry, among others) and in different areas.

Common delivery mechanisms (such as the Single Window Service) may be needed to facilitate the implementation of the policies and measures in a coordinated way and to enhance synergies between the different dimensions of the diamond.

⁴ Source: ILO: *Cambodia: Towards Integrated Employment and Social Protection Policies, technical cooperation report* (Geneva, 2012).

6

Preliminary indications of the fiscal space projection

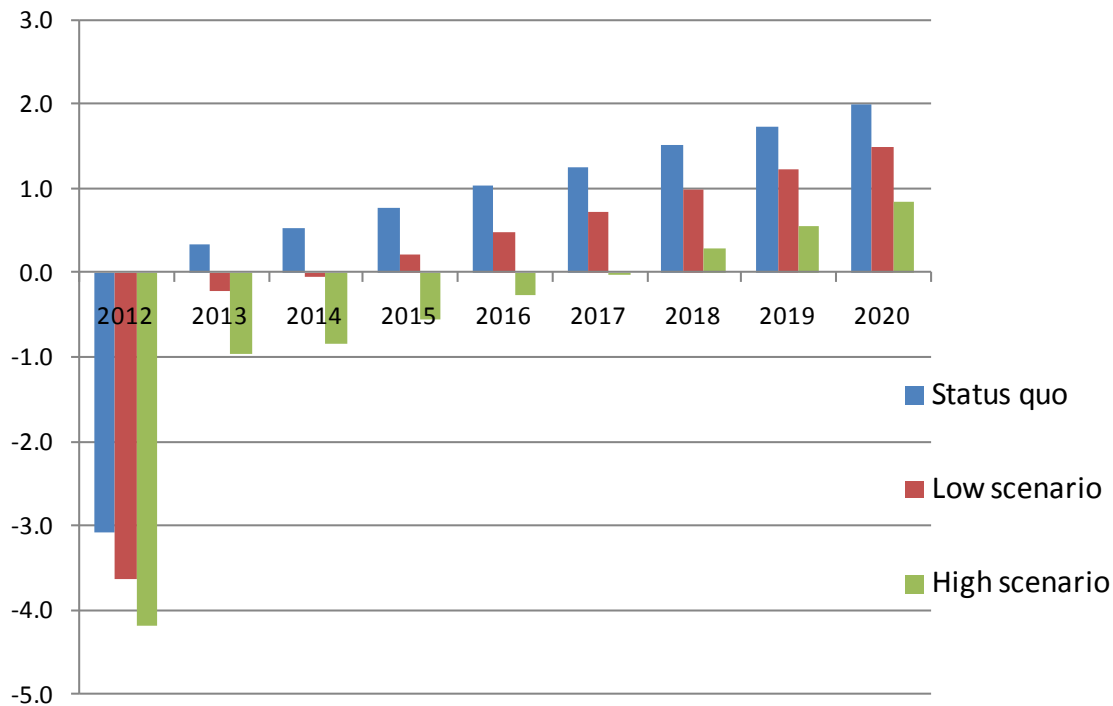


The estimated costs of the low and high scenarios were added to government budget projections. The budget balance (revenues and grants minus expenditures) was then expressed in Thai baht and as a percentage of GDP for the status quo, the low scenario, and the high scenario. This provides an initial indication of the fiscal space in case the proposed social provisions are financed entirely from government budget.

Table 30. Fiscal space (status quo, low, and high scenarios entirely financed through government budget)

	2012	2014	2016	2018	2020
BALANCE (in millions of Thai baht) - Status quo	-345 742	68 876	158 903	274 155	424 764
BALANCE (in millions of Thai baht) - Low scenario	-406 151	-8 128	73 316	178 898	318 765
BALANCE (in millions of Thai baht) - High scenario	-468 848	-111 782	-40 313	52 515	181 077
BALANCE (in % of GDP at current prices) - Status quo	-3.1	0.5	1.0	1.5	2
BALANCE (in % of GDP at current prices) - Low scenario	-3.6	-0.1	0.5	1.0	1.5
BALANCE (in % of GDP at current prices) - High scenario	-4.2	-0.9	-0.3	0.3	0.8

Figure 10. Fiscal space in percentage of GDP (status quo, low, and high scenarios entirely financed through government budget)



The model shows that overall government expenditures under the status quo, which includes existing social protection policies, creates a negative balance of fiscal space of around 3.1 per cent of GDP in 2012. The fiscal space balance is projected to turn positive by 2013 under the status quo assumption, which suggests that the negative balance in 2012 could be financed by borrowing.

The additional cost of new social protection provisions from the low and high scenarios will increase the negative balance of fiscal space by an additional 0.5 per cent of GDP and 1.0 per cent of GDP in 2012 (Figure 10), respectively. The introduction of the low scenario would entail a deficit in the government's budget until 2014 and the high scenario would result in a deficit until 2017. In both cases, budget reallocations or changes in the tax structure and/or social security contributions would be needed to finance these additional provisions from the Government's budget.

It should be noted that we did not include investments in infrastructure in the projected expenditures. Financing investments in infrastructure would require additional fiscal space.

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Appendix I: the Social Protection Floor (SPF) Assessment Matrix

<http://www.social-protection.org/gimi/gess/RessShowRessource.do?ressourceId=25040> [20 Oct. 2012].

