The UN SPF Team in Thailand: relevance, experience, lessons to be learned

Structure of the presentation

- Social protection floor: concept, initiative and recommendation
- The UN SPF Team in Thailand: relevance and experience
- The Assessment Based National Dialogue exercise: process and results
Social security extension

• For a long time, SS was contributory and mainly adapted to the formal sector

• Assumption that these schemes would progressively extend their coverage with the shrinking of the informal sector

• This did not happen....
Social security extension

• At the ILC in 2001, discussion on SS -> new consensus: priority to the extension of coverage, exploring several strategies: adapted SI, micro-insurance, social assistance...
Social security extension

Situation today:
• SP programs are scattered, sometimes overlapping, inclusion/exclusion errors
• Coverage through micro-insurance limited; often not sustainable
• Some programs target only the poorest, leaving the rest of informal sector workers uncovered
• In a few countries (e.g. Thailand) universal schemes (UCS, old age allowance)
Social security extension: the social protection floor

All residents should enjoy at least a minimum level of social security

Member states of the ILO should establish social protection floors as a fundamental element of their social security systems
Social security extension: the social protection floor

Based on this floor, extend social security to provide progressively higher levels of SP benefits to more people.
In a country with a Social protection floor, four guarantees:

1. All residents have access to **essential health care**

2. All **children** enjoy **income security** through transfers in cash or kind → access to nutrition, education and care

3. All those in **active age groups** who cannot earn sufficient income enjoy a **basic income security** (particularly in case of sickness, unemployment, maternity, disability)

4. All residents in **old age** and with disabilities have **income security** through pensions or transfers in kind
Nationally defined Social Protection Floors

• **Not a one size fits all approach**: each country defines the levels of benefits that it can/is willing to provide

• Each country also decides **how to do it** – through universal schemes, targeted social assistance, social insurance, a combination...
The UN SPF initiative

• **SPF initiative launched by UNCEB** in April 2009 & Manual for country operations

SPF adopted at ILC 2009 as part of the global jobs pact

• Creation of the **SPF Advisory group** in 2010

The SPF initiative

• **G20 Summit**, Labour & Development group (Paris, Sept 2011) & heads of States (Nov 2011) in Cannes

⇒ Three recommendations:

1- Develop nationally defined social protection floors
2- Encourage international organisations to coordinate their actions more effectively to help countries develop nationally determined social protection floors
3- Ensure effective financing for the implementation of nationally determined social protection floors
Adoption of the SPF Recommendation (No 202) by the 185 member states of the ILO in June 2012

101st ILC
14 June 2012
456 yes votes
1 abstention

The recommendation 202 is a useful guidance for member states who wish to establish/maintain SPFs as part of their national social security systems

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• Social protection floor: concept, initiative and recommendation
• The UN SPF Team in Thailand: relevance and experience
• The Assessment Based National Dialogue exercise: process and results
Thailand’s social protection floor

- Two major universal schemes that constitute the main pillars of Thailand’s SPF
  - *The Universal Coverage Scheme (UCS), 2001*
  - *The Non Contributory Allowance for Older People, 2008*
Thailand’s social protection floor

• Social protection progressively, a fundamental means to mitigate social inequalities
• Former Prime Minister Abhisit Vejjajiva’s 5-point roadmap, and the strategy to develop a universal coherent social protection system by 2017 called the “Welfare society”
• Vision of the Eleventh National Economic and Social Development Plan (2012-2016) is to build “A happy society with equity, fairness and resilience”
• Policy Statement of Prime Minister Yingluck Shinawatra to the National Assembly on Tuesday 23 August B.E. 2554 (2011)
The UNPAF on social protection (2012-2016)

- Social protection was chosen as one of the six key areas of the UNPAF (RTG/UN)

- 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
The UN SPF Joint Team in Thailand

• Created in March 2010 to support the Royal Thai Government (RTG) in the development of a holistic and coherent social protection system.

• The team members

• ILO = chair

The UN SPF Joint Team in Thailand

• Activity #1: Documenting Thailand’s social protection experience


2 papers (on UCS and 500 Baht scheme) in ILO-UNDP publication
The UN SPF Joint Team in Thailand

• Activity #2: Promoting social protection concepts among key stakeholders in Thailand: conferences and capacity development

- Development Cooperation Seminar on « Social Protection: Towards Universal Coverage in Thailand »
- Launch of the publication “Social Protection Floor for a Fair and Inclusive Globalization in Thailand”
- Capacity development (e.g. with Chulalongkorn Univ.) to strengthen the national analytical capacity in social protection
The UN SPF Joint Team in Thailand

• Activity #3: Supporting Thailand’s development of a holistic and coherent social protection system: Assessment Based National Dialogue (ABND) Exercise
• 18 months process
• Participatory approach
• Research questions: Is the SPF a reality in Thailand? What needs to be done to complete the SPF? Can Thailand afford it?
Structure of the presentation

• Social protection floor: concept, initiative and recommendation
• The UN SPF Team in Thailand: relevance and experience
• The Assessment Based National Dialogue exercise: process and results
What do we want to know?
“Is the social protection floor a reality?”

