



November 2010

lead agencies
ILO
WHO

cooperating agencies
FAO, IMF, OHCHR,
UN Regional
Commissions,
UNAIDS, UNDP, UNDESA,
UNESCO, UNFPA,
UNICEF,
UNHABITAT, UNHCR,
UNODC, UNRWA, WFP,
WMO, World Bank

social protection floor initiative

Global Economic Crisis and Social Inequalities: Window of Opportunity for a Universal Social Protection Floor (SPF) in Thailand

Even before the recent global economic crisis, there was growing recognition of the need for basic social protection for all vulnerable people in Thailand. However, as a consequence of the world's most serious economic slowdown since 1930s crisis, the Thai people have recognized again the fact that any economic crisis can victimize not only the very poor but also the near poor under the shaky social protection system.

In this regard, on top of the short-term stimulus package-I comprising 18 projects such as 2,000 baht cash handouts, the Royal Thai Government (RTG) has been trying to rebalance toward more inclusive labour market and social protection systems.

Moreover, since the recent political unrest in Thailand, **the RTG has committed to mitigate social inequalities, through the Prime Minister's 5-point roadmap and the proposed plan of Construction of Welfare Society within B.E.2560 (2017). And, social protection has then been identified as one of the themes of the 11th five-year National Economic and Social Development Plan (NESDP, 2012-2016).**

"Under the plan, a perfect social security system will be established in 2016... I do believe that this system can also help reduce the problem of social division,"

- Mr Abhisit Vejjajiva, Prime Minister of Thailand

In short, Thailand is at the stage of visioning a broad strategy of social protection.

What is in place?

In the recent decades, Thailand's economy has remarkably progressed, resulting in **a sharp drop of poverty levels and socio-economic development.** However, when it comes to social protection, workers mainly of the formal economy benefit from most of the schemes in place; schemes for people of the informal economy have many shortcomings. For instance, income security programmes for the poor or near-poor have been rather insufficient to manage a decent life of the beneficiaries. In other words, **all Thai citizens still do not effectively access to basic adequate social protection.**

Recognizing those challenges, Thailand has been gradually moving from a targeting to universal approach. For both health care and income securities for the elderly, Thailand previously used a targeting approach mainly due to fiscal constraints. In the recent years (2001 for health care and 2009 for old age pension) Thailand has replaced these targeted mechanisms by universal schemes. The two main schemes are Universal Coverage Scheme (UCS) and 500 Baht Universal Pension Scheme.

The tables below provide main information about the two schemes

Universal Coverage Scheme

Target group:	Every Thai citizen not covered under other public social security schemes
Target Population:	47 million (80% of total population)
Implementation:	2001
Benefits:	<p>Comprehensive package :</p> <ul style="list-style-type: none"> - Prevention services: immunizations, annual physical checkups, premarital counseling, antenatal care and family planning services, as well as other health prevention and promotion. - Ambulatory care and in-patient care (high cost treatments such as cancer treatments, open heart surgery, antiretroviral drug, and renal replacement therapy are all included). - Only a few conditions are excluded – i.e. infertility, cosmetic surgery.
Delivery process:	<p>A national centralized online registration database links providers to public health insurance schemes.</p> <p>Beneficiaries must register with a primary care contracting unit (CUP) near their home area (within 30 minutes travel time from home).</p> <p>Primary care unit acts as a gate-keeper for access to care. Treatment outside this area is limited to accident and emergency care. Referral system is used for complicated cases to hospitals or special institutes.</p> <p>Benefits are provided free of charge.</p> <p>Hospital submits electronic claims to the UCS for inpatient services.</p>

Total expenditure (Fiscal Year 2008)	Expenditure	(Million Constant 2005 PPP \$)	% of GDP
	Benefit expenditure	5,522.2	0.97%
	Administrative expenditure	50.6	0.01%
	Total	5,572.8	0.98%
Source of Funding:	General tax revenue		
Challenges	It was introduced in 2001 to provide universal health care coverage to the remaining Thai population who are not covered by any other public health protection schemes. However, vulnerable groups such as ethnic minorities, irregular migrants, asylum seekers and refugees are still excluded from the UCS due to lack of birth registration documents. Also, the supply of medical facilities and human resources are still inadequate. A problem of imbalance distribution between rural and urban areas remains; medical doctors especially in rural areas are not enough; and that professionally-qualified medical personnel have been likely to migrate overseas which generates doubt.		

