



# Economic and Social News

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## Thailand's Social Development in Q2/2015

Office of the National Economic and Social Development Board (NESDB) released the official report on Thailand's social development in the second quarter of 2015. Details of the situation are described as follows.

### Social situations and indicators in Q2/2015

#### **Lower employment, yet unemployment remained low while income increased at slower pace**

In the second quarter of 2015, the number of overall employment was 37,751,800 persons, an equivalence of 0.2 percent decrease, with agricultural employment dropped by 5.8 percent from the same quarter last year. Droughts which widely affected many areas caused farmers to postpone their cultivation from May to the end of July. Consequently, 315,848 farmers and agricultural workers became seasonally inactive labor force, causing the seasonally inactive labor force went up to 30.7 percent, which is not accounted for unemployment. However, employment in non-agricultural sectors went up by 2.6 percent, compared to that of 0.3 percent decrease in the same period last year. This was consistent with 3.5 percent growth of non-agricultural sectors increase. Therefore, the total unemployment rate was recorded at 0.88 percent, with the average working hours equal to 43.6 hours per person per week, a 1.5 percent reduction from the same period last year. Wages and salaries in the private sector, excluding overtime pay and other benefits, rose by 2.5 percent from the same period last year. During this quarter, the labor productivity per labor increased by 3.4 percent. In response to recent droughts, the Ministry of Agricultural and Co-operatives has issued 3 measures aimed to provide farmers some assistance, including cultivation postponement allowance, alternative crops promotion, and cooperation with the Bank for Agriculture and Agricultural Cooperatives to provide funds for integrated agriculture system. Additionally, the Cabinet has agreed to allocate 6.54 billion Baht of government budget for short-term measures aimed to help agriculturists, farmers and the poor in need.

Issues to be closely monitored include: (1) labor income for both agricultural sector, due to the effects from lower production and declined agricultural products' prices, and non-agricultural sectors, due to the reduction in working hours in some industries, (2) employment suspension as a result of the continuously decline trend in exports and the recent relocation of factories to neighboring countries.

Labor force survey in Q2/ 2015

	2557	2557				2558	
	Year	Q1	Q2	Q3	Q4	Q1	Q2
Total labor force (Millions)	38.6	38.5	38.4	38.8	38.6	38.3	38.4
1. Employed (Millions)	38.1	37.8	37.8	38.4	38.3	37.6	37.8
(%YoY)	-0.4	-0.4	-1.2	0.3	-0.1	-0.5	-0.2
1.1 Agriculture (%YoY)	-2.4	1.0	-2.9	-2.2	-4.9	-4.4	-5.8
1.2 Non-agriculture (%YoY)	0.7	-1.0	-0.3	1.7	2.5	1.3	2.6
2. Unemployed (Millions)	0.3	0.3	0.4	0.3	0.2	0.4	0.3
Unemployment rate (%)	0.84	0.89	1.00	0.84	0.61	0.94	0.88
3. Seasonally inactive labor force (Millions)	0.1	0.3	0.2	0.1	0.1	0.3	0.3
Share to labor force (%)	0.5	0.8	0.6	0.2	0.3	0.8	0.8

Source: National Statistical Office

### Household debts continued

**to slow down.** Household debts in the first quarter of 2015 stood at 10,570,142 million Baht, an equivalence of 6.4 percent increase and a contribution of 79.9 percent to the GDP. In the second quarter of 2015, total outstanding of commercial banks' personal consumer credit went up by 7.0 percent, compared to that of 8.8 percent in the same period last year. Car and motorcycle loans unceasingly declined for 3 consecutive quarters with 3.7 percent drops, while home loans, land purchases and other consumptions have gone up. **Default debts on personal loans, under supervision loans and credit cards continued to increase by 15.5 percent, 22.8 percent and 28.0 percent respectively,** with non-performing loans (NPLs) continuously rising. During the first and second quarters, the government have tackled the household debts problem with several measures including, (1) Nano-finance loans scheme in which 9 licenses have been issued with 3 operators already in operation and (2) a debt moratorium scheme for teachers by setting up 3 committees to monitor, follow-up and provide debt re-structuring programs for indebted teachers as well as setting up new criteria and conditions for the fund's loans in order to prevent further debts among teachers in the future. Furthermore, the credit limit for teachers will be raised from 200,000 baht to 300,000 baht, in cooperation with the Government Saving Bank (GSB) to restructure debts for teachers.

