



ECON CHULA

Population Ageing and Policy Responses in Thailand

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Public Symposium in Seoul, Korea

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**

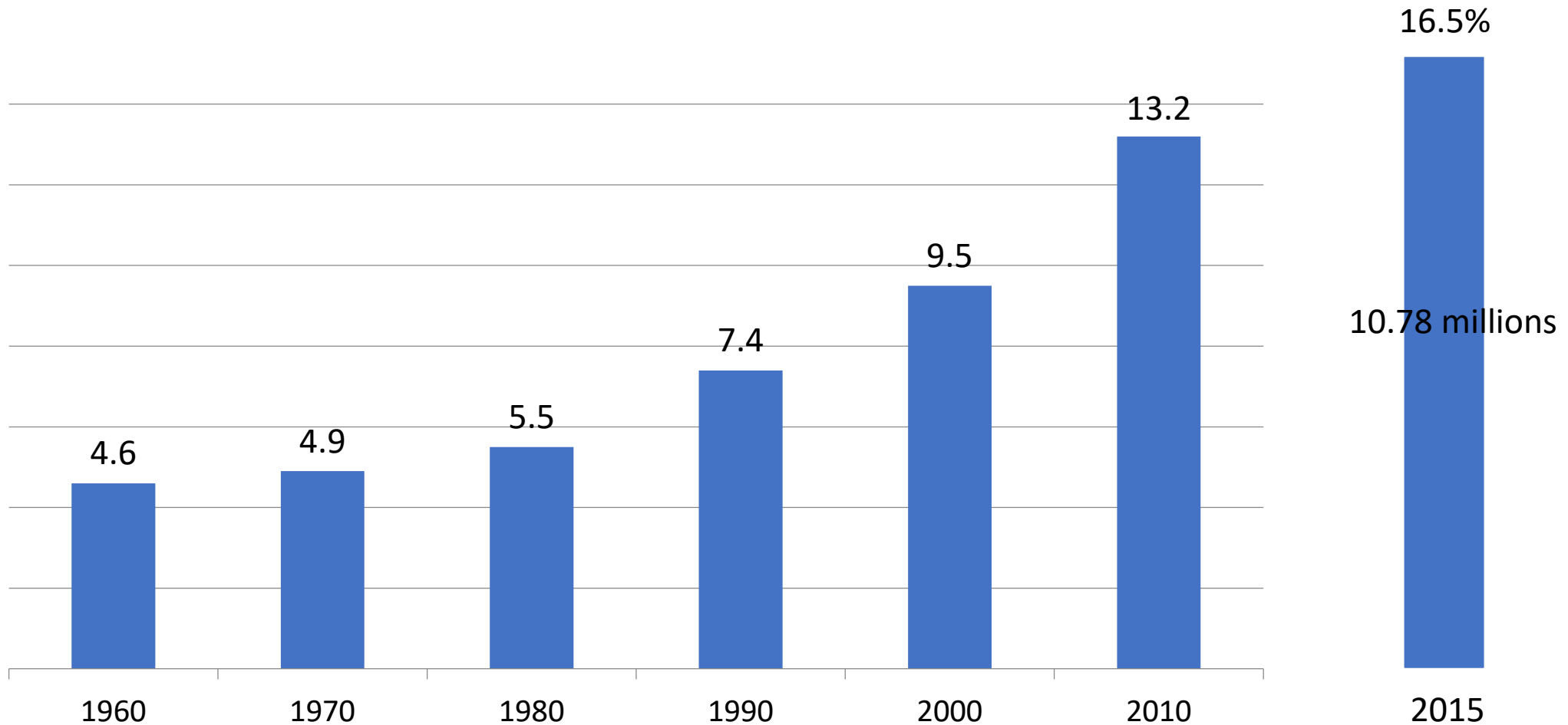
Outline of Presentation



1. Population Ageing in Thailand

Population Aging in Thailand

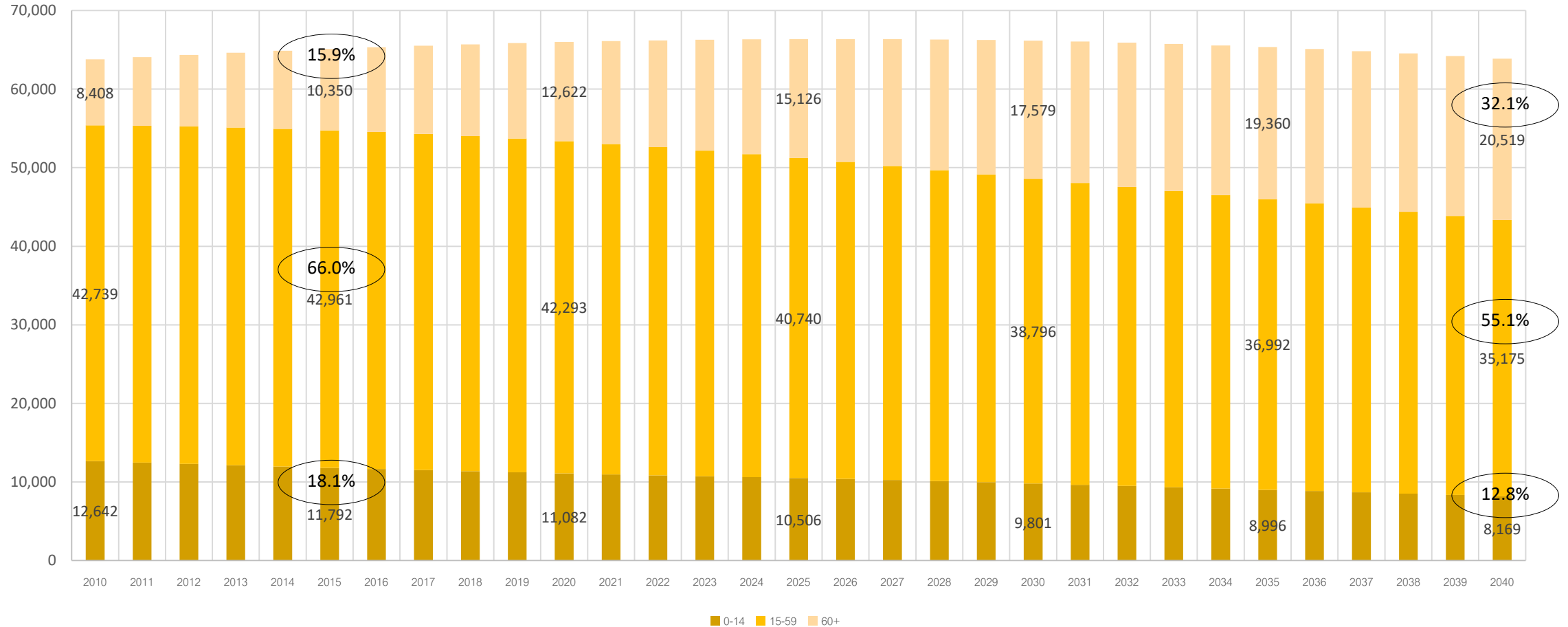
