



Economic and Social News

Office of the National Economic and Social Development Board

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Thailand's Social Situation and Outlook in Q2/2018

The Office of the National Economic and Social Development Board (NESDB) released the official report on Thailand's social situation and outlook in the second quarter of 2018, of which key issues included improved the employment, labour income and productivity, and a decrease in expenditure and the number of people who smoke and drink alcohol. However, there were still some major pressing issues requiring close monitoring including an increase in household debt which is still manageable, an increase in dengue illness, and a decline in security of life and property that caused by an increase in criminal and accident cases. In addition, there were also interesting social situations including Thailand's rank for reducing human trafficking as a "Tier 2", plastic waste reduction, the over-number inmate problem in prison, the situation of Airbnb in Thailand, and the article "Early Child Development". The summary is as follows.

Total employment increased mainly came from agricultural sector, unemployment rate fell, income and labor productivity continued to expand.

In the second quarter of 2018, employment rose by 0.9 percent which came from a 3.0 percent increase in agricultural sector due to the favorable weather and the expansion of farming areas. Employment in non-agricultural sector remained stable as the second quarter of 2017 but there were good signs of employment in many fields such as a 2.6 percent increase in manufacturing sector which increased continuously from the first quarter of 2018 and also counted as the first increase from the previous 11 quarters. This was partly due to the expansion of exports and domestic consumption. Employment in hotels and restaurants sector increased by 5.7 percent according to the continuous increase of foreign tourists. Employment in construction sector decreased though with the lowest rate of the previous 5 quarters.

The unemployment rate was 1.1 percent, comparing to 1.2 percent at the same period in the previous year, with approximately 410,000 unemployed people. Total labour hours in the Q2/2018 were 43.2 hours/week which decreased by 0.1 percent. The sectors with a decrease rate in total labour hours included construction sector, wholesale/retail sector. The total labour hours in agricultural sector, industrial sector, and hotels and restaurants sector increased by 0.9 percent, 0.2 percent, and 0.3 percent consecutively. Real wage in private sector excluding other benefits rose by 0.7 percent. Labour productivity per capita expanded by 3.7 percent, compared to a 3.4 percent increase in the previous year at the same quarter.

Labor issues that should be monitored in the future include:

1. **Risk from flooding that might affect farmer's income** The severe floods in some areas during July - August 2018 and the floods which annually occurs in September - October might affect in agricultural areas and, thus, the employment of farmers. Therefore, there should be any measure to prevent and mitigate the impact in the second half of 2018.

2. **Unemployment problem of people who graduated in higher education** Together with the new graduates entering the labour market in the third quarter this year about 310,000 people may result in an increase in the number of unemployed. The Ministry of Labour has provided services called "Job Ready Center" to support jobs for undergraduates in terms of job matching services between job seekers and the companies, counseling career guidance, skills training, and follow up on individual job finding progress. Moreover, there are other services, Smart Job Center, which allowed job seekers to find the fit job and to help companies finding their qualified employees. In the first 10 months of fiscal year 2018, 166,160 people were employed by these services, which was higher than the 150,000-year target.

Household debt tended to increase but can be repayable

In the second quarter of 2018, household debt was likely to increase considering by total outstanding of commercial banks' personal consumer credit went up by 8.0 percent. The ability to repay debt when considering the proportion of non-performing loans to total loans decreased from 2.78 percent in Q1/2018 to 2.72 percent in Q2/2018 by almost every type of loan except for housing loans that continued to rise. The government continued to tackle the household debt problem, both of debt in the system and external debt. The measures to resolve the debt in the system included credit card and personal credit control, debt restructuring through Debt Clinic project, and the financial literacy and management training. The measures to resolve informal debt included the issuance of the Interest Rate Exemption Act BE 2560, increasing the penalty with creditors outside the system, the arrest of the lender, and the increased access to credit in the system. In addition, there were also financial educations, the career guidelines to increase their income, promotion of saving discipline since childhood, and introducing the Sufficiency Economy as a key to solve debt problems caused by the careless and unnecessary.

Patients diagnosed with diseases under surveillance increased. Dengue patients had nearly doubled. Diseases that often outbreak in the rainy season must be watched out.

In Q2/2018, the overall number patients diagnosed with diseases under surveillance increased by 20.4 percent from Q2/2017 especially came from Dengue patients which had doubled from the same period in the previous year. Most patients were children aged 10-14

years, however, most deaths were older than 15 years old. The government together with the local government, community leaders, teachers, students and people in the area must support each other in order to eliminate mosquito larvae continuously. Furthermore, diseases that often outbreak in the rainy season must be watched out including influenza which increased by 32.7 percent, Hand-foot-mouth disease which increased by 5.4 percent mostly in the children under 5 years old, and pulmonary disease which increased by 7.3 percent in all age groups. Children less than 4 years old and elderly of 65 years and above have a higher incidence of severe disease. Part of the virus was caused by the RSV virus which directly had a chance to infect diseases and severe complications in preterm infants or congenital heart disease. This was very common in children under 5 years old and infants.

