Social protection assessment based national dialogue:

Towards a nationally defined social protection floor in Thailand

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Launching event of the Assessment report, Bangkok, 10 May 2013

Social security is a human right

All members of society should have access to <u>at least</u> basic social security

National floors of social protection guarantee this basic entitlement

A national social protection floor guarantees that:

1 All residents have access to **essential health care including maternity care**

2 **All children** enjoy basic income security (providing access to nutrition, education and care)

3 **All persons in active age** who are unable to earn sufficient income (e.g. in case of sickness, maternity, unemployment, disability) enjoy basic income security

4 All **older persons** enjoy basic income security

The assessment exercise answers the question:

How the SPF could become a reality for all members of Thai society?

It followed 3 steps

STEP 3 – Finalisation & endorsement

9. Endorsement by UN/RTG joint team and presentation to the government (October 2012 – March 2013)

8. Finalization of the costing and assessment matrix; writing of the ABND report (May-August 2012)

7. Dialogue # 3 to present the results of the costing and discuss the fiscal space (March 2012); Training on costing (May 2012); Training course on Social protection: Assessment, Costing and Beyond (October 2012)

STEP 2 – Costing using the RAP model

National dialogue

1. Inventory of schemes through desk review and bilateral consultations (June 2011)

STEP 1 – Assessment matrix

2. Draft assessment matrix (July 2011)

3. Dialogue # 1 to validate the Assessment Matrix and provide policy recommendations (August 2011)

4. Translation of policy recommendations into "costable" scenarios (September 2011 – March 2012)

5. Dialogue # 2 to validate the choice of scenarios (November 2011, February 2012)

6. Data collection for the RAP protocol and costing of the scenarios (November 2011 - March 2012)
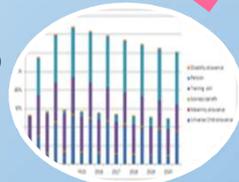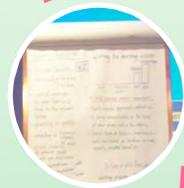
The assessment exercise has 3 outputs

- **An assessment matrix**
- **A costing model**
- **A mechanism for national dialogue and policy coordination**

An assessment matrix:

- A diagnostic of the social protection situation
- A set of recommendations
- A baseline for future monitoring

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

Identification of the coverage & protection gaps XX
(example: working age)

Civil servants, comprehensive protection,- 3.7% EAP

Self employed covered by SSA, section 39 – 2.3% EAP

Private sector employees - covered by SSA, section 33 - 24.4% EAP; by WCA, 22.2% EAP

SSA, section 40 only covers 1.6% EAP

Cash benefits (2,000 baht allowance)

Universal N-C allowance (disabilities, HIV-AIDS) – 1.5% total population

Level of protection

XXXXXXXXXXXXXXXXXXXXXXXXXXXX X

Poor & vulnerable   **Informal economy**   **Private sector**   **Civil servants**

Population

A costing model:

- Projections of population, active age group, economic indicators and government general operations budget
- Costing of some policy options
- Fiscal space analysis
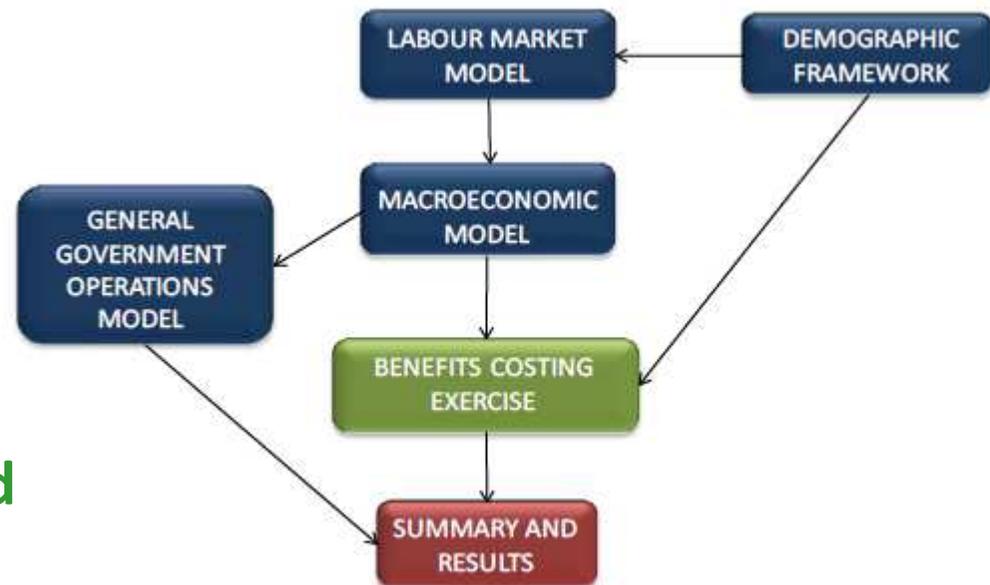
Can be used for informed policy planning and prioritization