Increase of proportion of older population (aged 60+) through last 50 years.



Source: The National Population and Housing Census, National Statistical Office, quoted in TGRI (2012), The Situation of Thai Elderly 2011.

Population Aging in Thailand

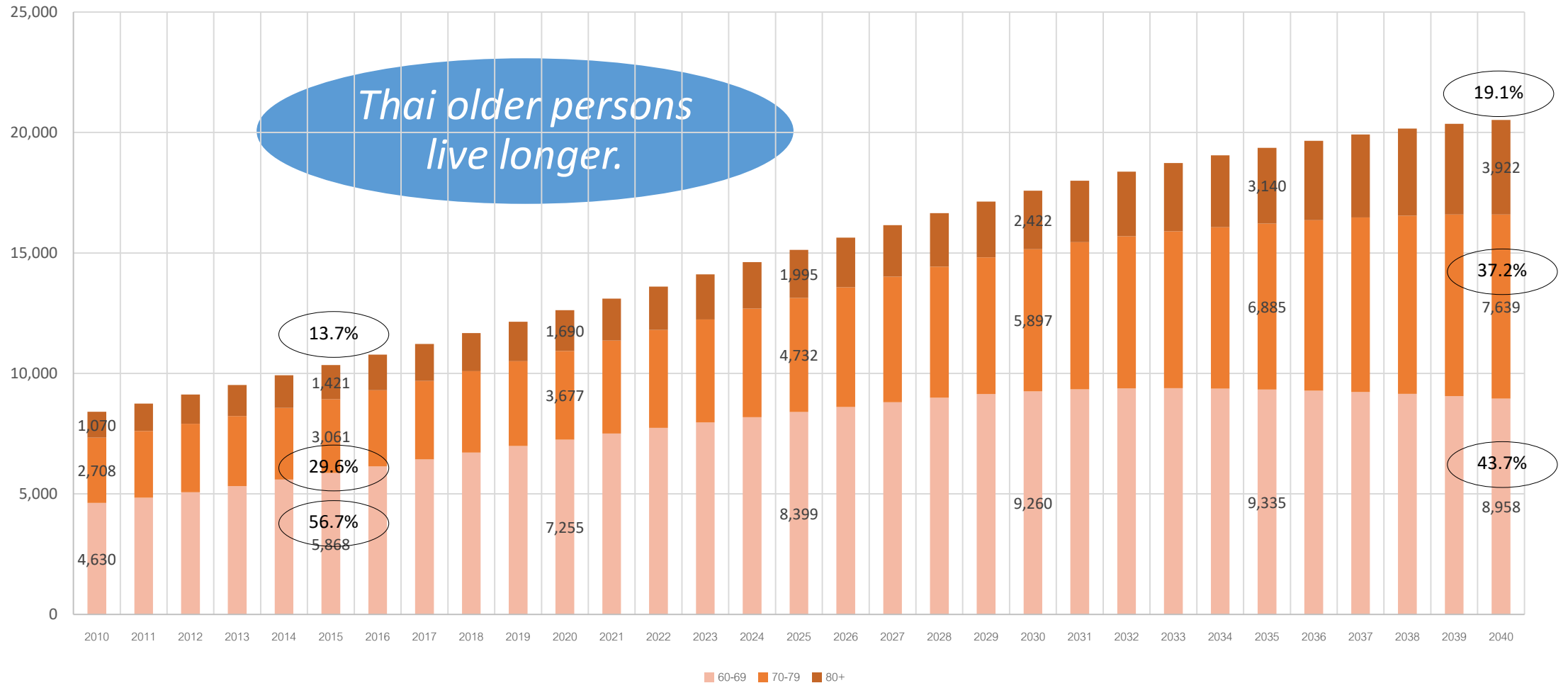
The proportion of the older population aged 60 and over will increase from now 13% (9%) to 32% (25%) in next three decades. (unit: 1,000)



