Population Ageing and Policy Responses in Thailand

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Sharing Responses on the Ground – Aging Society and the Surrounding Challenges in Asia
Diamond Hall 2F, Koreana Hotel
February 28, 2017
Outline of Presentation

1. Population Ageing in Thailand
2. Situation of Older Population in Thailand
3. Policy Responses
4. Future Challenges
Outline of Presentation

1. Population Ageing in Thailand
Population Aging in Thailand

Increase of proportion of older population (aged 60+) through last 50 years.

Population Aging in Thailand

The proportion of the older population aged 60 and over will increase from now 13% (9%) to 32% (25%) in next three decades. (unit: 1,000)

Source: National Economic and Social Development Board, Population Projection in Thailand: 2010-2040
Population Aging in Thailand
The number and proportion of the oldest old population (80 and above) will be increasing. (unit: 1,000)

Population Aging in Thailand
Continuous Decrease of Potential Support Ratio (Number of the Working Population per One Elderly) from 5 in 2010 to smaller than 2 in 2040


Outline of Presentation

2. Situation of Older Population in Thailand
Decrease of Mean Number of Living Children by Age of Older Persons

Living Arrangements of Older Persons
(% older persons aged 60 years and older)

Source: Thailand Gerontology Research Institute’s Situation of Elderly in Thailand 2014.

## Old-age Financial Security: Sources and Main Source of Income of Older Population in Thailand (%)

<table>
<thead>
<tr>
<th>Income Source</th>
<th>Percent receiving any income from the following source</th>
<th>Main source of current income</th>
</tr>
</thead>
<tbody>
<tr>
<td>work</td>
<td>38.0</td>
<td>37.7</td>
</tr>
<tr>
<td>pension</td>
<td>4.1</td>
<td>4.3</td>
</tr>
<tr>
<td>old age allowance</td>
<td>0.5</td>
<td>3.0</td>
</tr>
<tr>
<td>interest, saving, rent</td>
<td>17.1</td>
<td>18.0</td>
</tr>
<tr>
<td>spouse</td>
<td>21.4</td>
<td>17.4</td>
</tr>
<tr>
<td>children</td>
<td>84.5</td>
<td>77.2</td>
</tr>
<tr>
<td>relatives</td>
<td>11.4</td>
<td>6.9</td>
</tr>
<tr>
<td>other</td>
<td>8.8</td>
<td>2.6</td>
</tr>
<tr>
<td>Total</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

# Future Generation’s Preparedness for Old-age Financial Security

<table>
<thead>
<tr>
<th>Year of Survey</th>
<th>Should we prepare ourselves for old-age life or not?</th>
<th>The most important issue of preparedness</th>
<th>Adequate Saving/Assets Accumulation for Old-age Life</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Should</td>
<td>Should not</td>
<td>Not sure</td>
</tr>
<tr>
<td>2007</td>
<td>91.4</td>
<td>3.7</td>
<td>4.9</td>
</tr>
<tr>
<td>2011</td>
<td>87.1</td>
<td>6.8</td>
<td>6.8</td>
</tr>
</tbody>
</table>

Source: National Survey on Opinions and Attitudes of People on Older Persons in 2007 and 2011 by National Statistical Office
### Ability of Daily Livings of Older Persons

<table>
<thead>
<tr>
<th>Activity</th>
<th>% with functional difficulties</th>
<th>% with ADL difficulties</th>
<th>% with IADL difficulties</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lifting 5 kilogram</td>
<td>30.3</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Squatting</td>
<td>18</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Walking 200-300 meters</td>
<td>17.5</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Climbing 2 or 3 stairs</td>
<td>16.1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Any functional difficulty</td>
<td>35.5</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Getting up from lying down</td>
<td>5.2</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Using toilet</td>
<td>4.4</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bathing</td>
<td>4.1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dressing</td>
<td>3.6</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Washing face/hairbrush teeth</td>
<td>3.2</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Putting on shoes</td>
<td>3.1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grooming feet</td>
<td>3.0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Eating</td>
<td>2.9</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Any ADL difficulty</td>
<td>7.3</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Eating</td>
<td>9.5</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Any IADL difficulty</td>
<td>9.3</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Main providers of assistance with daily living activities (% of persons 60 and older who have assistance for daily activities)

- **Spouse**: 29%
- **Daughter**: 42%
- **Son**: 13%
- **Son/daughter in law**: 6%
- **Sibling**: 5%
- **Paid/professional carer**: 1%
- **Servant/employee**: 1%
- **Grandchild**: 3%
- **Sibling**: 5%
- **Other**: 0%

Outline of Presentation

3. Policy Responses
Policy Responses

- Start of the 2nd National Plan on the Elderly (2002-2021)
- The 1st Evaluation (2002-2006) of the 2nd NP on the Elderly
- Start of Area-based Health Fund Scheme
- Universalization of Old-age Allowance
- Start of Area-based Health Fund Scheme
- The 2nd Evaluation (2007-2011)
- Proposal for System Reform towards Aging Society by National Reform Assembly
- The 3rd Evaluation (2012-2016)
- National Saving Fund Act B.E. 2554
- Cabinet Resolution on Ageing Society
  - Establishment of National Pension Fund (Provident Fund)
  - Establishment of National Pension Committee
  - Subsidization to Private Firms for Older Persons’ Employment
  - Public Housing for Older Persons
The 2\textsuperscript{nd} National Plan on the Elderly (2002-2021)

**Strategy (No. of Index) vs Accomplishment (%)**

<table>
<thead>
<tr>
<th>Strategy</th>
<th>Accomplishment (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overall</td>
<td>51.0%</td>
</tr>
<tr>
<td>Strategy on readiness preparation of the people for their quality ageing</td>
<td>28.6%</td>
</tr>
<tr>
<td>Strategy on the elderly promotion and development</td>
<td>53.3%</td>
</tr>
<tr>
<td>Strategy on the social safeguards for the elderly</td>
<td>33.3%</td>
</tr>
<tr>
<td>Strategy on management of developing the national comprehensive system for undertakings and developing the personnel for the elderly involving missions</td>
<td>85.7%</td>
</tr>
<tr>
<td>Strategy on processing, upgrading and disseminating knowledge on the elderly and the national monitoring of implementation of NPE</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

**Philosophy:**

The elderly are not a vulnerable group nor social burden, but able to take part as the social development resources, so they shall be entitled to recognition and support by the family, community and the State to lead a valuable life with dignity and sustain their healthiness and living standards as long as possible.