The Social Protection Floor (SPF) Assessment Matrix

Existing SPF Provision					Policy gaps
Scheme	Legal Framework	Overview	Existing coverage		
Health care for all residents	Civil Servants Medical Benefit Scheme (CSMBS)	Royal Decree on Medical Benefit B.E. 2553 (2010) issued pursuant to the Act on stipulation of payment rules in accordance with budget B.E. 2518 (1975)	Target group: selected workers in the public sector and their dependents. Financing: general tax revenue.	6.7% of the total population in 2011	Legal framework: Thailand's social health protection system laws and institutions tend to be fragmented, which may cause inefficiencies and, in some cases, conflicts in legislation. Target groups: The health care branch of the Social Security Fund (SSF) does not cover dependents. This may lead to situations where in the same family one parent is covered by the SSF while the spouse and children are covered by the UCS. This complicates access to health care services for families. A significant number of undocumented migrant workers are not covered by the Compulsory Migrant Health Insurance (CMHI) due to problems of affordability. (In)equity in the access to services: Formal sector workers contributing to the SSF receive a similar benefit package to those covered by the non-contributory UCS which may create a sense of unfairness. In the cases of the UCS and SSF, patients receive treatment in a pre-selected hospital of their choice, which is usually located near their residence (except for emergency cases). This poses a difficulty in accessing treatment for people who have experienced gender-based violence who may not wish to receive treatment in a place where they are well known.
	Health Branch of the Social Security Fund (SSF) - section 33	Social Security Act B.E. 2533 (1990) (SSA)	Target group: employees in the private sector and regular migrant workers. To date, dependents are not covered. Financing: tripartite contribution (employers, employees and the government).	14.1% of the total population in 2011	
	Health Branch of the Social Security Fund (SSF) – section 39	Social Security Act B.E. 2533 (1990) (SSA)	Target group: persons who have been insured under section 33, have paid contributions for not less than twelve months, cease being employees and wish to continue being insured. Financing: government and worker contribution.	1.3% of the total population in 2011	
	Universal Health-care Coverage Scheme (UCS)	National Health Security Act, B.E. 2545 (2002)	Target group: persons who are not covered by the CSMBS, SSS or other schemes provided by the government. Although section 5 of the Act stipulates that ‘every person’ shall be entitled to the health service under this Act, ‘the person’ is interpreted to be of Thai nationality, with a 13-digit ID number. (Ethnic minority or stateless person and migrant workers not covered). Financing: general tax revenue.	75.1% of the total population in 2011	
	Compulsory Migrant Health Insurance (CMHI)	Announcement of Ministry of Public Health on Health Check-up and Health Insurance for Irregular Migrant Workers from Myanmar, Lao PDR and Cambodia (1 July 2552, i.e. 2009)	Target group: undocumented migrant workers, dependent are not covered. CMHI registration is a prerequisite for workers to apply for work permits or grace periods to stay in Thailand temporarily. Financing: contribution of the insured member.	N/A (since the total population does not include migrant workers)	
Children	Child Allowance Branch of the Social Security Act, section 33 and 39	Social Security Act B.E. 2533 (1990)	Target group: not more than two legitimate children at a time, until the child reaches six years of age. Financing: tripartite contributions.	1,256,114 children in 2011 i.e. 23.1% of total children from 0 to 6 years of age	Legal framework: Many of the social protection policies and programmes related to children are based on political decisions which are not always supported by evidence-based analysis and full compliance with international obligations; their legal basis is at times unclear making them unpredictable (budget allocations can change from one year to the other or the programme can be re-designed or suppressed). Benefit package and target groups: Only formal sector workers are entitled to a child support for pre-school children (from 0 to 6 years of age). Centres for Early Childhood Development and other services for mother and child are insufficiently developed. Apart from some specific groups, such as civil servants and private school teachers, most children are not entitled to scholarships.