Source: National Economic and Social Development Board , Population Projection in Thailand: 2010-2040

Population Aging in Thailand

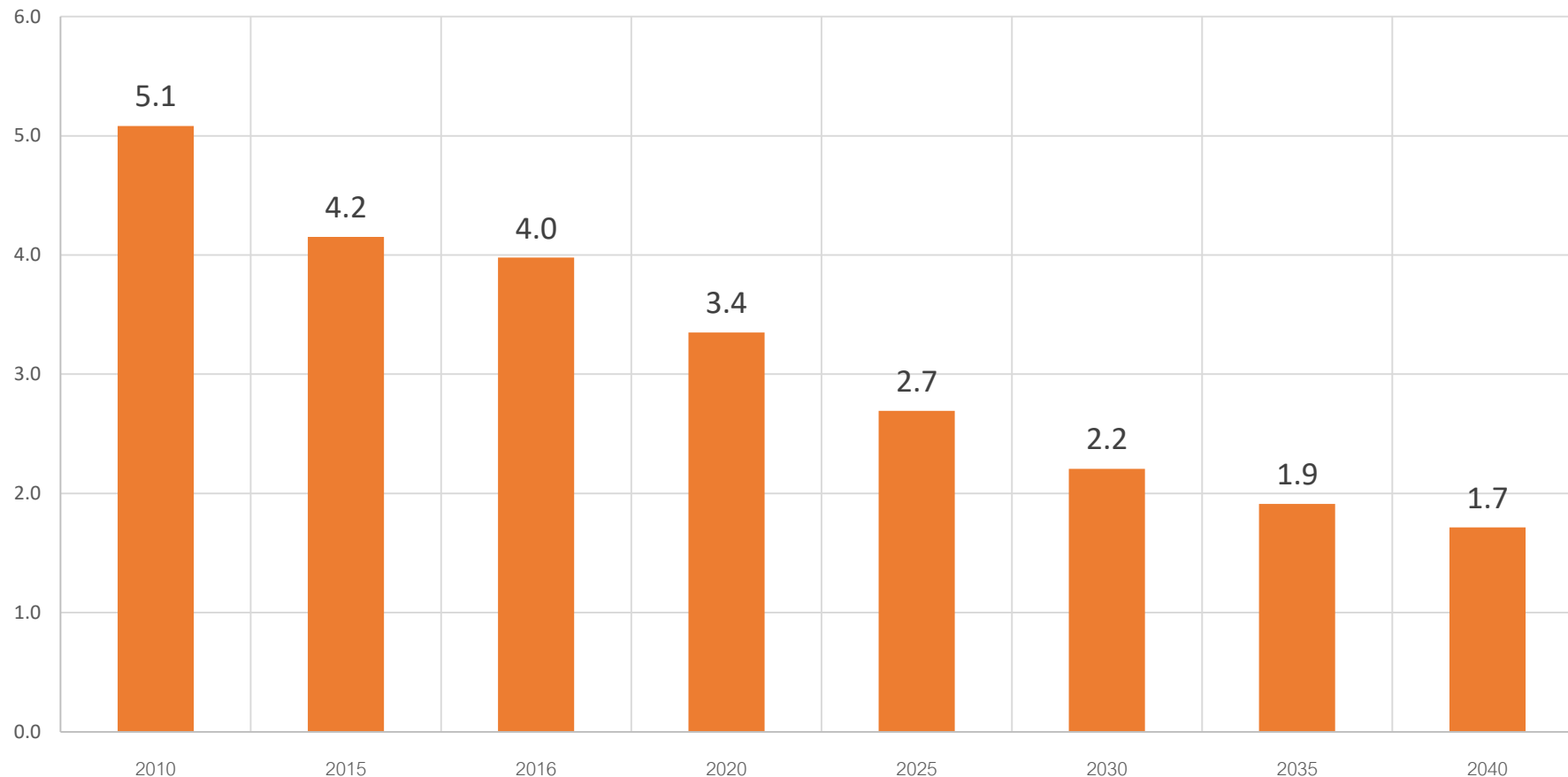
The number and proportion of the oldest old population (80 and above) will be increasing. (unit: 1,000)



