



HEALTH EDUCATION WATER SOCIAL TRANSFERS
SANITATION CHILDREN FAMILY PARTICIPATE
FOOD CO-OPERATING PROTECTION SECURITY
TRAINING ACTIVE PARTICIPATING

Social protection assessment based national dialogue:



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

Report of the Launching event

On 10 May 2013 at Santimaitri Building, The Government House, Bangkok

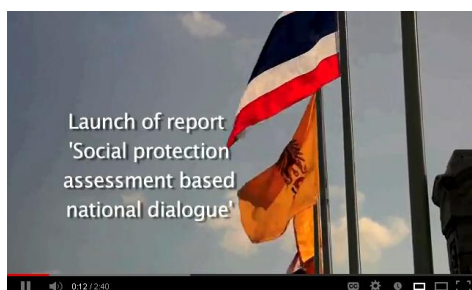
ILO, May 2013

Contents

1. Background
2. Opening remarks
3. Presentation of the report
4. Panel discussion
5. Sharing the report with the PM's representative
6. Keynote address on social protection in Thailand

1. Background

From June 2011 to March 2013 the *UN-Royal Thai Government (UN-RTG) Joint Team on Social Protection* engaged line ministries, UN agencies, social partners, civil society organizations, academicians and other stakeholders to assess the social protection situation in Thailand, identify gaps and challenges and draw up policy recommendations that could help establish a comprehensive Social Protection Floor in the country.



Video on the report launch

The report of this exercise was launched on 10 May 2013. The event was attended by the Minister attached to the Prime Minister's Office H.E. Niwatthamrong Bunsongphaisan, the Minister of Labour H.E. Padermchai Sasomsap, the Minister of Social Development & Human Security H.E. Santi Promphat, the UN Resident Coordinator Mr Luc Stevens, the Director of ILO Decent Work Team Mr Maurizio Bussi.

In addition, over 300 guests participated in the event.



Visit the webpage of the event:

<http://www.social-protection.org/gimi/gess/ShowProjectPage.do?pid=2097>

Video on the report launch: <http://www.youtube.com/watch?v=vHvgBLckYRM>

2. Opening remarks

Mr Supaklerk Hongpukdee, Deputy Permanent Secretary of the Ministry of Social Development & Human Security (MSDHS), spoke about the progress made by Thailand in the area of social protection. The primary components of the Thai social protection system include the Universal Healthcare Coverage Scheme (UCS), universal and free education up to 15 years, social security for the formal sector, allowances for older persons and people with disability, one-stop crisis centres, among others.

Mr Maurizio Bussi highlighted the commitment of the Royal Thai Government (RTG) in developing social protection in Thai society and placing people at the heart of the development agenda. He commended that the event was an accomplishment of a complete and fulfilling process of national social dialogue. He stressed that what was needed now was the political will to move forward at an accelerated pace in keeping with national circumstances and priorities; to create a transparent, efficient and accountable social security system in the context of a sustainable growth model that incorporates decent work and job creation at the centre.



“A collaboration framework on social protection under the United Nations Partnership Framework (UNPAF) has been established under the joint leadership of MSDHS and the ILO.”

- *Supaklerk Hongpukdee*



“The notion of a Social Protection Floor is very important, not a safety net which you cannot stand on or build from, but a Floor upon which all individuals can stand to support themselves and their families.”

- *Maurizio Bussi*



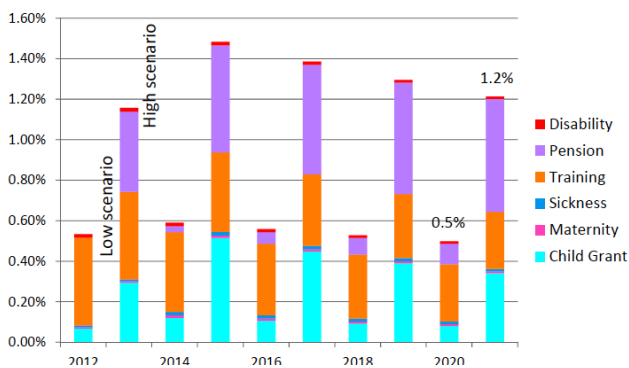


“Thailand really can afford to expand its Social Protection Floor.”

