



Economic and Social News

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Thailand's Social Development in Q3/2014

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

Social situations and indicators in Q3/2014

Employment declined, unemployment rate increased but income continued to increase.

In the third quarter of 2014, employment declined by 1.8 percent. Agricultural employment fell by 17.5 percent due to drought, floods and reducing farmers' confidence on agricultural prices. On the contrary, employment in non-agricultural sector increased by 9.6 percent. Unemployment rate was recorded at 0.84 percent compared with 0.77 percent in the same period last year. Average working hours stood at 44.9 hours per person per week, a 0.9 percent higher than the same period last year. Wages and salaries in the private sector excluding overtime pay and other benefits in the third quarter of 2014 rose by 9.2 percent from the same period last year.

Labor force survey in Q3/2014

	2012	2013					2014		
	Year	Year	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Total labor force (Millions)	39.4	39.4	39.1	39.5	39.5	39.4	38.5	38.4	38.8
1. Employed (Millions)	38.9	38.9	38.5	38.9	39.1	39.1	37.8	37.8	38.4
(%YoY)	1.3	-0.1	1.0	0.7	-0.9	-1.0	-1.8	-2.8	-1.8
1.1 Agriculture (%YoY)	3.7	-0.2	1.2	0.5	-1.7	-0.4	-13.7	-17.9	-17.5
1.2 Non-agriculture (%YoY)	-0.3	-0.03	1.4	1.1	-0.8	-1.9	4.8	6.8	9.6
2. Unemployed (Millions)	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.4	0.3
Unemployment rate (%)	0.66	0.72	0.72	0.74	0.77	0.65	0.89	1.00	0.84
3. Seasonally inactive labor force (Millions)	0.2	0.2	0.3	0.3	0.05	0.1	0.3	0.2	0.06
Share to labor force (%)	0.5	0.5	0.9	0.7	0.1	0.3	0.8	0.6	0.2

Source: National Statistical Office

The adjustment of minimum wage in April 2012 has apparently narrowed the private labor wage gap from 7.5 times in 2012 (prior to the adjustment) to 5.4 times in the third quarter of 2014. However, there are 2.8 million full-time (40 hours or over) workers whose wages are still lower than the minimum wage.

Labor productivity during the third quarter of 2014 went up by 2.4 percent. When comparing with wage increase, the labor productivity increased at slower

rate than the wage increase. This occurred in almost all sectors, namely manufacturing, construction, wholesale and retail trade, transportation and banking sectors. Only the hotels and restaurants that experienced higher increase in labor productivity than the wage increase.

Household debts slowed down in the third quarter of 2014 but increased default payments need to be under a close watch. Total outstanding of commercial banks' personal consumer credit stood at 3,396,048 million baht, an 8.0 percent growth slowing down for seven consecutive quarters from 10.7 percent and 8.8 percent in the first and second quarter of 2014, respectively. While housing and other consumer loans increased, loans for cars continuously decreased. **Default debts on personal loan under supervision and credit cards continued to increase but not yet posing risks to the economy.** Non-performing loans (NPLs) stood at 90,157 million Baht, a 31.8 percent increase, accounting for 2.7 percent share of total outstanding debts. Personal loan under 3-month supervision rose by 48.9 percent while unpaid credit card balance of over three months increased by 28.1 percent.

The number of patients diagnosed with diseases under surveillance decreased. However, pneumonitis, influenza and hand, foot and mouth disease still need to be monitored closely. In the third quarter of 2014, the number of patients under disease surveillance dropped by 19.9 percent compared with the same quarter last year. However, patients with diseases endemic in end-of-rainy and beginning-of-dry season e.g. pneumonitis and influenza increased. Most of patients were kids and elderly with chronic diseases, who had low immunity and easily got infected. There were also rising number of patients with hand, foot and mouth disease and conjunctivitis. Close surveillance is also required for Ebola virus disease, which is currently spreading in Guinea, Liberia and Sierra Leone.

Expenditure on cigarette increased and electronic cigarette has been increasingly popular among urban adolescence. In the third quarter of 2014, spending on alcohol consumption was 27,907 million baht, a decline by 0.6 percent from the same quarter of 2013. However, expenditure on cigarette consumption was 5,308 million baht, a 1.7 percent growth from the same quarter of previous year. Also, use of electronic cigarette has been increasingly popular among urban adolescence. Particularly, Bangkok had a higher share of electronic cigarette users than other provinces with adolescence and newly employed workers at early working age 19-24 years old being most likely users. As much as 94 percent of electronic cigarette users had smoked before and mostly use electronic cigarette along with regular cigarette rather than a replacement to quit smoking.

