



# Economic and Social News

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## Thailand's Social Development in Q2/2014

Office of the National Economic and Social Development Board (NESDB) released the official report on Thailand's social development in the second quarter of 2014. Details of the situation are described as follows.

### Social situations and indicators in Q2/2014

**Employment declined, unemployment rate increased while income rose but agricultural labor productivity remained low**

In the second quarter of 2014, employment declined by 2.8 percent as drought caused a decline in agricultural employment by 17.9 percent. On the contrary, employment in non-agricultural sector increased by 6.8 percent. Unemployment rate was recorded at 1.0 percent compared with 0.74 percent in the same period last year. Average working hours stood at 44.3 hours per person per week, decreasing by 1.0 percent compared with the same period last year. Wages and salaries in the private sector excluding overtime pay and other benefits after deducting the inflation rate went up by 9.8 percent.

Labor force survey in Q1/ 2014

	2012		2013				2014	
	Year	Year	Q1	Q2	Q3	Q4	Q1	Q2
Total labor force (Millions)	39.4	39.4	39.1	39.5	39.5	39.4	38.5	38.4
1. Employed (Millions)	38.9	38.9	38.5	38.9	39.1	39.1	37.8	37.8
(%YoY)	1.3	-0.1	1.0	0.7	-0.9	-1.0	-1.8	-2.8
1.1 Agriculture (%YoY)	3.7	-0.2	1.2	0.5	-1.7	-0.4	-13.7	-17.9
1.2 Non-agriculture (%YoY)	-0.3	-0.03	1.4	1.1	-0.8	-1.9	4.8	6.8
2. Unemployed (Millions)	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.4
Unemployment rate (%)	0.66	0.72	0.72	0.74	0.77	0.65	0.89	1.00
3. Seasonally inactive labor force (Millions)	0.2	0.2	0.3	0.3	0.05	0.1	0.3	0.2
Share to labor force (%)	0.5	0.5	0.9	0.7	0.1	0.3	0.8	0.6

Source: National Statistical Office

Labor productivity during 2012-2013 was averaged at 4.1 percent. Although this was higher than 3.0 percent target of the 11<sup>th</sup> Development Plan, the increase only occurred in industrial and services sector by 2.2 percent and 6.6 percent, respectively. Labor productivity of agricultural sector accounting for 39.6 percent share of labor only rose by 0.8 percent.

**Household debts slowed down** in the second quarter of 2014 in line with economic conditions. However, default payments need to be under a close watch. Total outstanding of commercial banks' personal consumer credit stood at 3,334,029 million baht, an 8.8 percent growth slowing down for six consecutive quarters. This slowdown owed mainly to the expiration of the First-car Tax Rebate Scheme and some concerns over future income and employment condition. This consequently caused households to slow down on their spending. Outstanding loans for cars (26.5 percent share) decreased by 1.2 percent while that for housing and for other

consumer loans increased by 12.7 percent and 13.6 percent, respectively. Meanwhile, default debts need to be in a close monitor as non-performing loans (NPLs) rose by 29.4 percent, reaching 2.5 percent share of total outstanding debts. Credit default of over three month increased by 50.5 percent, with value of 12,810 million Baht. Similarly, the unpaid credit card balance of over three months registered a value of 7,497 million Baht, an increase by 28.4 percent.

**Education that promotes good Thai citizens is a key factor to raise social responsibility.** This is in regards to awareness of civil rights and responsibility, national history and practices of good citizens. International Civic and Citizenship Education Study (ICCS, 2009) surveyed students at lower secondary schools (Grade 8) in 5 Asian countries, Taiwan, Korea, Hong Kong, Indonesia and Thailand. Results showed that students in Taiwan, Korea and Hong Kong had more civil knowledge than students in Thailand and Indonesia. The former three countries all had scores higher than 550 while the latter two scored 452 and 433, respectively. The scores for Thailand and Indonesia were lower than Asian average of 502. In addition, the survey on education and civil responsibility by NESDB and College of Population Studies, Chulalongkorn University found that only two-third of the Thai people has the knowledge of basic Thai history. It also found that youths tended to answer basic history questions more correctly than adults. In response, issues on raising awareness of civil responsibility, building royalty to the nation, religion and the King, raising social responsibility by all institution units (education, family, community and society) have been recently reviewed.

**The overall number of crime cases dropped while the cases against life, bodily harm and sex tend to be more violent.** In the second quarter of 2014, total number of crime cases declined by 12.6 percent compared with the same quarter last year. The cases of offences against property and the cases on body and sex dropped by 4.1 percent and 5.4 percent, respectively. The narcotics cases served the largest share of 84.4 percent of total crime cases, declined by 14 percent compared with the same quarter last year. Situation on safety of life and property under the NCPO administration in June showed total number of 40,800 crimes reported, a 5.7 percent increase from the May record. Number of crimes against property and that of physical and sexual assaults rose by 3.6 percent and 3.7 percent, respectively. The narcotics cases of 34,785 crimes and 36,682 arrests reported and increased by 6 percent.