- Valerie Schmitt







3. Presentation of the report

Ms Valerie Schmitt, Social Security Specialist at the ILO Decent Work Team Bangkok, presented the assessment report on behalf of the UN-RTG Joint Team on Social Protection. The outputs of the assessment exercise include the assessment matrix, a cost estimate of completing the Social Protection Floor (SPF) in Thailand and a mechanism for national dialogue and policy coordination. According to Ms Schmitt, the assessment of social protection answers a simple question: *How could the SPF become a reality for all members of Thai society?*



At present, Thailand’s social protection expenditure is 3.8 per cent of its GDP. If the country introduces the benefits recommended in the assessment report, the expenditure will increase by 0.5 to 1.2 per cent of GDP (depending on whether the low or high scenario for benefits is implemented). Subsequently, the budget deficit is estimated to become positive by 2015 to 2018.

The work to be done in the future is not specific to one ministry, but can only be achieved through collaboration between several ministries. Reaching out to the poor and vulnerable could be achieved through the one-stop-service centres, which could provide access to available and adapted social protection services and transfers. Ms Schmitt further reiterated that the UN SPF Joint Team is ready to support the implementation of the recommendations in the report, as per the Royal Thai Government’s prioritisation of policy options.

How to complete the SPF?	In-depth reforms:	How to complete the SPF?	In-depth reforms:
 Universal Health Care already achieved (for Thai citizens)	Create a unified and financially sustainable health insurance system to reduce fragmentation and inequity	 Expand and adapt vocational training	Improve the vocational training system, and introduce linkages between employment & SP to increase employability
 Child support grant (targeted or universal)	Establish early child development services & improve quality of education	 Introduce an additional disability allowance of 500 baht per month	N/A
 Introduce non contributory maternity and sickness benefits	Review SSA section 40 to cover more people with more adequate benefits Improve operations under SSA section 33 (evasion, migrants)	 Index levels of old age allowance on inflation or express as percentage of poverty line	Long-term care system Legislate Old Age Allowance Create a coherent and financially sustainable old-age pension system

4. Panel discussion

Mr Arkhom Termpittayapaisith, Secretary General of the National Economic & Social Development Board (NESDB), mentioned that the reasonable additional cost estimate of 0.5-1.2 per cent of GDP showed that Thailand had been moving in the right direction. Thai society is an ageing one, and people above 60 years of age are expected to form 42 per cent of the population in 30 years. This will have major repercussions on Thailand's labour market and social protection system. However, it should also be seen as a positive element as elderly people bring warmth to social relations. An ageing society will gradually lead to a decrease in the labour force, exacerbating the problem of employers who are already facing a shortage of skilled workers. The answer to this is to use human resources efficiently and improve labour productivity. Everyone should be cared for and educated, trained in useful vocational skills and to work productively.

Dr Somkiat Chayasriwong, Permanent Secretary of the Ministry of Labour, spoke about the need to focus on informal sector workers including agricultural workers and vendors, as well as migrants. These groups have to mainly depend on themselves in their times of need. The country needs to provide them with better opportunities for skills development and entrepreneurship. Often it is seen that people in the informal sector would like to have steady formal sector jobs but take up low-paid and low-protected jobs, perhaps due to social and financial circumstances, lack of education, skills or opportunities.

In Thailand, formal sector workers contribute about THB 5,000 per year and enjoy relatively comprehensive social security benefits. A similar system needs to be secured for the informal sector. However, a problem arises as these workers do not have regular employers. The contributions of informal sector workers need to be higher than those of formal sector workers to make up for the absence of employer contributions. According to Dr Somkiat's calculations, they could contribute an amount in the region of THB 6,600 per year on a voluntary basis and enjoy similar benefits as the formal sector.



"It is important to look after people throughout their life-cycles; through day-care centres for children of working parents, skills training for the workforce and care-giver systems for the elderly."

- *Arkhom Termpittayapaisith*



"The Government considers that informal economy workers should have access to a similar benefit package as formal sector workers."

- *Somkiat Chayasriwong*



(L-R) Dr Somkiat Chayasriwong, Mr Supaplerk Hongpukdee, Mr Arkhom Termpittayapaisith, Dr Somchai Jitsuchon



Supaplerk Hongpukdee



Somchai Jitsuchon



“Building a robust SPF is our shared commitment.”

- *Luc Stevens*



“The report’s findings have been validated by the Sub-Committee on Policy and Planning of the National Commission on Social Welfare.”