Source: National Economic and Social Development Board (NESDB), Population Projection in Thailand: 2010-2040.

Population Aging in Thailand

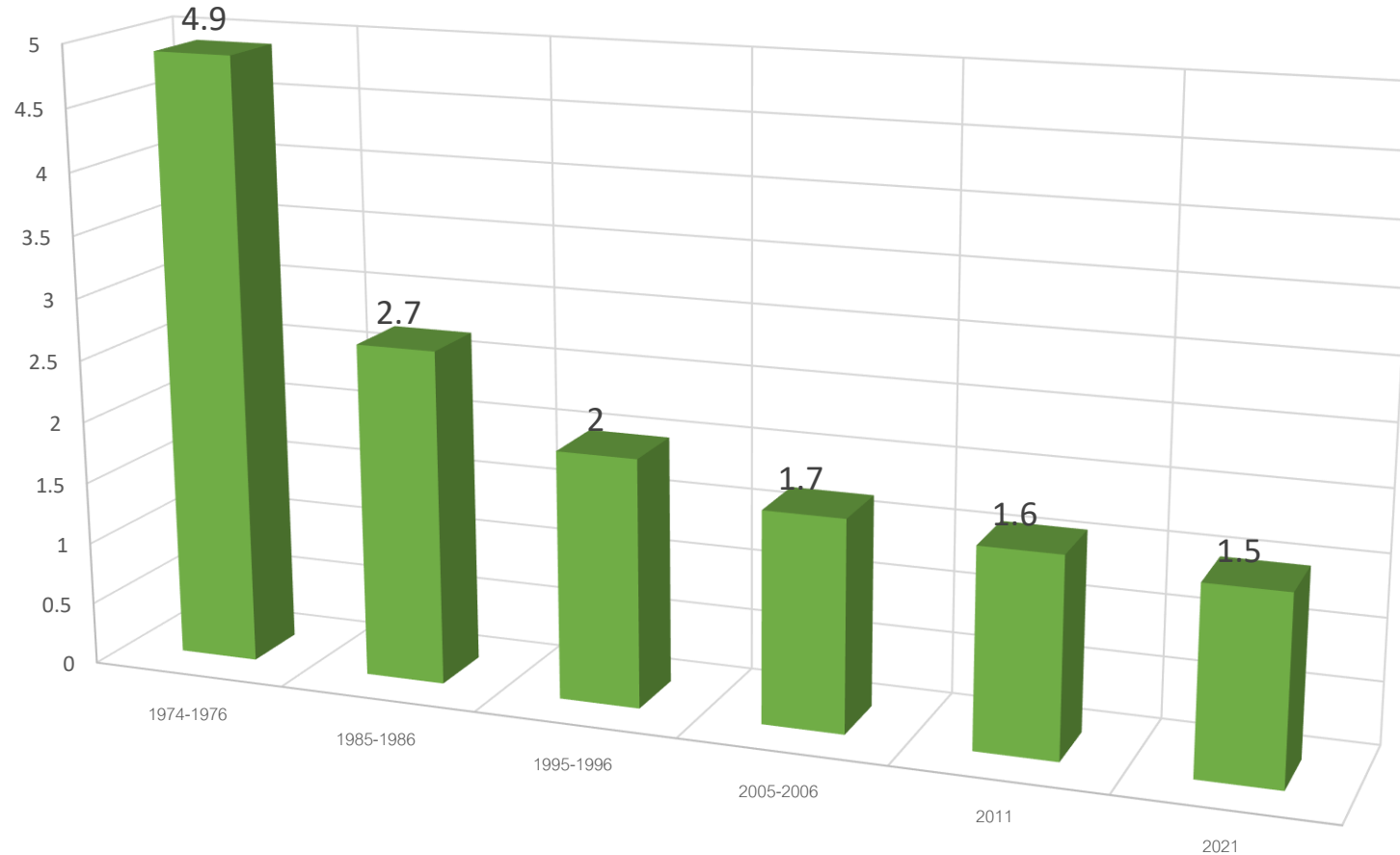
Continuous Decrease of Potential Support Ratio (Number of the Working Population per One Elderly) from 5 in 2010 to smaller than 2 in 2040