Expenditure and the amount on both alcohol and cigarette consumptions declined continuously.

Expenditure on both alcohol and cigarette consumptions declined comparing year-on-year by 2.4 percent and 1.3 percent consecutively. These expenditures accounted for 3.5 percent of the total household expenditure. The number of Thai people who had gradually decreased in smoking and alcohol drinking. The rate of smoking decreased from 19.9 percent in 2015 to 19.1 percent in 2017 while the rate of alcohol use decreased from 34.0 percent to 28.4 percent.

Previously, the government and other sectors created measures and cooperation to reduce the smoking such as Project 3 million people of smoke quitters in 3 years which had been 1.2 million attendees since June 2016 or 11 percent of the total smokers. There were 129,698 people who can continuously quit smoking for at least 6 months. Also, there were the non-smoking school project to prevent new addicts, and the ban on smoking in 24 beaches in 15 provinces for clean and smoke-free environment. The evaluation of the campaign to stop drinking alcohol in 2017 found that 85.2% of the respondents were aware of the danger and tried to reduce alcohol consumption. There were 37.9 percent of people that totally stop drinking alcohol during Buddhist Lent period, 15.1 percent of people that partly stop drinking, and 14.5 percent of people that did not stop but reduce in the amount of drinking. This campaign was able to reduce household expenses by an average of 1,844 baht for each household.

The overall number of criminal cases increased which needed the cooperation from all sectors to prevent and suppress.

The overall number of criminal cases in Q2/2018 increased by 34.1 percent compared to Q2/2017. Crimes against life and sexual assaults and crimes against property decreased by 3 percent and 9.2 percent consecutively, however, narcotic cases increased by 46.5 percent which accounted for 84 percent of the overall number of criminal cases. The government's

prevention on narcotic cases leads to the opening of the drug clearance operation throughout the country together with the drive to prevent and suppress drugs under the Civil State Cooperation Plan on Drugs-free B.E. 2018 that aimed to reduce the number of people entering the crime. It also aimed to remove people from the cycle of drug offenses and to protect people and the society. In order to eliminate drug problems effectively, we need cooperation from all sectors as well as helping drug users who are victims of drug traffickers to get treatment and, thus, a chance to start a new life in society again.

Number of accidents still increased. The government's prevention measures were needed to prevent property damage and loss of life.

The situation of road traffic accident in Q2/2018 increased by 23.3 percent compared to Q2/2017. Property damages increased by 63 percent whereas number of deaths decreased by 21 percent. The cause of the accident was mainly from driving the car too fast. Most of them were still a motorcycle accounted for 38.6 percent of all car accidents. The government emphasized the prevention and mitigation by seriously using law enforcements, creating campaign of traffic discipline for drivers, and improving the law regarding road safety and security to be more effective and modern such as drafted Land Traffic Act B.E. , the integration of the Car Act B.E. 2522 and the Land Transport Act B.E. 2522.

Thailand has been ranked as a "Tier 2" of resolving human trafficking issues from the previous rank "Tier 2 Watch List".

This is due to the progressive integration of resolving human trafficking issues in terms of law enforcement, litigation with offenders, victim protection, and prevention of trafficking victims. Therefore, the government continued to focus on tackling human trafficking by using the U.S. recommendations in the Trafficking Report 2018 in order to practically solve problems in certain issues. In addition, the government also established measures to expedite the prosecution of trafficking and the human trafficking cases involving government officials. There were also strictly law enforcement with the offenders, victim protection, and prevention on victimization, together with the cooperation of international organizations.

The reduction of plastic waste by using concrete measures coupled with a campaign to change the use habits.

Over the past 20 years, Thailand has annually consumed 45,000 million bags of plastic bags, accounted as 8 bags per day per person on average, 6,758 million pieces of foam food packaging, and 9,750 million of single-use plastic glasses. These types of plastic and foam are hard-degraded and take hundreds of years to decompose. Without proper waste management, there will be a severe impact on the environment, both by land and sea. The data from the U.N. Environment Programme show that Thailand is currently ranked

6th in the world's largest plastic waste by sea. The government has supported and encouraged the public to recognize the importance of plastic waste. For instance, the Ministry of Natural Resources and Environment has implemented the project called “Do well with the heart, reduce environmental hazards” by reducing the use of plastic bags, refraining the uses of foam food packaging in government agencies. However, the key factor to reduce plastic uses successfully is to stimulate consciousness and change the mindset of people in society, especially in the new generation which will be a major force, together with the introduction of concrete measures such as the campaign that customers need to pay for a plastic bag in large stores, which was included in the National Strategic Plan and the Environmental Reform Plan, prior to the ban of disposable plastic uses and the support on bio-plastic uses.