**Measures to reduce road accidents, particularly from public vans need cooperation from all parties and serious enforcement.** In the second quarter of 2014, the number of deaths from road accidents declined by 17.9 percent compared with the same quarter of 2013. However, total number of accidents was recorded at 14,255 cases, a 5.1 percent increase from the same quarter of 2013. For the month of June, under NCPO administration with policy to increase security in every area, the number of road accidents was 4,438 cases and 434 deaths, decreasing from May records by 5.8 percent and 5.7 percent, respectively. Moreover, accidents in public vans were the highest among public vehicles. According to Consumer Protection Center, Foundation for Consumers, the average number of

deaths from public van accidents was 6 deaths per month during 2011-2013. On first half of 2014, number of traffic accidents recorded by the Royal Thai Police showed 377 accidents from public vans. However, the follow-up survey on “Five Real Actions for Five Traffic Violations” during June-July found that 97 percent of Bangkok population would like the policy to carry on. Towing the vehicles parked on the prohibited areas reduced traffic by 88 percent, leading to 77 percent improvement in Bangkok traffic and smaller number of violations.

**Human trafficking needs cooperation from all parties to resolve the problem entirely.** Thailand was downgraded to the lowest Tier 3 in the Trafficking in Persons Report (TIP Report) 2014, along with Malaysia, North Korea and Venezuela. There were also 20 other countries considered to have severe human trafficking situation without improvement in government measures. Therefore, the urgent measures include (1) protection for population with high risk to become victims of human trafficking, (2) review of TIP Report 2014 recommendations for Thailand to better resolve, (3) serious address of corruption problem, (4) solving of forced labor in manufacturing and fishery, and (5) development of database with acceptable standards and data supports from all parties.

**Commercial surrogacy through loopholes in medical practices has increased** as Thailand currently does not have direct law on surrogacy. In response, the NCPO already approved on the draft of Protection on Child Born under Assisted Reproductive Technology Act B.E.... and assigned Office of the Juridical Council to review the draft before presenting to the National Legislative Assembly. The NCPO also assigned the MOPH, the Medical Council of Thailand and related agencies to review the necessity of the law on Stem Cells. If it is, the draft should be presented to the NCPO promptly. Currently, there is increasing commercial surrogacy services in Thailand due to good Thai medical standards at reasonable expenses. This posted adverse effects on Thai society in terms of legal, morality, social as well as health.

#### **Key social issues “Early childhood...the begin of life-cycle development”**

**Early childhood development is an issue that needs to be urgently addressed as they are the human capital of the country in the future.** Issues and measures relating to early childhood development are as follows:

**Children in early ages, particularly those in poor households, are still facing malnutrition and underdevelopment problems.** The Thailand Multiple Indicator Cluster Survey 2012 (MICS4) showed that 7.6 percent of newborn children in Thailand were weighted lower than 2,500 grams. Also, 9.2 percent of children under 5 years old were underweighted, 16.3 percent with stunted and 6.7 percent wasted (weight-for-height ratio lower than standard). Factors affecting malnutrition include mother’s education level and socio-economic status. Children in poor households with lower education mothers tended to have malnutrition. As much as 23.1 percent showed chronic lack of nutrition. In 2013, 11.1 percent of children aged 3-5 years were found iodine deficient. Only 54 percent of very poor households were found to have sufficient

iodine intake Moreover, 42 percent of rural children aged 6 months to 3 years were found to be anemic. A survey by the Department of Mental Health found that children aged 6-15 years had average IQ of 98.59 in 2011, lower than international standard and lower than Asian average.

**Social protection for children in early ages is not universally covered.** Social protection programs are important supports to prepare parents and reduce burdens for family. This is particularly true for the poor and disadvantaged households, parents having low education or lack of awareness for early childhood development. Accordingly, government has provided these social protection programs which cover the children e.g. educational expenditure for children from kindergarten to compulsory education, school lunch and milk, child development centers and universal health care scheme. However, there are issues on social protection for children in early ages requiring further attention e.g. **on education**, there are problems in accessibility for poor households and quality of child development centers; **on social protection**, there is no programs for children before the pre-school (0-2 years). Also, children aged 3-5, particularly the poor, did not go to school and therefore did not receive provision of food nor skill development.