😊Full achievement of the SPF !!

😊Still some gaps ➔ recommendations to the government to reach the full accomplishment of the SPF
“Is the social protection floor a reality?”

1. DO all residents have access to essential health care?

2. DO all children enjoy income security through transfers in cash or kind → access to nutrition, education and care?

3. DO all those in active age groups who cannot earn sufficient income enjoy a basic income security? (particularly in case of sickness, unemployment, maternity, disability)

4. DO all residents in old age have income security through pensions or transfers in kind?
“Is the social protection floor a reality?”

Some countries may have the Floor for Health (such as Thailand)

But many gaps for children or the working age

<table>
<thead>
<tr>
<th>Population</th>
<th>Level of protection</th>
</tr>
</thead>
<tbody>
<tr>
<td>Poor</td>
<td></td>
</tr>
<tr>
<td>Rest of informal sector</td>
<td></td>
</tr>
<tr>
<td>Formal sector</td>
<td></td>
</tr>
</tbody>
</table>
“Is the social protection floor a reality?”

1. What is the Social Security Situation?
2. How far are we from the achievement of the SPF? -> gaps, issues
3. What should be done to complete the floor?
4. How much would it cost today and in the future?
5. Can the Government afford it? Do we need to increase the fiscal space?
6. How to ensure that the recommendations are endorsed and listen to?
7. How to advocate for the SPF as a whole or specific recommendations? (ROR...
“Is the social protection floor a reality?”

Step 1 – Building the assessment matrix including the identification of priority recommendations

Step 2 – Rapid Assessment Protocol to estimate the cost of implementing the social protection provisions

Step 3 – Finalisation of the assessment report for endorsement and further action by the higher levels of government
1. Inventory of schemes (June 2011)
2. Draft Assessment Matrix (July 2011)
3. Dialogue #1 on ABND matrix (August 2011)
4. Translation of policy recommendations into “costable” scenarios
5. Dialogue #2 on proposed scenarios (November 2011, February 2012)
6. Data collection for the RAP protocol and costing of the scenarios (Nov 2011 - March 2012)
7. Dialogue #3 on results of costing (March 2012); Training on costing (May 2012)
8. Finalization of Costing, Fiscal space, Writing ABND report (May-August 2012)
9. Endorsement by UN/RTG joint team and presentation to the government (Oct-Nov 2012)
Stakeholders in Thailand

Line ministries (Labour, Health, Social Development, Education, Finance), NESDB

Workers and employers organisations

Civil society

UN agencies involved in Thailand’s SPF Team (ILO, UNDP, UNESCO, UNFPA, UNICEF, UNRCO, UNWOMEN, WHO)

National Statistics Office, academia
## STEP 1: Building assessment matrix

<table>
<thead>
<tr>
<th>SPF objectives</th>
<th>Existing SP provisions</th>
<th>Planned SP provisions (strategy)</th>
<th>Policy gaps</th>
<th>Implementation issues</th>
<th>Recommendations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Health</td>
<td></td>
<td>Identifying existing situation in the country</td>
<td>Identifying policy gaps and implementation issues, addressing which would complete the SPF</td>
<td>Priority policy options, to be decided through national dialogue</td>
<td></td>
</tr>
<tr>
<td>Children</td>
<td>Four SPF guarantees</td>
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<td></td>
<td></td>
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<tr>
<td>Working age</td>
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<tr>
<td>Elderly</td>
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</table>
From Step 1 to Step 2

2 Types of recommendations!

### Types of recommendations

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</table>

#### Qualitative recommendations

We need to conduct the management of existing schemes, review targeting & registration mechanisms, introduce a social insurance scheme (unemployment insurance, pension system), conduct a tax reform, improve the quality of health or education ...

#### Recommendations

**We can use the RAP Protocol**

- General Government Operations Model
- Macroeconomic Model
- Benefits Costing Exercise
- Summary and Results
- Labour Market Model
- Demographic Framework

**Recommendations** = Increase benefits or population covered, introduce new SPF benefits
**STEP 2: Rapid Assessment Protocol**

What is it? What is it for?