	Education for All Scheme	Thai Constitution, B.E. 2550 (2007) - National Education Act B.E. 2542 (1999), with the amendment No. 2 B.E. 2545 (2002) - Act of Additional Budget Expenditure B.E. 2552 (2009)	Target group: all children in Thailand (including stateless, ethnic minorities and migrants). Financing: Ministry of Education's budget.	100% of total children (2011)	
	Education Grants for Children of Civil Servants	Royal Decree on fringe benefit related to children's education, B.E. 2523 (1980), and amendments No.2, B.E. 2532 (1989), through No. 7, B.E. 2554 (2011)	Target group: children of civil servants or civil servants pensioners. The education grant is limited to the first three legitimate children (excluding adopted children), from 3 years to 25 years of age. Financing: Government budget, Ministry of Finance	859,494 children in 2011 i.e. 5.5% of total children from 3 to 20 years of age	
	Other Schemes (Loans and Scholarships Programme, Supplementary Food and Milk Project ...)	Fund for Education Loan, B.E. 2541 (1998), Fund for Primary Schools Lunch Project, B.E. 2535 (1992)	Target group: the use of funds may vary making these programmes unpredictable.	Ad hoc, targeted	
Working age	Government employees: Sick Leave with Pay, Maternity and Paternity Leave, Work Injury/Invalidity/Disability Compensation, Work Injury/Invalidity/Disability in kind and cash benefits, Survivor benefits	Regulation of Prime Minister's Office on civil servants leave, B.E. 2555 (2012); Royal Decree on payment of salary, annuity, pension and other payment in the same kind, B.E. 2522 (1979), and its amendments No. 2-5; Ministry of Finance's Regulation on compensation for civil servants and employees, B.E. 2546 (2003); Regulation of committee on rules and procedures related to receiving and granting compensation for civil servants and employees, B.E. 2550 (2007); Act on welfare for civil servants who were harmed or ill due to performing official duties, B.E. 2546 (2003)	Target group: 1) Civil servants under Civil Servants Regulation; 2) Civil Servants in higher education under Higher Education Regulation; 3) Political Officials under Political Officials Regulation; 4) Police officers under Royal Thai Police Law; and 5) Military Personnel. For Work injury/invalidity/disability: Civil servants under the Law on Administration of State Affairs (central and provincial administration) and Military Personnel. Financing: general tax revenue.	1,376,609 people i.e. 3.7% of Economically Active Population (EAP) in 2011	Fragmentation: Co-existence of many schemes providing income security for the working age population may contribute to inefficiencies and administrative burdens, and does not always guarantee the portability of benefits across schemes. Coverage: Only 2.5 per cent of informal economy workers are covered by the Social Security Act, Section 40. The Social Security Act, Section 33, excludes employees of a number of business units (salons, family businesses) as well as domestic workers. Regular migrant workers have to leave Thailand seven days after the termination of their contract and cannot therefore enjoy benefits (such as unemployment benefits and pension) for which they have made contributions. People with no 13-digit identification number are excluded from all existing schemes. Benefit packages: Absence of maternity and child allowance benefits under SSA Section 40 for informal workers. Wage ceiling of 15,000 Baht/month under SSA Section 33 results in low levels of benefits. No preventive actions or occupational safety and health activities under WCF. Skills development: Skills training services have to strengthen their capacity and agility to respond to the varying needs of the workers and the pace of change in the labour market.
	Workers in the Formal Sector: Sickness Benefits (sick leave), Disability and Invalidity benefits, Maternity Benefits, Death and Survivor Benefits	Social Security Act, B.E. 2533 (1990) (SSA), Sections 33 and 39	Target group: For Section 33: persons employed in non-agricultural enterprises who are over 15 years of age and not more than 60 years of age. Regular migrant workers are entitled to being covered under the SSA Section 33. Persons can be insured under Section 39 when they were previously insured under Section 33, have paid contributions for not less than 12 months, cease being employees, and wish to continue being insured. Regular migrant workers cannot be covered under the SSA Section 39. Financing: tripartite contribution (Section 33), bipartite contribution (Section 39).	SSA section 33: 9,054,535 people or 24.4% of total EAP in December 2011 SSA section 39: 855,412 people or 2.3% of EAP in December 2011	