**The quality of education needs urgent improvement.** The ONET results between 2010–2514 had the average scores of the main subjects less than 50 percent, with the mean of Year 12's subjects ranked between 29.52–37.31 scores. Students obtaining education in Bangkok still had higher average scores than students from other regions in all subjects. Consequently, the government has been trying to improve the quality of education nationwide, with the Education Policy Development and Scrutiny Committee acting as a focal point to have the system integrated at all levels and regions. Education-related agendas urgent need to be pushed forward include the basic education core curriculum improvement,

more flexible timetable adjustment, a better management and incorporation of history subject and inclusion of a subject aimed to teach the roles and responsibilities of good citizens, English skills improvement, long-distance learning via satellite program expansion, long-distance learning quality improvement via the use of ICT by selecting schools with highest learning capacity and human resource readiness as pioneers, inclusion of firms and companies' roles and participations in curriculum improvement in order to more correctly reflect the labor demand as well as improvement in both teaching and recruitment processes of teachers nationwide.

**Patients diagnosed with diseases under surveillance increased, especially dengue fever that had tripled in this quarter.** The overall number of patients diagnosed with diseases under surveillance rose by 8.2 percent from the same quarter last year, with dengue fever marking triple increases in the case numbers. Contagious diseases easily spread during rainy season and Middle East Respiratory Syndrome (MERS) need to be closely monitored, as well as depression and people with suicidal tendency, given the recent increasing trend.

**Expenditure on alcohol and cigarette increased, distribution of alcohol near schools and education institutions needs to be closely watched.** Expenditure on alcohol consumption recorded in quarter 2 of 2015 was 33,971 million Baht, an equivalence of 3.3 percent increase from the same quarter last year. Alcohol consumption rate rose from 32.2 percent in 2013 to 32.3 in 2014. Similarly, spending on cigarette also increased by 2.3 percent compared to the same period last year, with the estimated total value of 15,212 million Baht. Despite, the slight reduction in the alcohol consumption among youth, the easy access to alcohol among this population group still need to be placed under close monitor as there are a large number of shops and entertainment facilities serving alcohol located near schools, education institutions and dormitories. These shops and facilities have been reported to sell alcohol to youths aged less than 20 years old. As a result, the National Council for Peace and Order (NCPO) has issued a regulatory order titled "Alcohol Restriction and Control in Entertainment Venues or Similarly Facilities" in order to have a alcohol restriction related mandate in place to deal with and prosecute people intentionally selling alcohol to youths.

**Overall security of life and property improved, with better narcotics situation due to more effective laws enforcement, however, assault and robbery cases are on the tendency to rise.** In the first quarter of 2015, the total number of crime cases decreased 30.9 percent compared to the same quarter in 2014. However, cases of violence against property increased by 4.6 percent while life, physical and sexual offence cases rose by 8.8 percent. Despite drugs and narcotics related cases still contributed highly to the total case numbers with the record of 77.3 percent, it showed a very impressive drop of 37.3

percent, owing to the government's recent commitment and tightened measures aimed to tackle such problem, both short and long terms as well as its well-executed set of strategies to stop drugs and narcotics to enter the country from borders.

**Create road-safety behavior for pedestrians and drivers to reduce death tolls from car accidents.** Even though car accidents in the second quarter of 2015 decreased 3.4 percent and casualties dropped 11.8 percent in comparison to the same quarter last year, death tolls of pedestrians being hit by cars accounted for 15 percent of the casualties and seemed to be increasing due to many risk factors. Most of the accidents occurred on roads with no traffic islands and the pedestrians were often hit on direct roads or intersections, which led to severe accidents and losses.

**Thailand's determination in resolving human trafficking continued firmly for security and humanity.** Despite its effort to undertake the problem, Thailand remained in the third tier for the second year according to the evaluation from April 1, 2014 to March 31, 2015 by the Ministry of Foreign Affairs of the United States. Thailand continued to tackle human trafficking for security and humanity under the international standard of 5P (Policy, Prosecution, Protection, Prevention, and Partnership). In particular, it focused on integration of related agencies to work together and strict law enforcement to prevent repeated crimes. The Thai government also enhanced public relations on the problem and prevention of human trafficking to raise awareness. Government officials ought to take the issue seriously without yielding to outside influences.

**Consumer protection with regard to trans-fat still needed to be promoted.** Led to increased coronary and mortality risks, many countries such as the US and Denmark had already pushed measures to reduce trans-fat use. Many popular foods in Thailand including donuts, wafers, croissants and margarine contain trans-fat. However, there is no regulation on food labeling to include the amount of trans-fat. Related agencies should regulate labeling as well as educate consumers about the increased coronary and mortality risks from trans-fat.