A mechanism for national dialogue and policy coordination:

- the UN / RTG joint team on social protection in the framework of the UNPAF on social protection

UN/RTG Team on social protection

UN SPF Team
- ILO (co-chair)
- UNICEF
- UNDP
- UNFPA
- WHO
- UN WOMEN
- UNESCO
- UN RCO

- FAO, WB, IOM, UNHCR

Royal Thai Government group

- MSDHS (co-chair)
- Ministries of Labour, Public Health, Education, Finance, Budget Bureau
- NESDB
- National Commission on Social Welfare
- Statistics Office

Academia, Civil Society, Workers and employers representatives
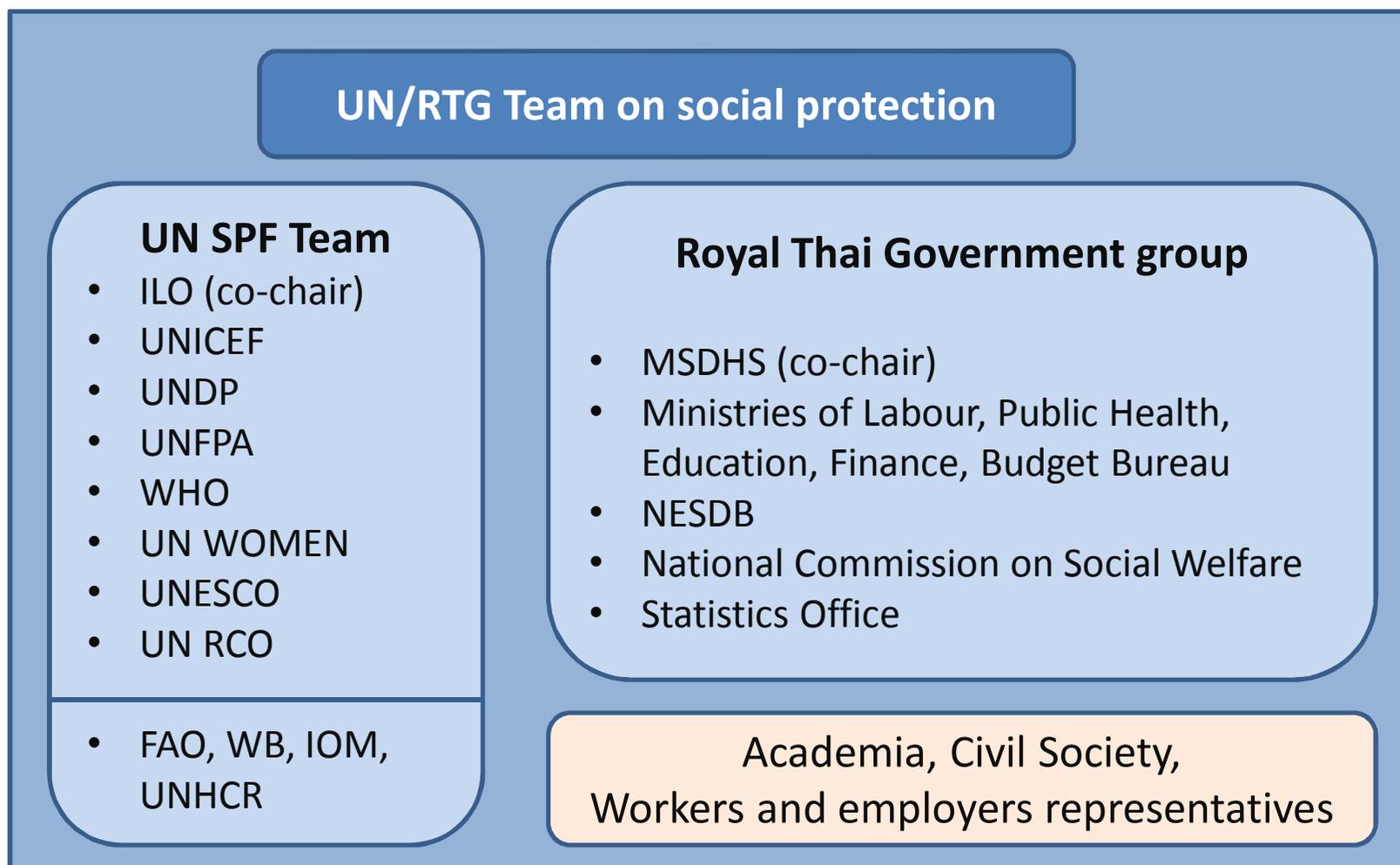
The main results of the assessment exercise:
- **Policy recommendations**
- **Financial implications**
- **Fiscal space analysis**