Implementation Issues	Operating and Financing Actors	Recommendations	Scenarios and Costing (by 2020)
<p>Information issues: A share of the population (between 2 & 5%) who is entitled to the UCS does not register because of a lack of information or a misperception concerning the quality of the services provided. A significant number of undocumented migrant workers are not covered by the CMHI due to a lack of information. Low utilization of preventive care services and health check-ups due to lack of information on the services covered by UCS. People living with HIV/AIDS may face confidentiality and stigma issues under the schemes. People who have experienced gender-based violence and who require investigative or forensic treatment are often not covered by the UCS and SSF.</p> <p>Enforcement: A significant number of documented migrant workers are not registered for the SSF by their employers and are therefore not covered by any scheme.</p> <p>Inequity from the supply side: The unequal distribution of health-care facilities among rural and urban areas and across regions affects people's access to care. Essential health care services (such as HIV/AIDS treatments) are not available in some areas. Health-care personnel, particularly physicians, have left rural care facilities.</p>	Comptroller's General Department, Ministry of Finance	The social protection floor for health care is achieved. However the national dialogue process generated a number of recommendations that will require more in-depth studies and/or will be implemented through specific TC projects:	N/A
	Social Security Office (SSF), Ministry of Labour	H1: Create a unified health insurance system: 1) Create a unified system to reduce fragmentation and address the issue of inequity through a progressive harmonization of the provider payment mechanisms and the benefit packages; and 2) Carry out a legal review and propose concrete recommendations aiming at reducing conflicts between existing acts, decrees, regulations, and policies.	
	Social Security Office (SSF), Ministry of Labour	H2: Create a financially sustainable health insurance system: Ensure the long-term financial sustainability of the system by introducing new measures such as a co-payment for non-essential services.	
	National Health Service Office, Ministry of Public Health	H3: Carry out a review of the legal framework and practice; provide recommendations to ensure HIVsensitivity throughout the entire health-care system.	
	Ministry of Public Health	H4: Develop a long-term care system: Conduct a feasibility study on chronic care and health care for the elderly. Develop recommendations on essential equipment for health-care facilities, the provision of age-friendly services, the training of health care personal on geriatric care, the development of mobile clinics to cure people at home, and so on.	
<p>Education outcome: Learning achievements require further improvements. Quality of education seems to be weak in remote rural areas and the lack of adapted support (after school programmes and similar supportive measures) may hamper the development of school-age children in less endowed schools.</p> <p>Information: Because of the lack of information on the universal education policy, children of migrant workers, ethnic communities in remote areas, and stateless children have limited access to education. There is also a lack of general awareness on existing support programmes (scholarships, grants, distribution of bicycles, and so on).</p> <p>Monitoring and Evaluation: There is limited or inexistent monitoring and evaluation system in place to keep track of the effective implementation of policies at the decentralized level.</p>	Social Security Office (SSF), Ministry of Labour	Main recommendation: a universal child support grant should be implemented in Thailand.	<p>Scenario 1: Universal child support grant (UCSG) of 400 baht / month for all children 0-3 years = additional cost of 0.08 per cent of GDP and 0.39 per cent of government revenues and grants (GRG) by 2020.</p> <p>Scenario 2: UCSG of 400 baht / month for children 0-6 years = additional cost of 0.14 per cent of GDP and 0.69 per cent of GRG by 2020.</p> <p>Scenario 3: UCSG of 400 baht / month for children 0-12 years = additional cost of 0.27 per cent of GDP and 1.31 per cent of GRG by 2020.</p> <p>Scenario 4: UCSG of 500 baht / month for children 0-6 years = additional cost of 0.18 per cent of GDP and 0.86 per cent of GRG by 2020.</p> <p>Scenario 5: UCSG of 500 baht / month for children 0-12 years = additional cost of 0.34 per cent of GDP and 1.63 per cent of GRG by 2020.</p> <p>Scenario 6: Child support grant of 400 baht / month targeted to poor children 0-14 years = additional cost of 0.04 per cent of GDP and 0.21 per cent of GRG by 2020.</p>
	Ministry of Education (various offices and commissions)	C1. Design and implement a universal child support grant for various age groups (0-3, 0-6, or 0-12 years of age) with the aim of child poverty reduction and to support parents with the cost of raising children.	
	Comptroller's General Department, Ministry of Finance	C2. Include a child support grant in the benefit package of the SSA Section 40.	
	Ministry of Education	C3. Support for poor students and school-age children should be made on a statutory rather than ad hoc basis. C4. Improve the quality of the education system including through enhancing workforce skills and promoting innovations. C5. Establish a comprehensive early child development service, including day care centres for preschool children.	
<p>Lack of predictability: Lack of human resources and capacities to monitor payment of contributions; no guarantee of benefits under ad hoc, demand-based, limited-budget schemes (such as the 2,000 baht emergency scheme).</p> <p>Enforcement: Social evasion by employers under SSA section 33. Social evasion also occurs through subcontracting practices. Under SSA Section 40 only 54% pay contributions on a regular basis (2012).</p> <p>Information: General lack of information on existing schemes, registration procedures, and benefits.</p>	Prime Minister's Office, Comptroller General's Department, Ministry of Finance	Main recommendation: establish a maternity allowance and a sickness benefit scheme for workers in the informal economy, as well as to expand and adapt the vocational training programme. In addition, the benefits under the Universal Non-contributory Allowance for People with Disabilities should be increased by an additional 500 baht per person per month.	<p>Scenario 1: Maternity Allowance for all women working in the informal economy, will entail an additional cost of 0.009 per cent of GDP and 0.045 per cent of the government revenues and grants (GRG) by 2020.</p> <p>Scenario 2: Universal sickness cash benefit for all informal economy workers will entail an additional cost of 0.013 per cent of GDP and 0.062 per cent of GRG by 2020.</p> <p>Scenario 3: Vocational training programme for informal economy workers and allowance for the poor will entail an additional cost of 0.28 per cent of GDP and 1.34 per cent of GRG by 2020.</p> <p>Scenario 4: Additional disability allowance of 500 baht per person per month for people with disabilities in the informal economy will entail an additional cost of 0.0125 per cent of GDP and 0.06 per cent of GRG by 2020.</p>
	Social Security Office (SSF), Ministry of Labour	W1. Develop a combined benefit package composed of income support measures and mechanisms to increase employability and/or access to markets. W2. Introduce an additional disability allowance of 500 baht per person per month. W3. For the implementation of W1, improve the vocational training system, introduce linkages between social protection and employment measures to enhance capabilities and productivity, build a skilled workforce, ensure graduation out of poverty, and develop sectors of the economy ("growth diamonds"). W4. Review existing SSA Section 40 in order to cover more people with more adequate benefits. W5. Develop a standardized poverty and vulnerability assessment system to be used to verify the eligibility of those seeking social assistance.	