500 Baht Universal Pension Scheme

Target group:	Every Thai elderly person (60 years or older) who is not in elderly public facilities or does not currently receive income permanently (i.e., government pension recipients, government employed persons).
Target Population:	6.87 million (approximately 95% of the elderly) Number of registered elderly: 5.65 million (82.2% of target population)
Implementation:	2009
Benefits:	In cash benefits, 500 Baht (31.4 Constant 2005 PPP \$) per month

Delivery process:	<p>In principle, the elderly or the authorized representative must register with the local authorities where he or she has inhabitancy registration.</p> <p>The qualified recipients can choose among four methods:</p> <p>(1) to receive cash directly at the local authority office by himself or herself,</p> <p>(2) to delegate an authorized representative to receive cash directly at the local authority office,</p> <p>(3) to have pension transferred to the elderly person's bank account,</p> <p>(4) to have pension transferred to a bank account of an authorized representative.</p> <p>However, the elderly must bear the fee for bank-account transfer if they do not have a Krungthai Bank account.</p>
Total expenditure: (Fiscal Year 2010)	33,917 million Baht or 2,129.1 Constant 2005 PPP \$ (approximately 0.37% of GDP)
Source of Funding:	General tax revenue
Challenges	It was established to make a better income security of the elderly over 60 years old who are not in elderly public facilities or do not currently have an income permanently are eligible to receive 500 Baht pension every month. However, it is equal only to about one-third of the average per capita poverty line in Thailand (1,500 Baht or Approx. 49.50 USD per month)

Apart from the two schemes above, Thailand is running a number of schemes and projects to provide basic social protection coverage to the Thai people.

The tables below provide information on the SPF schemes in place, and their impacts on Thailand.

Social Protection Floor: Cash Transfer	
Benefits	Impacts
Schemes/ Projects: Village Fund Project	
It allocates 1 million baht to rural villages and urban communities throughout the country to set up revolving funds. The fund will provide small, low-interest loans without collateral to all members who request loan and have difficulty gaining access to the formal credit system. The loans could be for a wide range of purposes: investment, career development, emergencies, and utility payments.	It aims to stimulate the grass-root economy by increasing access to credit and creating career development opportunities for poor people. However, an empirical study of the Village Fund suggests that it has scarcely improved poverty in the country (maybe because lack of incentives at the administrative level to monitor whether the loans are spent on income-generation activities).

Schemes/ Projects: One Tambon-One Product (OTOP) Project	
Generate income and create jobs at community level across the country by developing community products for commercial purpose. The product must not contain imported or illegal inputs and must not violate property rights. The strategies include improving production processes, promoting marketing channels, and strengthening community networking.	It has stimulated the grass-root economy by increasing access to credit and creating career development opportunities for poor people.
Schemes/ Projects: Housing Credit Project	
The Government Housing Bank provides housing credit for a maximum period of 30 years, at a fixed interest rate for the first 3 years.	Targets low-income employees as well as people in slum areas. Eligible employees are those who do not own their own house or property and whose monthly household income is under 30,000 baht.

Social Protection Floor: Education	
Schemes/ Projects: 15-Year Free Education For All Thai Nationals	
The government supports the following: tuition fees, textbooks, uniforms, learning materials, and learning activities for student's development (for uniforms and learning materials- the government provides cash directly to students)	These crucial programmes keep on securing continued access of children in Thailand to basic education even during the recent economic crisis. Despite the major advancement in education, lack of schools and teachers as well as low quality of education seems to be hampering universal and equitable access to basic education. Moreover, higher education is not free. Students or their family have to bear the burden of educational costs which means poor students have lower chances to get the advanced education necessarily linked to higher wage in the future career path.
Social Protection Floor: Housing	
Schemes/ Projects: Slum-Area Development Project	
The project consists of 5 operations; slum upgrading, re-blocking, land-sharing, reconstruction, and reallocation.	The project has improved the quality of life of the poor in urban areas, by emphasizing community participation.