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**
Child support grant (targeted or universal)	**Establish early child development services & improve quality of education**
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)**

How to complete the SPF?	In-depth reforms:
Expand and adapt vocational training	Improve the vocational training system, and introduce linkages between employment & SP to increase employability
Introduce an additional disability allowance of 500 baht per month	N/A
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

Completing the social protection floor would entail an additional cost of between 0.5 and 1.2 percent of GDP by 2020

High scenario

Low scenario

1.2%

0.5%

Legend	
Disability	(red)
Pension	(purple)
Training	(orange)
Sickness	(blue)
Maternity	(pink)
Child Grant	(cyan)
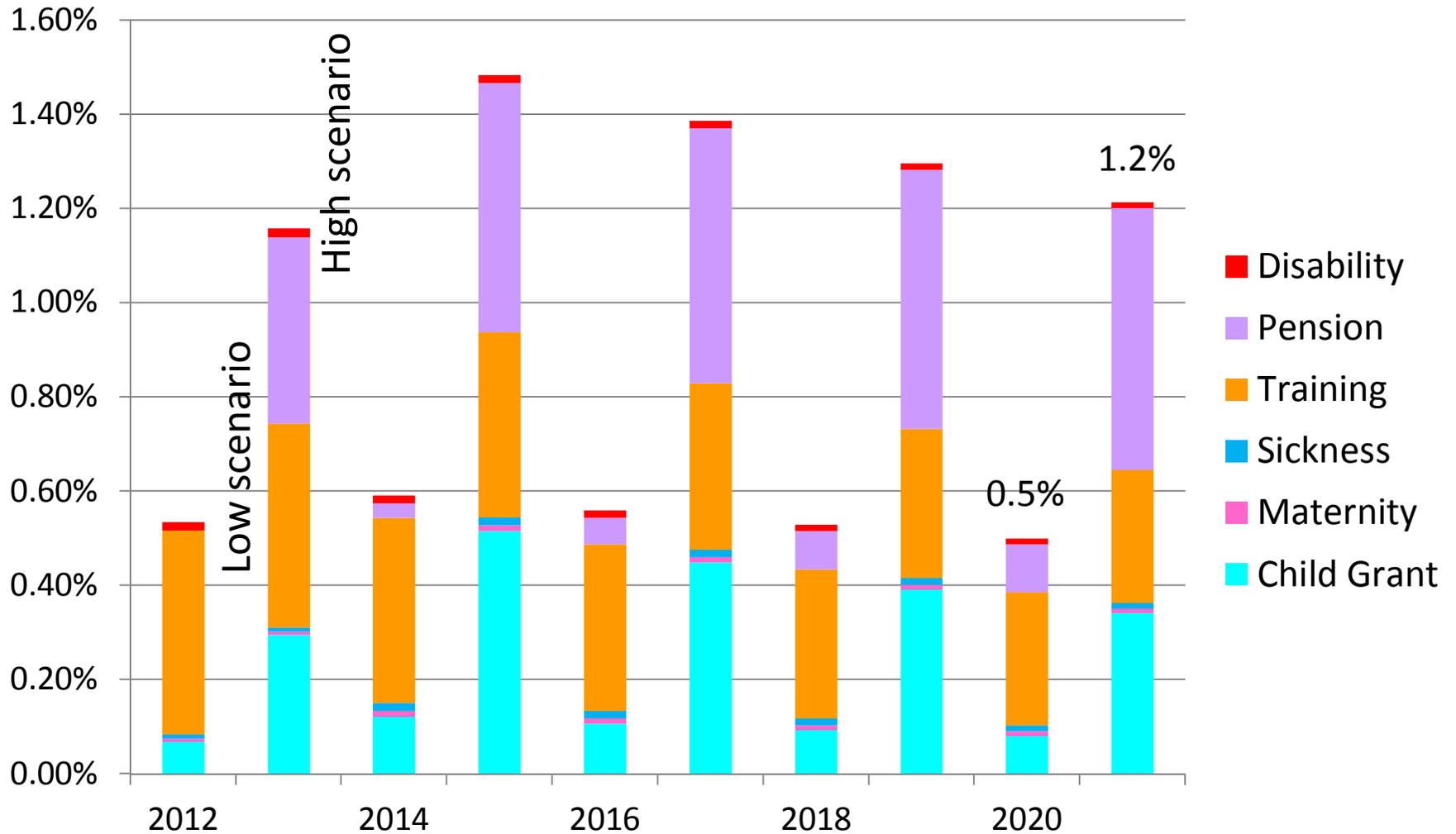
Thailand's social protection public expenditure represent in 2012

- **3.8 percent of GDP and**
- **18.1 percent of Government expenditure**
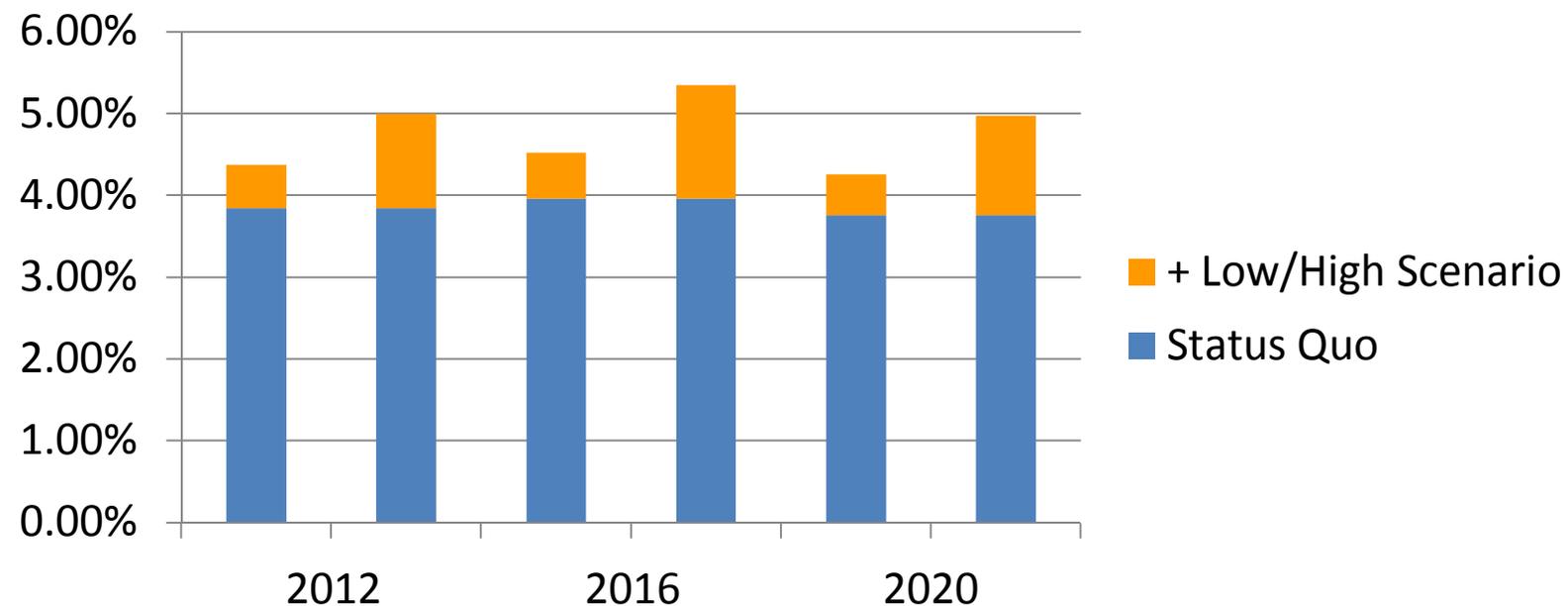
Low and high scenarios would increase SP public expenditure to:

- **4.3 and 5.0 percent of GDP by 2020**
- **22.6 and 26.3 percent of Government expenditure by 2020**

In the case low and high scenarios are entirely financed by Government budget:
- **This would increase the government operations' deficit**
- **Government general operations would be again balanced in 2014 & 2017**
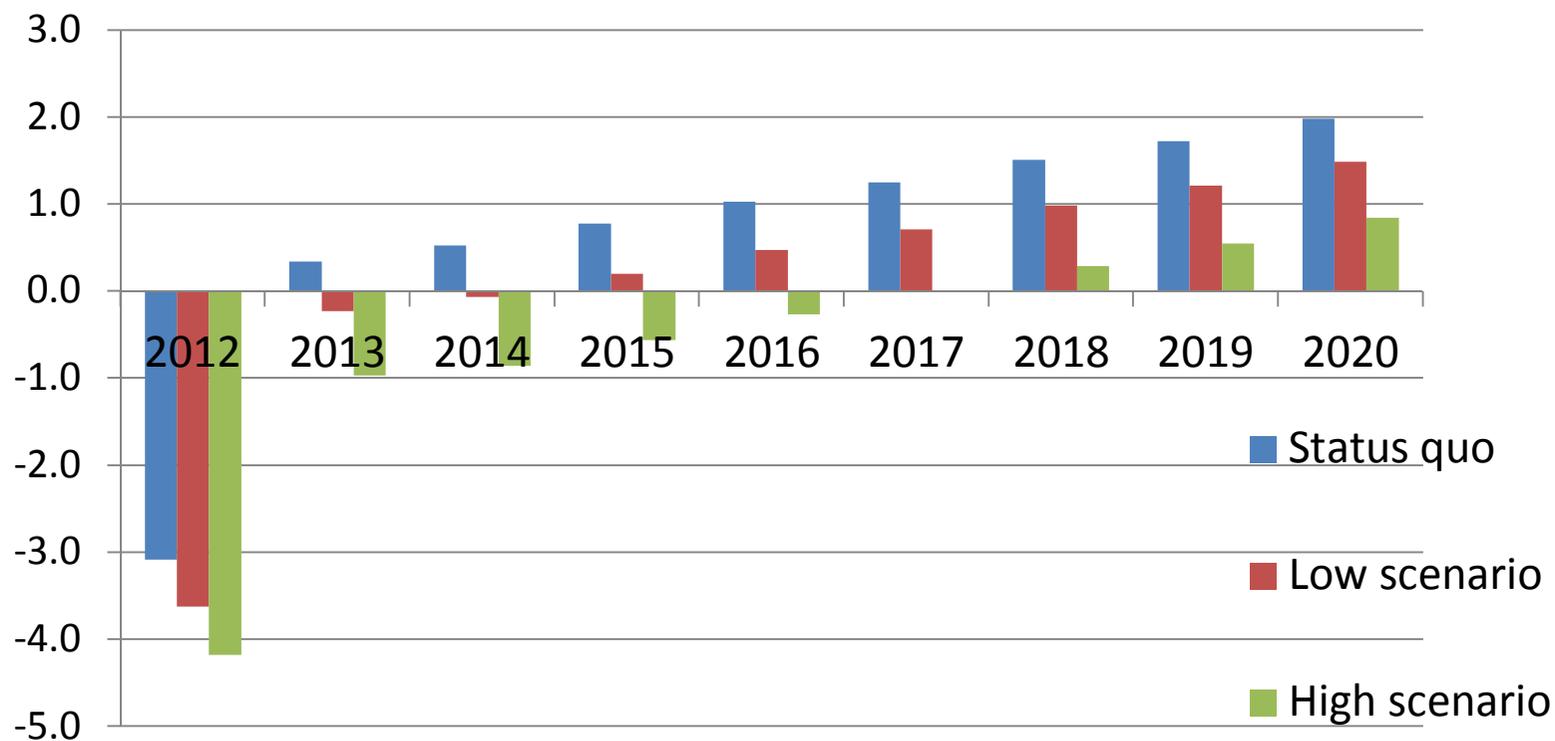
**Beyond the assessment:
what's next?**