**Key issues needed to be closely monitored in the near term are as follows:**

1. **Enhancing agricultural labor productivity** as a major factor for raising income level and overall labor productivity.
2. **Holistically prevent and resolve narcotic drugs problem** in order to create social stability. Policy should cover measures to motivate drug-addicts to receive treatments and will not return to using drugs, monitoring system on treated persons to happily return to society and have security in life, effective prevention and suppression measures focusing on bringing down the entire drug-trading structure.
3. **Promote cooperation from all parties in continuously reducing road accidents in public vans.** This should include resolving accidents from speed-driving.
4. **Push forward the law covering the entire system of surrogacy** in order to prevent improper profit-seeking activities. Also, monitor online network strictly such that it is not used as a channel for commercial surrogacy.
5. **Promote early childhood development, both intellectually and emotionally** by expanding the coverage and quality of social protection, enhancing family institution from reproductive health to child care and promoting roles of teachers and schools in child development. Government should continuously subsidize or provide both financial and in-kind assistance to poor children and support more community participation.

Office of the National Economic and Social Development Board (NESDB)

25<sup>th</sup> August 2014

## Key Social Indicators

Components	2012	2013	2013				2014	
	Year	Year	Q1	Q2	Q3	Q4	Q1	Q2
<b>1. Employment<sup>1/</sup></b>								
Workforce (Thousands)	39,409	39,395	39,134	39,489	39,467	39,445	38,454	38,442
%YOY	1.25	-0.02	1.04	0.69	-0.94	-1.00	-1.74	-2.65
Employed person (Thousands)	38,941	38,919	38,516	38,912	39,112	39,087	37,812	37,815
%YOY	1.24	-0.05	1.32	0.85	-1.18	-1.26	-1.83	-2.82
Unemployed person (Thousands)	258.8	284.0	280.5	292.1	305.6	255.9	341.1	385.7
Unemployment rate (%)	0.66	0.72	0.72	0.74	0.77	0.65	0.89	1.00
Underemployed person (Thousands)	347.4	336.6	393.8	277.6	327.5	346.0	277.9	258.1
<b>2. Health and illness</b>								
Number of patients under disease surveillance (cases) <sup>2/</sup>								
- Measles	5,207 (65.0)	2,642 (-49.3)	937	793	619	293	345	325
- Meningococcal Meningitis	8 (-63.6)	15 (87.5)	3	3	2	7	4	4
- Japanese encephalitis	680 (18.9)	724 (6.5)	182	187	177	178	148	154
- Cholera	45 (-84.0)	8 (-82.2)	4	1	1	2	1	2
- Hand, food and mouth	45,297 (148.9)	45,853 (1.2)	9,624	8,872	17,942	9,415	9,627	19,412
- Dysentery	13,094 (-8.3)	9,425 (-28.0)	2,679	2,708	2,441	1,597	2,276	2,143
- Pneumonia	195,940 (8.9)	184,147 (-6.0)	55,277	35,374	49,577	43,919	60,531	37,774
- Leptospirosis	4,275 (0.3)	3,047 (-28.7)	634	626	963	824	390	471
- Dengue fever	79,593 (14.0)	152,768 (91.9)	21,879	52,131	64,734	14,024	4,877	7,951
- Influenza	62,100 (0.0)	43,791 (-29.5)	17,372	6,084	11,591	8,744	30,846	11,035
- Rabies	5 (-28.6)	6 (20.0)	1	3	2	-	2	1
Numbers of patients with chronic non-communicable diseases (thousands)								
- High blood pressure	5.7 (0.4)	8.0 (39.5)	No quarterly data available					
- Ischaemic heart disease	23.5 (4.4)	26.9 (14.7)						
- Cerebrovascular disease	31.7 (5.5)	36.1 (14.0)						
- Diabetes	12.1 (1.5)	14.9 (23.8)						
- Cancer and tumors	98.5 (3.5)	n.a.						
<b>3. Social security</b>								
- Patients from road accidents	7,634	6,938	2,171	1,720	1,470	1,577	1,777	1,412
- Crime against person (cases)	24,972	23,573	6,135	6,246	5,685	5,507	5,810	5,907
- Property crimes (cases)	49,752	49,853	12,511	12,223	12,892	12,227	11,654	11,719
- Narcotics (cases)	363,174	434,557	110,569	110,711	112,107	101,170	89,864	95,226
<b>4. Consumer protection<sup>3/</sup></b>								
4.1 Number of complaints (cases)	9,464	6,509	2,380	1,488	1,609	1,579	682	2,161
- House, building, land	3,547	2,543	758	663	632	490	287	843
- Products and services	4,024	3,112	759	555	709	1,089	254	682
- Advertisement	2,012	787	310	233	244	-	131	621
- Direct sales and direct marketing	15	67	12	31	24	-	10	15
4.2 Hot line 1166 (cases)	60,982	41,773	10,321	10,314	12,348	8,790	3,410	10,314

Note: Labor data in Q1 is an average of January-March 2014

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