**Deal with global climate change by low carbon society concept.** Thailand released greenhouse gases at an increasing rate of 3.44 percent per year. When deducting the greenhouse gases that were being removal from farming and forestry, the rate recorded 3.28 percent per year. The rise in greenhouse gas release led to climate change and the effects became increasingly severe as seen by higher temperatures, changes in seasonal patterns and increased number of natural disasters. To adopt the low carbon footprint lifestyle, consumers need to consciously choose goods and services produced with the most natural process that created minimal impacts on environment.

### Key social issues “Works for elderly: a necessity”

Thai elderly increased from 6.8 percent in 1994 to 14.9 percent in 2014 and is expected to reach 32.1 percent in 2040, leading to a higher dependency ratio. According to the National Transfer Accounts, in 2040 the high portion of the elderly will lead to higher labor income deficits. Elderly will lack income security due to insufficient savings for the prolonged length of life expectancy after working age. Moreover, transfers from their offspring will decline due to labor shortages while depending on labor from neighboring countries will be limited as they are entering the elderly stage at the same time. Fiscal burden will bring expenditures on social benefit schemes for the elderly higher.

In 2014, there were 3.8 million elderly workers, which accounted for 38.4 percent of all the elderly population. Two third of them were self-employed without employees, and 90 percent was in the informal workforce. This was consistent with the ratio of private employees that stopped working before age 60. Elderly workers in the agricultural sector accounted for 63.8 percent of the elderly workforce. While the elderly workers in formal sector were in agriculture, manufacturing, whole and retail trades—sectors with labor shortages. On the demand side, the private sector is aware of aging society but lacks the knowledge on its consequences and measures to deal with the problem. Hotels and restaurants, and transportation are sectors with most employment extension after the retirement age. On the supply side, most elderly workers want to work until age at 60. Since the retirement age in most private sectors is 55 years old, and they deem people with age more than 60 should be resting. Sixty percent of the workforce is unsure of whether they should extend their working age due to the lack of clear policy direction and are afraid that they will lose their social security benefits. Hiring the elderly should be voluntary and flexible. Moreover, the public sector should step in to provide incentives and to create a mechanism in attracting the elderly to work as well as spreading the awareness on the necessity of extending the age of our workforces. Other countries that have passed this stage also used incentives to attract the elderly into the workforce and to change attitudes toward working at older ages.

#### **Important social issues that need to be monitored include:**

1. Factors that will impact the quality of life of workforce are lower incomes in the agricultural sectors due to the drop in yields and prices. Moreover, employees had fewer hours as their employers reduced operating hours. The move of production base to neighboring countries and the fall in exports also led to unemployment.
2. Battle with crimes. Strict law enforcement is needed to prevent and control crimes as well as to create social values against crime.

3. Creating safety for pedestrians. Strict traffic law enforcement, creating driving discipline on the road and proper speed limits are needed.

4. Encouraging the elderly to work by (1) Creating incentives on both the demand and supply sides. Incentives for the elderly to extend their working age are such as creating works that are flexible and appropriate for the elderly, reducing early retirement, and providing training to enhance their work capacity. Moreover, rules and work benefits for retirement should be revised. Employers should also be made aware of the ageing society and its consequences. Some jobs should be reserved for the elderly only. Moreover, work condition for the elderly should be revised. (2) Reducing the friction in hiring the elderly by changing the attitudes and values towards the elderly. Moreover, create work environment and condition to support the elderly to work in the society. (3) Supporting measures include passing a law banning discrimination against elderly workers, and creating a database and screening system for the elderly who wants to work. Moreover, develop an evaluation system and proper compensation rates for the elderly as well as develop job center for the elderly. (4) Creating a fiscal and monetary system for saving and retirement pensions that accommodate the elderly to extend their working ages. Moreover, consider policies on universal pensions to reduce disparity between groups. And (5) Preparing Thais to age gracefully and become a driving force to the society. Preparing Thais to enter the elderly stage with high capacity and good health by starting at young age to take care of Thai people health in all stages of life. Moreover, provide occupational and skill training on jobs that are in demand for the elderly to become part of the important driving force of the country. Providing information to create awareness that Thailand is entering aging society and its impact on the society in every dimension on employees, workers, families and institutions is essential.