The Social Protection Floor (SPF) Assessment Matrix

Existing SPF Provision				Policy gaps
Scheme	Legal Framework	Overview	Existing coverage	
Working age	Workers in the Formal Sector: Unemployment Benefits	Social Security Act, B.E. 2533 (1990) (SSA), Section 33 only Target group: insured person who has paid contributions for not less than 6 months during a period of 15 months before becoming unemployed and is able to work, available to work in suitable jobs provided, does not refuse to attend job training, is registered with the Government Employment Service Office, reports himself/herself to the office not less than once a month. Regular migrant workers who are registered under the SSF have difficulties claiming unemployment benefits. Financing: tripartite contribution (Section 33).	SSA section 33: 9,054,535 people or 24.4% of total EAP in December 2011 SSA section 39: 855,412 people or 2.3% of EAP in December 2011	Fragmentation: Numerous schemes contributing to inefficiency and administrative burdens; no portability of benefits across schemes Coverage: Only 2.4% of informal economy workers are covered, several workers in fishery and agriculture sectors, domestic and salon workers, non-registered and family businesses are excluded. Regular migrant workers have to leave Thailand 7 days after contract ends and cannot enjoy benefits that they have been contributing to. People with no ID (13 digits) are excluded from all existing schemes Benefit packages: Absence of maternity and child allowance benefits under SSA Section 40 for informal workers. Wage ceiling of 15,000 Baht/month under SSA Section 33 is insufficient. No occupational safety and health activities under WCF. Skills development: Skills training do not respond to varying needs of workers and changes in the labour market. No training provided in professional fields
	Workers in the Formal Sector: Employment Injury Benefits	Workmen's Compensation Act, B.E. 2537 (1994) Target group: Formal sector workers and regular migrant workers who possess a passport or foreign registration documents and whose employers have registered them and paid a contribution to the WCF. Financing: employers' contributions only.	8,222,960 people or 22.2% of EAP in December 2011	
	Workers in the Informal Sector: Sickness Benefits, Disability Benefits, Death and Survivor Benefits	Social Security Act, B.E. 2533 (1990) (SSA), Section 40; Royal Decree on Rules, Rate of Contribution, Contingencies and Eligibilities to receive benefits of Insured Persons B.E. 2554 (2011) Target group: Persons over 15 and not more than 60 years of age and who are not insured under the SSA sections 33 or 39 (informal economy workers mainly). Financing: worker's contribution and Government budget.	590,046 people or 1.6% of EAP in December 2011 or 2.5% of the target (informal economy workers)	
	Universal Non Contributory Allowance for people with disabilities	Quality of Life Promotion Act for persons with disabilities, B.E. 2550 (2007); Regulation on Rules and Procedure of Providing Disability Allowance, B.E. 2552 (2009); Regulation on the Criteria and Method for the Disbursement of People with Disabilities Allowance by the Local Administration, B.E. 2553 (2010) Target group: Thai nationals with disability. Financing: general tax revenue.	959,502 people with disabilities or 1.5% of total population in 2011	
	Universal Non Contributory Allowance for people with HIV-AIDS	Regulation for Disbursement of the Subsistence Allowance by the TAO in 2003 Target group: Thai nationals living with HIV-AIDS. Financing: general tax revenue.		
	Other cash benefits: 2,000 Baht allowance and Skills Development	No legal framework for the 2,000 Baht allowance Skills Development Promotion Act, B.E. 2545 (A.D. 2002) Target group: 2,000 Baht allowance - households in financial or economic difficulties Skills development - workers at the pre-employment stage ; and at the work and re-skilling stage Financing: general tax revenue.		
Elderly	The Government officials' pension system	Pension for Civil Servants Act, B.E. 2494 (1951) Target group: government employees receive pensions or lump-sum payments from the government upon retirement. Financing: general tax revenue.	249,055 people or 0.4% of total population in 2011	Fragmentation: The present co-existence of many old-age pension schemes may contribute to inefficiencies, administrative burdens, and no guarantee of the portability of benefits across schemes. Benefit packages: Old-age lump sums provided under SSA Section 40 do not provide adequate protection in the long-term. Under SSA Section 33, the level of benefits is very low for certain categories of formal sector workers because of low contribution rates (six per cent) and the low ceiling applied to the reference salary used to calculate contributions (15,000 baht per month). In several schemes—including the Non-contributory Allowance for Older People—the pension levels are not indexed on inflation
	The Government Pension Fund	Government Pension Fund Act, B.E. 2540 (1997) Target group: government employees receive lump-sum payment upon retirement. Membership is compulsory for government officials who join government service after 27 March 1997 and voluntary for the others. Financing: workers and government contribution.	188,520 people or 0.3% of total population in 2011	
	The Old-Age branch of the Social Security Act, sections 33 and 39	Social Security Act, B.E. 2533 (1990) (SSA), Sections 33 and 39 Target group: Section 33: persons employed in non-agricultural enterprises, over 15 years of age and not more than 60 years of age. Persons can be insured under Section 39 when they were previously insured under Section 33, have paid contributions for not less than 12 months, cease being an employee, and wish to continue being insured. Financing: tripartite contribution (workers, employers and government).	128,124 people (through Section 33) and 25,093 people (through Section 39) received old-age lump sums in 2011	
	The Provident Funds	Provident Fund Act, B.E. 2530 (1987) Target group: Private sector employees and State enterprise employees. Financing: workers and employers contribution.		
	The Private-School Teachers' Welfare Fund (PSTWF)	New Private School Act, B.E. 2551 (2008) Target group: Private school directors, teachers, and staff. Financing: workers, private-school and Ministry of Education.		
	Old-Age Benefits under the Social Security Act, section 40	Social Security Act, B.E. 2533 (1990) (SSA), Section 40; Royal Decree on Rules, Rate of Contribution, Contingencies and Eligibilities to receive benefits of Insured Persons B.E. 2554 (2011) Target group: A person who is over 15 and not more than 60 years of age and who is not insured under Sections 33 or 39 may apply to be an insured person under the Section 40 of the Social Security Act. This target group is mainly composed of informal economy workers. Financing: workers and Government's contribution.	117 people received old-age lump sums in 2011	
	The Non-Contributory Allowance for older people	Old Age Act, B.E. 2546 (2003); Regulation on Disbursement of Old Age Allowance, B.E. 2552 (2009); Regulation on the Criteria and Method for the Disbursement of Subsistence Allowance for Older Persons, B.E. 2552 (2009) Target group: Thai elderly who do not receive any other public pension. Financing: general tax revenue.	6,001,387 people or 68.6% of the population over 60 years of age received the 500 baht elderly allowance in 2011	
	The National Savings Fund (not yet in place)	National Savings Fund Act, B.E. 2554 (2011) Target group: Workers in the informal sector who are not covered by another old-age pension scheme. Financing: National Savings Fund (workers and government's contribution).	N/A	