The overall number of crime cases dropped but violence on collection of informal debts is still prevalent. In the third quarter of 2014, total number of crime cases

decreased by 17.5 percent compared with the same quarter last year. The cases of offences against property dropped by 11.2 percent while the cases on physical and sexual assaults rose by 0.3 percent from the same quarter of previous year. The narcotics cases served the largest share of 84.1 percent of total crime cases fell by 19.1 percent from the same quarter of 2013. However, assaults on collection of informal debts have become more prevalence. Solving the informal debts would consequently help reduce this type of assault. This can be done by providing lawyers for assaulted informal debtors, setting up nano-finance measures to expand accessibility to all population, assigning government agency to handle the entire system of household debts as well as promoting the personal spending behavior that enhances debt management such that they do not need to rely on informal sources in the long run.

“Don’t Drive Drunk or Drowsy, and Drive with Limited Speed Campaign” has been continuously promoted to reduce road accidents. In the third quarter of 2014, the number of deaths from road accidents declined by 21.2 percent compared with the same quarter of 2013. Total number of accidents was recorded at 13,274 cases, a 5.9 percent decrease from the same quarter of 2013. Most of the accidents were caused by driving exceeding speed limits and drunk-driving during the holidays. In order to reduce the accidents during the New Year 2015 Holidays, it is important that measures are implemented e.g. campaign to raise awareness on road safety, setting up alcohol-detection units, rest areas and car check-up services. Also, there should be a center for the campaign in order to reduce road accidents and manage the traffic during the New Year Holidays to monitor traffic as well as promoting measures to reduce risky behaviors such as driving exceed the speed limits, using of mobile phone or drunk while driving, and increase punishments.

Online shops: toward safe growth. Online shopping has increased significantly. In 2012, value of trade through online businesses was recorded at 121 billion Baht, a 21 percent increase. Online shopping via computers and mobile devices accounted for 46.9 percent and 29.7 percent, respectively. Products with most sales were fashion, cosmetic, drug and dietary supplement products. Important factor was the attractive promotion and sufficient product information for decision-making and confidence toward the website. However, there are some problems such as product quality not as specified, slow delivery and difficulties in contacting the sellers. Most of complaints were reported to the website but 10 percent of consumers still chose to not filing any complaints. It is therefore important to raise confidence toward online shops, educating consumers and developing complaint system and increase supervision on quality and safety of online shopping, especially for health products.

Management of massive electronic waste led by technological advancement. Pollution Control Department found that in 2013, electronic and electric product waste was 368,314 tons, accounting for 65.4 percent of all community toxic waste, increasing from

359,070 tons in 2012. In addition, the Department of Industrial Works reported electronic waste of more than 20 million machines in 2013, with an average increase of 10-percent per year. Currently, Thailand is still lack of electronic waste disposal that meets international standards. According to consumers' behavior survey, 25 percent of households would keep the waste while 16 percent disposes the electronic waste with regular waste. This consequently caused problem of improper waste disposal, making it unable to be reused or recycled effectively.

Key social issues “Opportunity to develop students to their potentials”

Thai students still faces problems of the lack of opportunity to develop their potentials and school dropouts. As much as 6-8 hundred thousand students do not have opportunity to attend school or have to drop out of school before finishing the basic education. For students aged 6-14 years, 33 percent of those not attending school is due to sickness and disability, 24 percent due to lack of funding and 15 percent is not interested. For students aged 15-17 years, half of which considered themselves graduated education, 23 percent does not have sufficient funding and 18 percent is not interested in school. Most of the out-of-school children are from the low-income families, with the rate of 4.6 percent of children aged 12-14 years and 31 percent of children aged 15-17 years being out of school. These rates are higher than those among middle- and high-income families, namely 1.43 percent and 15 percent, respectively. Considering by region, Bangkok and the South have the highest out-of-school children aged 15-17 years with the rate of 47.15 percent and 30.03 percent, respectively. Approximately 5.5 hundred thousand out-of-school children join the workforce while 50,000-60,000 children are prosecuted for narcotic drug crimes and being treated in rehabilitation centers, 24,000 children are sick and disables and 30,000 children being homeless.

As for children in school, they have been facing quality problem e.g. lack of both work and life skills. More than 100,000 students are found illiterate, low learning achievement, lack of work and apply skills such as English, use of technology for calculation and creativity, leadership and communication. Accordingly, the labor productivity went up by 2.4 percent per year, which is lower than other countries in the region. Not only that, Thai students also have low level of development Assets such as volunteer spirit, religious activities and appreciative community. Office for National Education Standards and Quality Assessment (ONESQA) found that students are having lower merit, particularly honesty.

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

1. **Producing workforce that meets the labor market demand** by increasing the share of vocational education to 45 percent by 2015, development of labor skills demanded

by labor market as well as setting up systematically plan for employing the foreign workers and increase productivity by bringing in more technology for production.

2. **Solving the debt problems** by promoting financial discipline at individual level, reconsidering the regulations and supervision of credit card operation, creating financial confidence for low-income individuals in accessing fair and legal sources. This can consequently reduce the violence in debt-collection system.