- **2** simplified packages for the informal sector
- **Integrated approaches** to face the challenge of rapid ageing and ASEAN integration

2 simplified packages for the informal sector

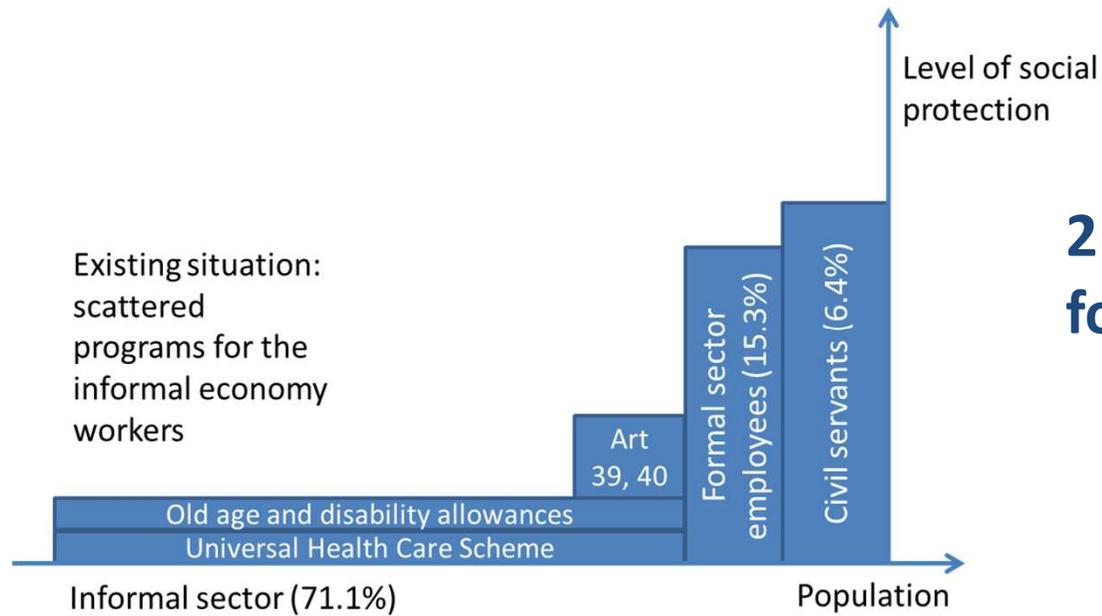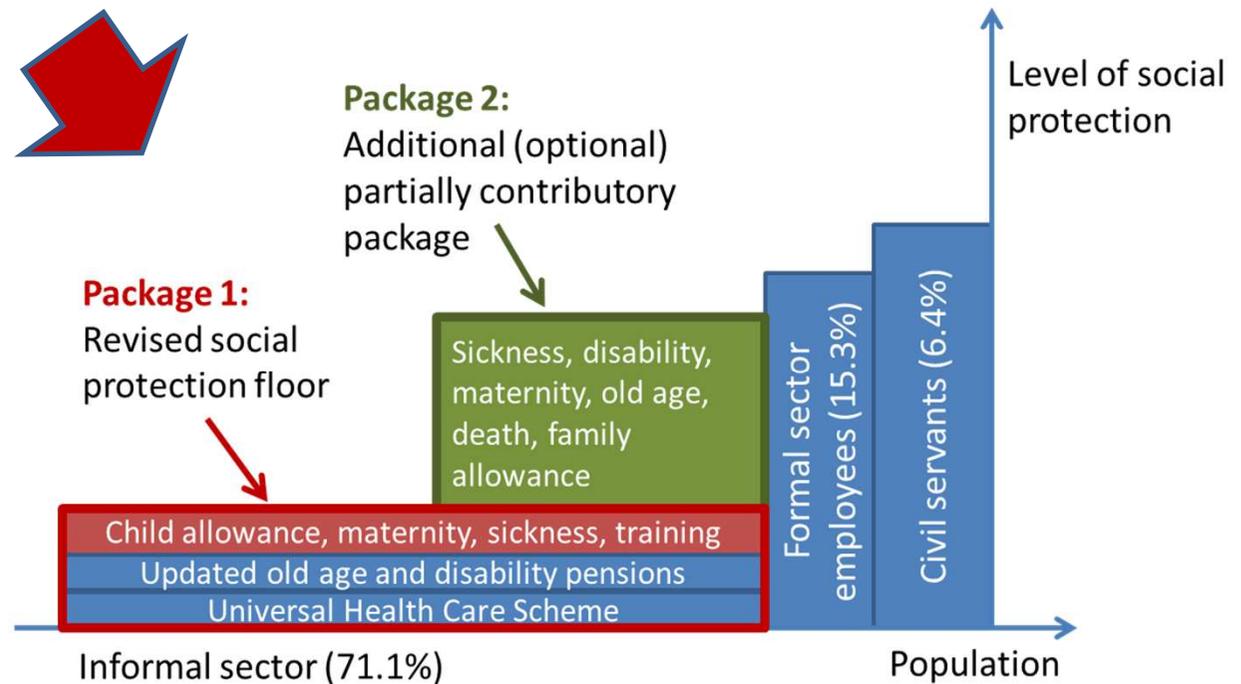Existing situation: scattered programs for the informal economy workers

Level of social protection

Art 39, 40

Formal sector employees (15.3%)

Civil servants (6.4%)

Old age and disability allowances

Universal Health Care Scheme

Informal sector (71.1%)

Population

Package 2:
Additional (optional) partially contributory package

Package 1:
Revised social protection floor

Level of social protection

Sickness, disability, maternity, old age, death, family allowance

Formal sector employees (15.3%)

Civil servants (6.4%)

Child allowance, maternity, sickness, training

Updated old age and disability pensions

Universal Health Care Scheme

Informal sector (71.1%)

Population

Integrated approaches (cross-ministerial, combined packages)
- **Long term care**
- **Child development**

Integrated delivery
- **Single window service**
- **Case management**
- **Monitoring systems**

Long-term care integrated packages

Child support grants & services

Skills development

Families

Children, Working age, Elderly & Disabled

Case management

Monitoring systems