The over-number inmate problem in prison

Thailand has the 6th highest number of prisoner in the world, causing congestion led to control and resolving habit problems. The main cause is the establishment of criminal penalties which leads to an increase in the number of inmates, particularly from drug cases. To resolve the problem requires improving laws such as do not put inmate in consideration (does not harm to the society or does not make case more complicated) in jail immediately, implementing law for criminals, who did non-severe crime and do not have any criminal records after their previous penalty for 5 years, to be certified as no criminal record, and etc. The integration of all sectors to ensure effective pre-release and post-prison interventions, knowledge creation and attitude adjustment, and creating mechanisms by private sector for rehabilitation, taking care of, and giving former prisoner opportunities to prevent repeating offenses are needed.

Airbnb Technology with the change of consumer patterns and social impact

Airbnb is a platform for booking accommodation between tenants and local lessors. This results in higher competition and revenue for local lessors. There are negative impacts including price cutting, impossible tax collection, and safety issues and disturbances on other residents. In other countries, regulations have been issued to avoid these problems such as registration system of the date and number of rental accommodation, and etc. Thailand has 43,223 Airbnb reservations in 2016, increased by 100% from 2015, with 774,000 tourists who used this platform. However, there is still no direct regulation. Even though the impact is unclear, the growth of Airbnb has made it necessary to be prepared for and should be considered to take advantages from this technology.

The article “Early Child Development”

1. Early childhood development is the utmost importance of human development in all aspects and high return on investment. In the past, the government and related agencies have been preparing for maternal well-being, family planning, and parenting care. They also promoted proper nutrition of mothers and children, breastfeeding corner implementation, child care centers in workplaces, Child Development Centers and kindergartens, and also setting standards for the Child Development Center and the Early Childhood Education Program.

2. However, there are still problems including early childhood development, both malnutrition and overnutrition, inequality in access to quality services, lacks of knowledge, and standards of development appropriate to the specific age, together with early childhood connections to elementary school, in addition with the changes in family structure and environment around children. Furthermore, there are challenging issues including lack of efficient management because of integration problem, the concept of early childhood development misguided by the expectation on children, and the ecosystem of children, both family structure and the use of technology media without care. These issues have importantly resulted in the overall development of the child.

3. Therefore, in order to emphasize effective early childhood development, the government should accelerate to support family planning together with maternal and child health. To promote and develop childcare learning and teaching standards, management to integrate early childhood development tasks between the relevant agencies are needed. Also, parents and communities should support positive activities to stimulate children development, disciplines, and Executive Functions (EFs).