Challenges ahead: the policy debate (political process)

Given the recent global economic crisis as a **Window of Opportunity** and the issue of social inequality revealed by the latest political turmoil, the RTG has been advancing a comprehensive policy response of social protection mentioned above.

But, despite the broad consensus on the need of better social protection, it remains to be seen at a practical level how to agree on social protection concept, to coordinate fragmented policies among line ministries, to build partnership or burden-sharing arrangements in the Thai society, etc.

UN contribution

UN Social Protection Floor Joint Team in Thailand (SPFJT)

SPFJT has been operating since early 2010 to promote and contribute to a holistic and coherent vision of national Social Protection Floor. The team aims at planning and acting in a more coordinated and effective way to enhance its partnership with the RTG given that the Social Protection Floor transcends the mandate of any individual agency which requires multilateral network and expertise **delivered as One**. To that end, ILO as a leading agency is working closely with several participating agencies like UNESCO, UNFPA, UNICEF and WHO.

Furthermore, the team identifies linkages with the UN Partnership Framework (UNPAF), the 11th NESDP, and other frameworks under development related to the UN system in Thailand.

SPF Success story

In order to share the Thai technical knowledge of universal health care and pension with other developing countries in their efforts in building, expanding, extending or reorienting their SPF under the framework of **South-South Cooperation**, SPFJT has joined forces with two Thai professionals to submit **the Thai SPF success story** which was presented at an international workshop in Turin, Italy on 8-9 July 2010 and will be published by the UNDP Special Unit for South-South cooperation.

In order to nationalize the experience of the Thai authors, SPFJT conducted an interview with them the contents of which has been uploaded on GESS and distributed at the recent Development Cooperation Seminar in Bangkok in November 2010.

Development Cooperation Seminar (DCS)

While Social Protection Floor was adopted as a universal concept, the social protection floor should be nationally shaped within a framework of national-specific institutional structures, economic constraints, political dynamics and social aspirations. There is no one-size-fits-all solution. DCS is a major social dialogue effort which is very essential to shape common objectives and strategies that respond to national specificity and to make the necessary compromises.

In 2010, SPFJT cooperated with the Office of the UN Resident Coordinator in Thailand and the National Economic and Social Development Board (NESDB) to hold the DCS under the title of **Social Protection: Towards Universal Coverage in Thailand** on 5 Nov, 2010. Eighty-five participants from the government, civil society organizations, academia, international community and UN agencies attended the DCS and produced many useful recommendations for social protection

system in Thailand which will be another important milestone of the cooperation between the UN and the RTG.

Rapid Assessment

SPFJT have worked to support the RTG's initiatives of social protection by assessing the social protection issues or challenges in terms of coverage, delivery, equity, enforcement, etc. To prepare for a more systematic **rapid assessment in a partnership with the Thai counterpart**, ILO has organized a training workshop on **Social Protection Floor rapid assessment, costing and design: from tools and methodology to practical implementation** during 15-19 November 2010, Bangkok. The workshop was attended not only by the Thai officials but also by relevant trainees from national and provincial organizations of Indonesia, Viet Nam, Cambodia and Lao PDR, as well as other UN agencies' staff based in the Asia & the Pacific region.

Through the lectures of ILO professionals and experience or idea shared among participants the trainees had an opportunity to develop technical expertise on assessment & costing methodologies and tools that will help them to prioritize between interventions, to cost the social protection components and to establish a monitoring & evaluation system.

Web Platform:

www.socialsecurityextension.org

For more information on social protection floor in Thailand, please visit:

<http://www.ilo.org/gimi/gess/ShowSpf.do?id=1>

Contact:

schmitt-diabate@ilo.org
felix@ilo.org
kyu@ilo.org



social protection floor initiative