Implementation Issues	Operating and Financing Actors	Recommendations	Scenarios and Costing (by 2020)
<p>Lack of predictability: Lack of human resources and capacities to monitor payment of contributions; no guarantee of benefits under ad hoc, demand-based, limited-budget schemes (such as the 2,000 baht emergency scheme).</p> <p>Enforcement: Social evasion by employers under SSA section 33. Social evasion also occurs through subcontracting practices. Under SSA Section 40 only 54% pay contributions on a regular basis (2012).</p> <p>Information: General lack of information on existing schemes, registration procedures, and benefits.</p>	Social Security Office (SSF), Ministry of Labour	<p>Main recommendations (continued):</p> <p>W6. Develop systems to measure social evasion and reinforce inspection (at provincial level) to increase compliance with SSA Section 33.</p> <p>W7. Review social security coverage for migrant workers and ensure that they receive the benefits for which they pay under SSA Section 33.</p> <p>W8. Develop a preventive benefit package under the Workmen's Compensation Fund.</p> <p>W9. Establish a common database (or create linkages between existing databases) between unemployment insurance and employment services.</p> <p>W10. Raise awareness on mandatory and voluntary schemes, notably through radio, meetings with workers and employers, health check-ups, networks of volunteers, among other channels.</p>	<p>Scenario 1: Maternity Allowance for all women working in the informal economy, will entail an additional cost of 0.009 per cent of GDP and 0.045 per cent of the government revenues and grants (GRG) by 2020.</p> <p>Scenario 2: Universal sickness cash benefit for all informal economy workers will entail an additional cost of 0.013 per cent of GDP and 0.062 per cent of GRG by 2020.</p> <p>Scenario 3: Vocational training programme for informal economy workers and allowance for the poor will entail an additional cost of 0.28 per cent of GDP and 1.34 per cent of GRG by 2020.</p> <p>Scenario 4: Additional disability allowance of 500 baht per person per month for people with disabilities in the informal economy will entail an additional cost of 0.0125 per cent of GDP and 0.06 per cent of GRG by 2020.</p>
	Social Security Office (WCF), Ministry of Labour		
	Social Security Office (SSF), Ministry of Labour		
	Administered by the Tambon Administrative Organization (TAO), under the responsibility of the Ministry of Interior		
	Administered by the TAO, under the responsibility of the Ministry of Interior		
	2,000 Baht allowance: Ministry of Social Development and Human Security Skills development: Ministry of Education (Department of Vocational Education (DoVE)) and the Ministry of Labour (Department of Skill Development (DSD))		
<p>Affordability and accessibility: Registration under the Non-contributory Allowance for Older People is difficult (long administrative procedures), particularly for the elderly living in remote areas.</p>	Controller General Department, Ministry of Finance	<p>Main recommendation: to guarantee a higher level of income security. Develop of a more holistic approach to Long Term Care.</p> <p>E1. Express the level of benefits of the government's Non-contributory Allowance for Older People as a percentage of the poverty line or index the levels of benefits on inflation.</p> <p>E2. Legislate the government's Non-contributory Allowance for Older People to ensure systematic and predictable protection.</p> <p>E3. Design and establish a long-term social care insurance system in cash or in kind.</p> <p>E4: Create a coherent pension system and ensure financial sustainability of the schemes, and enable the portability of benefits across contributory schemes.</p> <p>E5: Simplify procedures to register under existing schemes in the informal sector and reinforce role of local government, community networks and social workers.</p>	<p>Status quo: Calculate cost of implementing the non-contributory allowance for older people (increased benefits according to age with no indexation of the benefits level) will cost 0.47 per cent of GDP and 2.24 per cent of the government revenues and grants (GRG) by 2020.</p> <p>Scenario 1: Calculate cost of implementing the Universal Non-contributory Allowance for Older People (with indexation of the benefits level) will entail an additional cost (compared to the status quo) of 0.10 per cent of GDP and 0.49 per cent of GRG by 2020.</p> <p>Scenario 2: Propose an alternative Non-Contributory Allowance for older people with benefits expressed in percentage of the nationally defined poverty line will entail an additional cost (compared to the status quo) of 0.56 per cent of GDP and 2.66 per cent of the GRG by 2020.</p>
	Government Pension Fund, Board of Director		
	Social Security Office (SSF), Ministry of Labour		
	Security and Exchange Commission (SEC)		
	Ministry of Education		
	Social Security Office (SSF), Ministry of Labour		
	Local Administration (TAO) under the responsibility of the MSDHS		
	National Saving Fund under Fiscal Policy Office		

Appendix II: the Social Protection Floors (SPF) Recommendation, 2012 (No. 202)

<http://www.social-protection.org/gimi/gess/RessShowRessource.do?ressourceId=31088> (20 Mar. 2013)

INTERNATIONAL LABOUR CONFERENCE

Recommendation 202

RECOMMENDATION CONCERNING NATIONAL FLOORS OF SOCIAL PROTECTION

The General Conference of the International Labour Organization,
Having been convened at Geneva by the Governing Body of the International Labour Office, and having met in its 101st Session on 30 May 2012, and
Reaffirming that the right to social security is a human right, and
Acknowledging that the right to social security is, along with promoting employment, an economic and social necessity for development and progress, and
Recognizing that social security is an important tool to prevent and reduce poverty, inequality, social exclusion and social insecurity, to promote equal opportunity and gender and racial equality, and to support the transition from informal to formal employment, and
Considering that social security is an investment in people that empowers them to adjust to changes in the economy and in the labour market, and that social security systems act as automatic social and economic stabilizers, help stimulate aggregate demand in times of crisis and beyond, and help support a transition to a more sustainable economy, and
Considering that the prioritization of policies aimed at sustainable long-term growth associated with social inclusion helps overcome extreme poverty and reduces social inequalities and differences within and among regions, and
Recognizing that the transition to formal employment and the establishment of sustainable social security systems are mutually supportive, and
Recalling that the Declaration of Philadelphia recognizes the solemn obligation of the International Labour Organization to contribute to “achiev[ing] ... the extension of social security measures to provide a basic income to all in need of such protection and comprehensive medical care”, and
Considering the Universal Declaration of Human Rights, in particular Articles 22 and 25, and the International Covenant on Economic, Social and Cultural Rights, in particular Articles 9, 11 and 12, and
Considering also ILO social security standards, in particular the Social Security (Minimum Standards) Convention, 1952 (No. 102), the Income Security Recommendation, 1944 (No. 67), and the Medical Care Recommendation, 1944 (No. 69), and noting that these standards are of continuing relevance and continue to be important references for social security systems, and
Recalling that the ILO Declaration on Social Justice for a Fair Globalization recognizes that “the commitments and efforts of Members and the Organization to implement the ILO’s constitutional mandate, including through international labour standards, and to place full and productive employment and decent work at the centre of economic and social policies, should be based on ... (ii) developing and enhancing measures of social

protection ... which are sustainable and adapted to national circumstances, including ... the extension of social security to all”, and

Considering the resolution and Conclusions concerning the recurrent discussion on social protection (social security) adopted by the International Labour Conference at its 100th Session (2011), which recognize the need for a Recommendation complementing existing ILO social security standards and providing guidance to Members in building social protection floors tailored to national circumstances and levels of development, as part of comprehensive social security systems, and

Having decided upon the adoption of certain proposals with regard to social protection floors, which are the subject of the fourth item on the agenda of the session, and

Having determined that these proposals shall take the form of a Recommendation; adopts this fourteenth day of June of the year two thousand and twelve the following Recommendation, which may be cited as the Social Protection Floors Recommendation, 2012.