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Key Social Indicators

| Components | 2016 | 2017 | 2016 | | | | 2017 | | | | 2018 | |
|---|---------|---------|-----------------------------|--------|--------|--------|--------|--------|---------|--------|--------|--------|
| | Year | Year | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 |
| 1. Employment ^{1/} | | | | | | | | | | | | |
| Workforce (Thousands) | 38,266 | 38,100 | 38,312 | 38,160 | 38,683 | 37,911 | 38,216 | 38,267 | 38,168 | 37,748 | 38,145 | 38,482 |
| %YOY | -0.7 | -0.4 | -0.1 | -0.6 | -0.2 | -2.1 | -0.3 | 0.3 | -1.3 | -0.4 | -0.2 | 0.6 |
| Employed Person (Thousands) | 37,693 | 37,458 | 37,684 | 37,394 | 38,263 | 37,430 | 37,443 | 37,538 | 37,647 | 37,205 | 37,361 | 37,885 |
| %YOY | -0.9 | -0.6 | 0.2 | -0.9 | -0.2 | -2.5 | 0.6 | 0.4 | -1.6 | -0.6 | -0.2 | 0.9 |
| Unemployed Person (Thousands) | 378 | 451 | 369.9 | 411.1 | 362.5 | 366.3 | 463 | 465 | 453 | 422 | 474 | 411 |
| Unemployment Rate (%) | 0.99 | 1.18 | 0.97 | 1.08 | 0.94 | 0.97 | 1.21 | 1.22 | 1.19 | 1.12 | 1.24 | 1.07 |
| Underemployed Person (Thousands) | 275 | 303 | 293 | 352 | 217 | 237 | 336 | 350 | 271 | 256 | 336 | 283 |
| 2. Health and Illness | | | | | | | | | | | | |
| Number of patients under disease surveillance ^{2/} | | | | | | | | | | | | |
| - Measles | 1,688 | 3,185 | 221 | 271 | 466 | 730 | 367 | 295 | 479 | 485 | 547 | 660 |
| - Meningococcal Meningitis | 17 | 28 | 6 | 5 | 4 | 2 | 5 | 5 | 7 | 6 | 1 | 9 |
| - Japanese encephalitis | 772 | 815 | 179 | 187 | 231 | 175 | 259 | 143 | 193 | 143 | 182 | 231 |
| - Cholera | 51 | 8 | 41 | 2 | 7 | 1 | 2 | 2 | 2 | 2 | 0 | 2 |
| - Hand, Foot, Mouth | 79,910 | 70,189 | 10,066 | 19,012 | 39,589 | 11,243 | 11,450 | 19,958 | 35,168 | 7,982 | 8,694 | 19,247 |
| - Dysentery | 6,726 | 4,847 | 1,820 | 1,841 | 1,887 | 1,178 | 1,329 | 1,410 | 1,130 | 784 | 1,132 | 965 |
| - Pneumonia | 245,211 | 27,741 | 65,661 | 45,244 | 72,851 | 61,455 | 63,869 | 53,578 | 79,622 | 68,401 | 57,835 | 57,985 |
| - Leptospirosis | 2,295 | 3,474 | 446 | 401 | 671 | 777 | 573 | 592 | 1,166 | 1,132 | 402 | 637 |
| - Dengue Fever | 63,931 | 53,189 | 14,840 | 7,874 | 25,744 | 15,473 | 8,203 | 7,732 | 20,866 | 11,238 | 4,998 | 24,156 |
| - Influenza | 169,362 | 197,811 | 43,634 | 14,135 | 58,535 | 53,058 | 19,742 | 18,518 | 109,057 | 50,567 | 36,849 | 25,128 |
| - Rabies | 13 | 8 | 4 | 2 | 5 | 2 | 2 | 3 | 2 | 1 | 7 | 3 |
| Rate per 100,000 population of death with major chronic non-communicable diseases | | | | | | | | | | | | |
| - High blood pressure | 121 | n.a. | No quarterly data available | | | | | | | | | |
| - Ischaemic heart disease | 29.9 | n.a. | | | | | | | | | | |
| - Cerebrovascular disease | 43.3 | n.a. | | | | | | | | | | |
| - Diabetes | 19.4 | n.a. | | | | | | | | | | |
| - Cancer and tumors | 113.7 | n.a. | | | | | | | | | | |
| | | | | | | | | | | | | |
| 3. Social Security | | | | | | | | | | | | |
| - Patients from road accidents (cases) | 8,259 | 8,616 | 1,871 | 1,494 | 2,502 | 2,392 | 2,304 | 2,111 | 1,756 | 2,132 | 2,031 | 1,746 |
| - Crimes against person (cases) | 20,218 | 18,249 | 5,659 | 5,294 | 4,879 | 4,386 | 5,120 | 5,032 | 4,573 | 4,357 | 4,403 | 4,560 |
| - Property crimes (cases) | 58,964 | 56,778 | 10,236 | 8,957 | 10,188 | 9,583 | 15,167 | 14,102 | 14,486 | 14,305 | 12,932 | 13,185 |
| - Narcotics (cases) | 270,595 | 278,807 | 64,753 | 59,104 | 69,551 | 74,532 | 77,627 | 61,399 | 71,250 | 75,681 | 79,355 | 93,110 |
| 4. Consumer Protection ^{3/} | | | | | | | | | | | | |
| 4.1 Number of complaints (cases) | | | | | | | | | | | | |
| - Contract/Property | 2,637 | 3,707 | 727 | 795 | 509 | 660 | 548 | 1,380 | 928 | 851 | 660 | 795 |
| - Goods and service | 2,010 | 2,026 | 704 | 559 | 387 | 360 | 618 | 472 | 486 | 450 | 522 | 433 |
| - Advertisement | 1,628 | 2,425 | 457 | 373 | 298 | 500 | 432 | 827 | 734 | 432 | 330 | 253 |
| - Law | 37 | 0 | 25 | 12 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| - Direct sales and marketing | 1,097 | 712 | 120 | 244 | 550 | 133 | 103 | 128 | 156 | 325 | 254 | 180 |
| 4.2 Hot line 1166 (cases) | 47,329 | 45,311 | 11,666 | 10,555 | 12,458 | 12,670 | 12,071 | 12,681 | 9,432 | 11,127 | 11,082 | 14,879 |

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