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## Key Social Indicators

Components	2013	2014	2013				2014				2015	
	Year	Year	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
<b>1. Employment<sup>1/</sup></b>												
Workforce (Thousands)	38,661	38,576	38,502	38,789	38,678	38,676	38,454	38,442	38,811	38,598	38,279	38,404
%YOY	-0.1	-0.2	1.04	0.69	-0.94	-1.00	-0.12	-0.89	0.35	-0.20	-0.45	-0.10
Employed person (Thousands)	38,216	38,077	37,965	38,267	38,318	38,316	37,812	37,815	38,421	38,262	37,612	37,752
%YOY	-0.1	-0.4	1.32	0.85	-1.18	-1.26	-0.40	-1.18	0.27	-0.14	-0.53	-0.17
Unemployed person (Thousands)	281.7	322.7	269.6	288.0	312.6	256.6	341.1	385.7	326.6	237.3	361.3	336.1
Unemployment rate (%)	0.73	0.84	0.70	0.74	0.81	0.66	0.89	1.00	0.84	0.61	0.94	0.88
Underemployed person (Thousands)	273.7	256.3	308.7	220.1	274.3	291.8	277.9	258.1	245.1	244.1	281.2	277.2
<b>2. Health and illness</b>												
<b>Number of patients under disease surveillance (cases)<sup>2/</sup></b>												
- Measles	2,647 (-49.2)	1,184 (-55.3)	937	788	618	304	340	321	313	210	203	214
- Meningococcal Meningitis	14 (75.0)	14 -	3	2	2	7	4	3	2	5	4	7
- Japanese encephalitis	723 (6.3)	594 (-17.8)	183	192	175	173	140	143	153	158	169	144
- Cholera	8 (-82.2)	12 (50.0)	4	1	1	2	2	2	6	2	2	2
- Hand, food and mouth	46,131 (1.8)	65,835 (42.7)	9,585	8,853	18,087	9,606	9,662	19,732	27,792	8,649	9,409	7,862
- Dysentery	9,586 (-26.8)	8,106 (-15.4)	2,733	2,710	2,465	1,678	2,326	2,261	2,050	1,469	1,686	1,729
- Pneumonia	185,481 (-5.3)	200,710 (8.2)	55,424	35,238	49,812	45,007	60,599	38,215	56,775	45,121	55,688	41,573
- Leptospirosis	3,103 (-27.4)	2,263 (-27.1)	639	634	974	856	393	462	774	634	278	424
- Dengue fever	154,773 (94.5)	40,999 (-73.5)	21,979	53,050	65,382	14,362	4,953	8,222	16,554	11,270	7,493	24,581
- Influenza	43,941 (-29.2)	74,065 (68.6)	17,394	6,062	11,631	8,854	30,899	11,178	16,146	15,842	24,172	10,577
- Rabies	5 -	6 (20.0)	1	2	2	-	2	1	2	1	1	2
<b>Numbers of patients with chronic non-communicable diseases (cases)</b>												
- High blood pressure	8.0 (40.4)	n.a.	No quarterly data available									
- Ischaemic heart disease	26.9 (14.5)	n.a.										
- Cerebrovascular disease	36.1 (13.9)	n.a.										
- Diabetes	14.9 (23.1)	n.a.										
- Cancer and tumors	104.8 (6.4)	n.a.										
<b>3. Social security</b>												
- Patients from road accidents (cases)	6,938	5,998	2,171	1,720	1,470	1,577	1,884	1,577	1,285	1,625	1,534	1,391
- Crime against person (cases)	23,915	23,916	6,189	6,311	5,856	5,559	5,882	6,021	5,839	6,174	6,135	6,550
- Property crimes (cases)	50,213	46,722	12,650	12,355	12,934	12,274	11,705	11,846	11,733	11,438	11,065	12,385
- Narcotics (cases)	445,919	384,644	112,456	112,926	117,629	102,908	94,997	102,582	97,907	89,158	81,721	64,352
<b>4. Consumer protection<sup>3/</sup></b>												
<b>4.1 Number of complaints (cases)</b>												
- Advertisement	2,729	2,571	758	663	632	676	287	843	805	636	632	753
- Label	2,631	2,352	759	555	709	608	254	682	752	664	572	726
- Contract	1,033	1,515	310	233	244	246	131	621	519	244	260	272
- Law	624	69	541	6	37	40	10	15	39	5	4	1
- Direct sales and direct marketing	76	131	12	31	24	9	0	0	0	131	54	159
<b>4.2 Hot line 1166 (cases)</b>	41,773	38,701	10,321	10,314	12,348	8,790	3,410	10,804	12,703	11,784	12,293	12,300

Source: 1/ Labor force survey report, National Statistical Office, Ministry of Information and Communication Technology

2/ Bureau of Epidemiology, Department of Disease Control, Ministry of Health

3/ Office of the Consumer Protection Board, Office of the Prime Minister