I. OBJECTIVES, SCOPE AND PRINCIPLES

1. This Recommendation provides guidance to Members to:

- (a) establish and maintain, as applicable, social protection floors as a fundamental element of their national social security systems; and
- (b) implement social protection floors within strategies for the extension of social security that progressively ensure higher levels of social security to as many people as possible, guided by ILO social security standards.

2. For the purpose of this Recommendation, social protection floors are nationally defined sets of basic social security guarantees which secure protection aimed at preventing or alleviating poverty, vulnerability and social exclusion.

3. Recognizing the overall and primary responsibility of the State in giving effect to this Recommendation, Members should apply the following principles:

- (a) universality of protection, based on social solidarity;
- (b) entitlement to benefits prescribed by national law;
- (c) adequacy and predictability of benefits;
- (d) non-discrimination, gender equality and responsiveness to special needs;
- (e) social inclusion, including of persons in the informal economy;
- (f) respect for the rights and dignity of people covered by the social security guarantees;
- (g) progressive realization, including by setting targets and time frames;
- (h) solidarity in financing while seeking to achieve an optimal balance between the responsibilities and interests among those who finance and benefit from social security schemes;
- (i) consideration of diversity of methods and approaches, including of financing mechanisms and delivery systems;
- (j) transparent, accountable and sound financial management and administration;
- (k) financial, fiscal and economic sustainability with due regard to social justice and equity;

- (l) coherence with social, economic and employment policies;
- (m) coherence across institutions responsible for delivery of social protection;
- (n) high-quality public services that enhance the delivery of social security systems;
- (o) efficiency and accessibility of complaint and appeal procedures;
- (p) regular monitoring of implementation, and periodic evaluation;
- (q) full respect for collective bargaining and freedom of association for all workers; and
- (r) tripartite participation with representative organizations of employers and workers, as well as consultation with other relevant and representative organizations of persons concerned.

II. NATIONAL SOCIAL PROTECTION FLOORS

4. Members should, in accordance with national circumstances, establish as quickly as possible and maintain their social protection floors comprising basic social security guarantees. The guarantees should ensure at a minimum that, over the life cycle, all in need have access to essential health care and to basic income security which together secure effective access to goods and services defined as necessary at the national level.

5. The social protection floors referred to in Paragraph 4 should comprise at least the following basic social security guarantees:

- (a) access to a nationally defined set of goods and services, constituting essential health care, including maternity care, that meets the criteria of availability, accessibility, acceptability and quality;
- (b) basic income security for children, at least at a nationally defined minimum level, providing access to nutrition, education, care and any other necessary goods and services;
- (c) basic income security, at least at a nationally defined minimum level, for persons in active age who are unable to earn sufficient income, in particular in cases of sickness, unemployment, maternity and disability; and
- (d) basic income security, at least at a nationally defined minimum level, for older persons.

6. Subject to their existing international obligations, Members should provide the basic social security guarantees referred to in this Recommendation to at least all residents and children, as defined in national laws and regulations.

7. Basic social security guarantees should be established by law. National laws and regulations should specify the range, qualifying conditions and levels of the benefits giving effect to these guarantees. Impartial, transparent, effective, simple, rapid, accessible and inexpensive complaint and appeal procedures should also be specified. Access to complaint and appeal procedures should be free of charge to the applicant. Systems should be in place that enhance compliance with national legal frameworks.

8. When defining the basic social security guarantees, Members should give due consideration to the following:

- (a) persons in need of health care should not face hardship and an increased risk of poverty due to the financial consequences of accessing essential health care. Free prenatal and postnatal medical care for the most vulnerable should also be considered;

- (b) basic income security should allow life in dignity. Nationally defined minimum levels of income may correspond to the monetary value of a set of necessary goods and services, national poverty lines, income thresholds for social assistance or other comparable thresholds established by national law or practice, and may take into account regional differences;
- (c) the levels of basic social security guarantees should be regularly reviewed through a transparent procedure that is established by national laws, regulations or practice, as appropriate; and
- (d) in regard to the establishment and review of the levels of these guarantees, tripartite participation with representative organizations of employers and workers, as well as consultation with other relevant and representative organizations of persons concerned, should be ensured.

9. (1) In providing the basic social security guarantees, Members should consider different approaches with a view to implementing the most effective and efficient combination of benefits and schemes in the national context.

(2) Benefits may include child and family benefits, sickness and health-care benefits, maternity benefits, disability benefits, old-age benefits, survivors' benefits, unemployment benefits and employment guarantees, and employment injury benefits as well as any other social benefits in cash or in kind.

(3) Schemes providing such benefits may include universal benefit schemes, social insurance schemes, social assistance schemes, negative income tax schemes, public employment schemes and employment support schemes.