On the other hand, the elderly who encounter difficulties shall access the full and justified care from the family, community, society and the State.

The establishing of security for old age is deemed as a process in social strengthening to be accomplished by the participation of all concerned parts and sectors, consisting of:

1. Self-help disciplinary population
2. Caring by the family
3. Support by the community
4. Social and State's support

The participation of all parts and sectors shall be in a comprehensive system suitting the circumstances at all times.

"The elderly are valuable assets to the society"
Public Pension Schemes

- Mixed system between occupational (or labor status)-based pension system (for formal sector’s working population, says employees) and Old Age Allowance System
  - Universal coverage by Old Age Allowance System for the elderly who are not pensioners under occupational-based pension system.

- Mixed system
  - between non-contributory schemes and contributory schemes
  - Between DB and DC

- Fragmented system, managed by many governmental organization

- No governmental function to be responsible for entire picture of all public pension schemes.
Entire Picture of Current Public Pension Schemes in Thailand

Formal Sector Working Population (1/3 of working pop)


Government Pension Fund

Local Government Pension Fund

Public Enterprises Pension Schemes

Social Security Fund

Provident Fund

National Saving Fund

Old-age Allowance System
Current Picture of Elderly Care Regime
How to construct proper elderly care system to support medium-income older persons?
Community-based Integrated Older Persons’ Long Term Care System
Sub-district Health Fund: started in the beginning of 2006, strengthened 2009, expand to whole country in 2011

- To promote community health
- To promote well-being of people and community based on the cooperation among citizens, local authorities and public health authorities
- To decentralize authority to local authorities under the civic participation and academic support from other organizations.

- Community Health Information, Strategy Map, Community Health Plan
- Community care for the elderly, the disability, the chronic patients
- Preventive care: diabetes, high blood pressure, TB, AIDS
- Health behavior adjustment
- Cooperation with other relating health organizations for provision of community health care services
Retirement Age in Thailand

• Government Officials: 60 (= pensionable age)
  o Except for some occupations extended to 65-70
    o Professional: medical doctor, dentist, veterinarian,
    o fine artist, traditional dancer, traditional musician, traditional singer
    o judiciary, judge (until 70)
  o professor (65)

• Private Sector: No mandatory retirement age, normally 55-60
  o Pensionable age of social security fund’s old-age benefits = 55+
Proposal from National Reform Assembly
February 2015

**ECON**
- pension reform
- economic reform for vitality (especially, labor market)

**HEALTH**
- promoting strengthening community-based long term care system, including in urban areas

**ENVIRONMENT**
- realizing safe living environment at home and constructing age-friendly communities, promoting social housing and enabling ageing business and industries

**SOCIAL**
- promoting preparedness of and empowering individual, family, community, public and private sectors
- increasing older persons’ value
# Strategic Plan for Promoting Older Population’s Works

4 Pillars in the Strategic Plan to Cope with Older Workers’ Employment proposed by the Ministry of Labor to the National Older Persons Commission (NOPC)

<table>
<thead>
<tr>
<th>Promotion of Older Persons’ Employment</th>
<th>Distribution Jobs to Households and Communities</th>
<th>Extension of Official Retirement Age of Government Officials</th>
<th>Promotion of Continuing Employment for Private Sector’s Employees</th>
</tr>
</thead>
</table>
Cabinet Resolution towards Ageing Society @ November 8, 2016

- **Subsidization to Older Workers Employment**
  - Employed Older Persons’ Salary and Wages (limits 15,000 THB/month) as Corporate Tax Income Exemption (not more than 10% of total employees)

- **Senior Complex**
  - Ministry of Social Development and Human Security
  - National Housing Authority, Government Housing Bank and Community Organizations Development Institute

- **Reverse Mortgage**

- **Integration of Public Pension Schemes**
  - National Pension Committee
  - Establishment of National Provident Fund
Outline of Presentation

4. Future Challenges
**Future Challenges:** How to align all related plans together?

**Increasing Thai population’s competency to promote growth adequately**

**Strengthening Economic Security and Social Protection for Thai population**

**Promoting well-being of Thai family**

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**Strategy on readiness preparation of the people for their quality ageing**

**Strategy the elderly promotion and development**

**Strategy on the social safeguards for the elderly**

**Strategy on management of developing the national comprehensive system for undertakings and developing the personnel for the elderly involving missions**

**Strategy on processing, upgrading and disseminating knowledge on the elderly and the national monitoring of implementation of NPE**

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*(DRAFT) POPULATION PLAN IN 20 YEARS LONG-TERM DEVELOPMENT (2015-2034)*

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*The 2nd National Plan on the Elderly (2002-2021)*
Future Challenges

• Limitations of Family and Family Support Policy
• Roles of Local Authorities in Older Person Affairs
• Roles of Private Sector in the Context of Aging Society
  • Employee Welfare
  • Promotion of Aging Marketplace (Industry) to enhance Economic Vitality
• Financing Aging Society, especially Pension and Long Term Care Issues
Thank you for your attention.

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