- *H.E. Santi Prompat*

Mr Supaplerk Hongpukdee of MSDHS raised the question of which agency (MSDHS, NESDB, and so on) should be the “host” of social protection services. The MSDHS is a policy-making body but it also needs the involvement of other ministries in formulating and implementing social policies. Thailand as a country can afford to provide comprehensive social protection to its people. For some groups, it has achieved more than the SPF, while other groups of people do not yet have access to sufficient levels of protection. Paying of taxes is a major way of financing the social protection system and should be seen as an investment that will produce results in the long run.

Dr Somchai Jitsuchon, Research Director at Thailand Development Research Institute, replied that the building and continuous strengthening of the social security system is a process of alliance and cooperation across ministries and with the civil society.

5. Sharing the report with the Prime Minister’s representative

Mr Luc Stevens, United Nations Resident Coordinator in Thailand, mentioned that the UN/RTG Joint Team on Social Protection, established under the UN Partnership Framework (UNPAF) with the Royal Thai Government for 2012-16, had been working closely together for the past two years under the shared leadership of the MSDHS and the ILO. Mr Stevens acknowledged that over the years Thailand had put in place a range of social protection schemes, including a universal coverage scheme for health care, and emphasized that Thailand needed today a strategy to provide that Floor to all — “a solid ground on which all can equally stand, from which you can only rise further”. Mr Stevens reasserted that the United Nations were ready to support Thailand in this endeavour.

H.E. Santi Prompat, Minister of Social Development & Human Security, spoke about the Assessment Based National Dialogue (ABND) exercise in Thailand, and its importance within the UNPAF framework and for the implementation of the 11th National Economic and Social Development Plan 2012-16. The assessment report puts forth recommendations for providing income security and basic social services to all people in Thailand. It takes into consideration the economic and social situation in the country and Thailand’s fiscal capabilities, to ensure sustainability of social services and transfers. ¹

¹ The full speech can be read at http://www.ilo.org/asia/info/public/speeches/WCMS_216126/lang--en/index.htm

H.E. Padermchai Sasomsap, Minister of Labour talked about the ABND exercise and its importance for the implementation of ILO's Social Protection Floors Recommendation, 2012 (No. 202). The Government's policy conforms to Recommendation No. 202 in several important ways. These include developing the health insurance system and providing adequate coverage for all, ensuring a minimum income of THB 300 per day to enable every worker to live with dignity, preparing to face the challenges of an ageing society and involving the elderly in productive and development activities. Lastly, going forward, Thailand needs to work on providing comprehensive and universal protection and focus its attention on the informal labour force. ²

6. Keynote address on social protection in Thailand

H.E. Niwatthamrong Bunsongphaisan, Minister attached to the Prime Minister's Office and representative of the Prime Minister, spoke about how a comprehensive social protection system provides security to people of all ages and groups, including migrant workers. The country aims to develop a system that will reduce financial burdens of the people and lower debt levels. When the government announced the Universal Healthcare Coverage Scheme, the underlying motto was: "We will not ask you about your right to it, just go to the nearest centre". In its first decade of implementation, the UCS showed a clear positive impact through a declining number of households that could become bankrupt from high health expenditure.

To build a sustainable Social Protection Floor for all, the Minister made three recommendations:

1. Empowerment and creation of opportunities to lift people out of poverty and social vulnerabilities;
2. Capitalising on Thailand's culture of solidarity and mutual help, along with participation from all sectors and institutions, civil society and the private sector; and
3. Development of a database and adapted mechanisms to bring social security benefits closer to the people. ³



"It is the priority of the government to ensure that every Thai citizen has access to social services and to be responsive to the needs of the ever-changing environment."

- H.E. Padermchai Sasomsap



"Human development throughout the life cycle is the main target of the Government for strengthening quality of life together with improving labour productivity."

- H.E. Niwatthamrong Bunsongphaisan

² H.E. Sasomsap's full speech can be read at http://www.ilo.org/asia/info/public/speeches/WCMS_216127/lang-en/index.htm

³ H.E. Bunsongphaisan's full speech can be read at http://www.ilo.org/asia/info/public/speeches/WCMS_216128/lang-en/index.htm



Video “Why is Social Protection important to you?”

http://www.youtube.com/watch?feature=player_embedded&v=ZB40vK05xSs



For further information please contact:

Ms Valerie Schmitt, Social Security Specialist, Tel. 02 288 1767; Email: schmittv@ilo.org

Ms Jittima Srisuknam, National Programme Coordinator, Tel. 02 288 1664; Email: jittima@ilo.org