10. In designing and implementing national social protection floors, Members should:

- (a) combine preventive, promotional and active measures, benefits and social services;
- (b) promote productive economic activity and formal employment through considering policies that include public procurement, government credit provisions, labour inspection, labour market policies and tax incentives, and that promote education, vocational training, productive skills and employability; and
- (c) ensure coordination with other policies that enhance formal employment, income generation, education, literacy, vocational training, skills and employability, that reduce precariousness, and that promote secure work, entrepreneurship and sustainable enterprises within a decent work framework.

11. (1) Members should consider using a variety of different methods to mobilize the necessary resources to ensure financial, fiscal and economic sustainability of national social protection floors, taking into account the contributory capacities of different population groups. Such methods may include, individually or in combination, effective enforcement of tax and contribution obligations, reprioritizing expenditure, or a broader and sufficiently progressive revenue base.

(2) In applying such methods, Members should consider the need to implement measures to prevent fraud, tax evasion and non-payment of contributions.

12. National social protection floors should be financed by national resources. Members whose economic and fiscal capacities are insufficient to implement the guarantees may seek international cooperation and support that complement their own efforts.

III. NATIONAL STRATEGIES FOR THE EXTENSION OF SOCIAL SECURITY

13. (1) Members should formulate and implement national social security extension strategies, based on national consultations through effective social dialogue and social participation. National strategies should:

- (a) prioritize the implementation of social protection floors as a starting point for countries that do not have a minimum level of social security guarantees, and as a fundamental element of their national social security systems; and
- (b) seek to provide higher levels of protection to as many people as possible, reflecting economic and fiscal capacities of Members, and as soon as possible.

(2) For this purpose, Members should progressively build and maintain comprehensive and adequate social security systems coherent with national policy objectives and seek to coordinate social security policies with other public policies.

14. When formulating and implementing national social security extension strategies, Members should:

- (a) set objectives reflecting national priorities;
- (b) identify gaps in, and barriers to, protection;
- (c) seek to close gaps in protection through appropriate and effectively coordinated schemes, whether contributory or non-contributory, or both, including through the extension of existing contributory schemes to all concerned persons with contributory capacity;
- (d) complement social security with active labour market policies, including vocational training or other measures, as appropriate;
- (e) specify financial requirements and resources as well as the time frame and sequencing for the progressive achievement of the objectives; and
- (f) raise awareness about their social protection floors and their extension strategies, and undertake information programmes, including through social dialogue.

15. Social security extension strategies should apply to persons both in the formal and informal economy and support the growth of formal employment and the reduction of informality, and should be consistent with, and conducive to, the implementation of the social, economic and environmental development plans of Members.

16. Social security extension strategies should ensure support for disadvantaged groups and people with special needs.

17. When building comprehensive social security systems reflecting national objectives, priorities and economic and fiscal capacities, Members should aim to achieve the range and levels of benefits set out in the Social Security (Minimum Standards) Convention, 1952 (No. 102), or in other ILO social security Conventions and Recommendations setting out more advanced standards.

18. Members should consider ratifying, as early as national circumstances allow, the Social Security (Minimum Standards) Convention, 1952 (No. 102). Furthermore, Members should consider ratifying, or giving effect to, as applicable, other ILO social security Conventions and Recommendations setting out more advanced standards.

IV. MONITORING

19. Members should monitor progress in implementing social protection floors and achieving other objectives of national social security extension

strategies through appropriate nationally defined mechanisms, including tripartite participation with representative organizations of employers and workers, as well as consultation with other relevant and representative organizations of persons concerned.

20. Members should regularly convene national consultations to assess progress and discuss policies for the further horizontal and vertical extension of social security.

21. For the purpose of Paragraph 19, Members should regularly collect, compile, analyse and publish an appropriate range of social security data, statistics and indicators, disaggregated, in particular, by gender.

22. In developing or revising the concepts, definitions and methodology used in the production of social security data, statistics and indicators, Members should take into consideration relevant guidance provided by the International Labour Organization, in particular, as appropriate, the resolution concerning the development of social security statistics adopted by the Ninth International Conference of Labour Statisticians.

23. Members should establish a legal framework to secure and protect private individual information contained in their social security data systems.

24. (1) Members are encouraged to exchange information, experiences and expertise on social security strategies, policies and practices among themselves and with the International Labour Office.

(2) In implementing this Recommendation, Members may seek technical assistance from the International Labour Organization and other relevant international organizations in accordance with their respective mandates.

Resolution concerning efforts to make social protection floors a national reality worldwide

The General Conference of the International Labour Organization, meeting at its 101st Session, 2012,

Having adopted the Social Protection Floors Recommendation, 2012,

Recognizing the crucial role of social protection in social and economic development and notably in combating poverty, vulnerability, social exclusion and realizing decent work for all,

1. Invites governments, employers and workers jointly to give full effect to the Social Protection Floors Recommendation as soon as national circumstances permit;

2. Invites the Governing Body of the International Labour Office to request the Director-General to implement, subject to the availability of resources, cost-effective measures aimed at:

- (a) promoting, through appropriate awareness-raising initiatives, the widespread implementation of the Recommendation;
- (b) building the capacity of governments and employers' and workers' organizations to enable them to design, implement, monitor and evaluate national social protection floor policies and programmes;
- (c) supporting governments and employers' and workers' organizations in their efforts to implement national social protection floors through:
 - the facilitation of sharing of knowledge, information and good practices on social protection among Members; and
 - technical cooperation and advice;
- (d) supporting national dialogue processes on the design and implementation of national social protection floors; and
- (e) intensifying cooperation and coordination of support to Members with other relevant international organizations and employers' and workers' organizations, as well as with other relevant and representative organizations of persons concerned, for the development of national social protection strategies.