3. **Prevention of road accidents** during the upcoming New Year 2015 Holidays by strictly enforcing the road regulations, couple with campaign promoting social awareness and “Don’t Drive Drunk or Drowsy, and Drive in Limited Speed” and continue with the campaigns throughout the year. Also, increase cooperation across all related agencies, particularly local administrations and using new media strategy for reducing road accidents.

4. **Setting up consumer protection for online shopping** by inducing businesses to register in order to receive trademarks, developing consumer protection system particularly for complaints and settling the cases between sellers and buyers, educating consumers on their rights and cautions on online shopping.

5. **Pushing forward the electronic waste protection** in order to prevent effects on environment, community and people’s health. This can be done by fostering children to follow sufficiency economy, controlling electronic waste through 3R method (Reduce, Reuse, Recycle). For example, setting up system of sites of electronic waste disposal, supporting the recycle businesses, promoting R&D and technological transfer on design and improve the production of electronic products to be more environmental friendly and using of tax incentive for environmental friendly producers.

6. **Developing school age child to their potentials.** Supporting the children to stay in school can be done by giving financial supports for poor students, creating incentive for schools to accommodate disadvantaged students. For dropouts, channels of schooling should be increased such as support going back to school, proactive non-formal education and vocational training, the use of IT and communication system. Education quality can be upgraded by improving quality of teachers, development of curriculum such that there are more variety, providing more options for all students and enhancing reading skills to support lifelong learning and good citizens.

Key Social Indicators

Components	2011	2012	2013				2014		
	Year	Year	Q1	Q2	Q3	Q4	Q1	Q2	Q3
1. Employment ^{1/}									
Workforce (Thousands)	39,409	39,395	39,134	39,489	39,467	39,445	38,454	38,442	38,811
%YOY	1.25	-0.02	1.04	0.69	-0.94	-1.00	-1.74	-2.65	-1.66
Employed person (Thousands)	38,941	38,919	38,516	38,912	39,112	39,087	37,812	37,815	38,421
%YOY	1.24	-0.05	1.32	0.85	-1.18	-1.26	-1.83	-2.82	-1.77
Unemployed person (Thousands)	258.8	284.0	280.5	292.1	305.6	255.9	341.1	385.7	326.6
Unemployment rate (%)	0.66	0.72	0.72	0.74	0.77	0.65	0.89	1.00	0.84
Underemployed person (Thousands)	347.4	336.6	393.8	277.6	327.5	346.0	277.9	258.1	245.1
2. Health and illness									
Number of patients under disease surveillance (cases) ^{2/}									
- Measles	5,207 (65.0)	2,642 (-49.3)	937	793	619	293	348	329	304
- Meningococcal Meningitis	8 (-63.6)	15 (87.5)	3	3	2	7	4	4	2
- Japanese encephalitis	680 (18.9)	724 (6.5)	182	187	177	178	145	152	172
- Cholera	45 (-84.0)	8 (-82.2)	4	1	1	2	2	2	7
- Hand, food and mouth	45,297 (148.9)	45,853 (1.2)	9,624	8,872	17,942	9,415	9,668	19,726	27,486
- Dysentery	13,094 (-8.3)	9,425 (-28.0)	2,679	2,708	2,441	1,597	2,310	2,221	2,010
- Pneumonia	195,940 (8.9)	184,147 (-6.0)	55,277	35,374	49,577	43,919	60,441	37,922	55,710
- Leptospirosis	4,275 (0.3)	3,047 (-28.7)	634	626	963	824	393	465	773
- Dengue fever	79,593 (14.0)	152,768 (91.9)	21,879	52,131	64,734	14,024	4,928	8,204	16,248
- Influenza	62,100 (0.0)	43,791 (-29.5)	17,372	6,084	11,591	8,744	30,929	11,140	15,822
- Rabies	5 (-28.6)	6 (20.0)	1	3	2	-	2	1	2
Numbers of patients with chronic non-communicable diseases (cases)									
- 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.							
3. Social security									
- Patients from road accidents (cases)	7,634	6,938	2,171	1,720	1,470	1,577	1,777	1,511	1,158
- Crime against person (cases)	24,972	23,573	6,135	6,246	5,685	5,507	5,810	5,907	5,701
- Property crimes (cases)	49,752	49,853	12,511	12,223	12,892	12,227	11,654	11,719	11,447
- Narcotics (cases)	363,174	434,557	110,569	110,711	112,107	101,170	89,864	95,226	90,663
4. Consumer protection ^{3/}									
4.1 Number of complaints (cases)	9,464	6,509	1,839	1,482	1,609	1,570	682	2,161	2,115
- House, building, land	3,547	2,543	758	663	632	676	287	843	541
- Products and services	4,024	3,112	759	555	709	608	254	682	1,055
- Advertisement	2,012	787	310	233	244	246	131	621	519
- Direct sales and direct marketing	15	67	12	31	24	40	10	15	-
4.2 Hot line 1166 (cases)	60,982	41,773	10,321	10,314	12,348	8,790	3,410	10,804	12,703

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