Rapid Assessment Protocol (RAP) is a simplified Excel tool developed by ILO to estimate the cost of providing Social Protection Funds (SPF) benefits (for health, children, working age and the elderly).
STEP 2: Rapid Assessment Protocol
A set of excel sheets

1- Data collection
   General govt operations model (GGO)

2- Cost calculation & projection
   Expression as % of GDP & Govt expenditure

3- Projected cost of combined benefit packages

- Labour market model (EAP)
- Demographic framework (POP)
- Macroeconomic model (ECO)
- Costing of benefits
- Summary and results
### STEP 2: Rapid Assessment Protocol

**How to use the RAP?**

<table>
<thead>
<tr>
<th>CHILD BENEFITS</th>
<th></th>
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<tbody>
<tr>
<td><strong>Child Benefits</strong></td>
<td></td>
</tr>
</tbody>
</table>

#### Recommendations are translated into scenarios (specific social protection provisions) that need to be introduced or further expanded.

#### Cost of implementing the scenarios is calculated using RAP work sheets.
STEP 2: Rapid Assessment Protocol

How to use the RAP?

<table>
<thead>
<tr>
<th>CHILD BENEFITS</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>STATUS QUO</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Civil servants, scholarship</td>
<td>4,751</td>
<td>4,591</td>
<td>4,499</td>
<td>4,432</td>
<td>4,407</td>
<td>4,414</td>
<td>4,41</td>
</tr>
<tr>
<td>Child allowance for civil servants (50 or 100 BHT per month - not sure)</td>
<td>7,039</td>
<td>7,355</td>
<td>7,673</td>
<td>8,097</td>
<td>8,528</td>
<td>8,951</td>
<td>9,37</td>
</tr>
<tr>
<td>Formal Sector: Child allowance (art 33=39)</td>
<td>11,790</td>
<td>11,946</td>
<td>12,171</td>
<td>12,528</td>
<td>12,935</td>
<td>13,365</td>
<td>13,81</td>
</tr>
<tr>
<td>In % of GDP</td>
<td>0.10%</td>
<td>0.10%</td>
<td>0.09%</td>
<td>0.09%</td>
<td>0.08%</td>
<td>0.08%</td>
<td>0.08%</td>
</tr>
<tr>
<td>In % of revenue and grants</td>
<td>0.53%</td>
<td>0.48%</td>
<td>0.44%</td>
<td>0.41%</td>
<td>0.39%</td>
<td>0.37%</td>
<td>0.36%</td>
</tr>
</tbody>
</table>

The estimated cost can be linked to available fiscal space (government budget, GDP) to check the financial feasibility of recommendations.
STEP 2: Rapid Assessment Protocol
The additional cost of SPF packages expressed in % GDP and Government expenditure

Completing the SPF in Thailand would cost between 0.5 and 1.2% of GDP
STEP 2: Rapid Assessment Protocol
Fiscal space analysis

We project the fiscal space, which provides an indication of whether the government can complete the SPF with current budget structure. In Thailand reallocations of public spending or increase in taxes would be needed.

Fiscal space < 0 until 2015 in the case of the low scenario
Fiscal space < 0 until 2018 in the case of the high scenario
STEP 3: Finalization for endorsement

Presenting the final report to higher levels of Government for endorsement and further action

Finalising the assessment report with stakeholders

Government may conduct a pilot for testing the recommendations

Or Government may conduct further feasibility studies:
- financial or actuarial studies
- legal framework review & revision
- personnel and capacity review
STEP 3: Finalization for endorsement

Convincing policy makers

1. Evidence from other countries

2. Models to assess expected impact on poverty reduction, reduction of inequalities, employability and productivity, growth, return on investment

3. Marketing and communication to advocate for the recommendations among the general public, civil society, workers & employers, the parliament and the Government
STEP 3: Finalization for endorsement
UN SFP Team’s strategy in Thailand

- The document has been produced by the UN and based on consultations with technocrats and civil society – There are two options:
- Option 1 (easiest): we launch the ABND report as a technical document from the UN Team
- Option 2 (more difficult): the ABND report becomes a policy document – we launch the document as a set of policy recommendations endorsed by (a) one of the line ministries, (b) a cross cutting body such as the Social Welfare Committee, or (c) NESDB.
- So far, we have adopted option 1 and in addition we stimulate a debate at policy level through several channels to ensure that some of the recommendations can be pushed forward
For more information:

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