Data Source: National Economic and Social Development Board , Population Projection in Thailand: 2010-2040, calculated by the author.

Population Ageing in Thailand:

Fertility Decline (TFR) after 1970s. Thai society has fewer children.

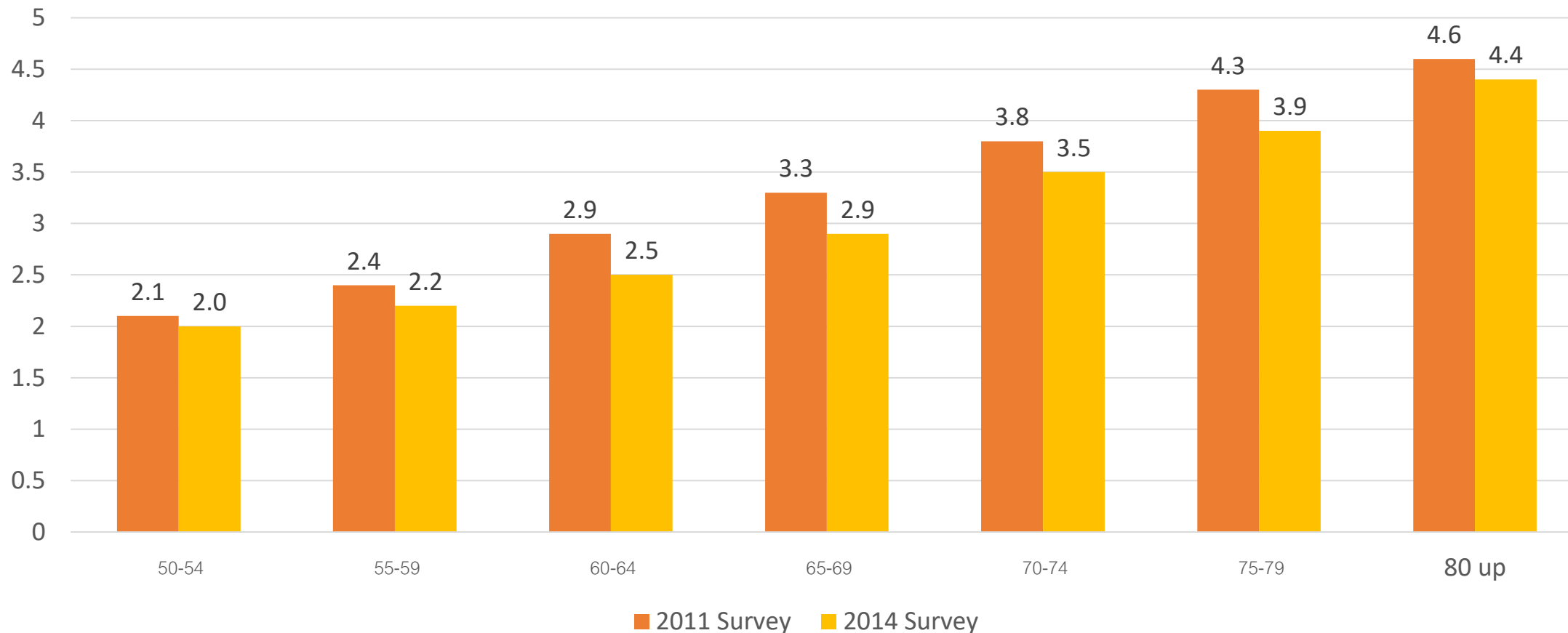


Outline of Presentation

A faded, grayscale background image showing an elderly man and woman in traditional Thai attire. The man is on the left, wearing glasses and a dark jacket, leaning forward. The woman is on the right, smiling warmly. They are positioned around a tray containing several small, ornate metal vessels and what appears to be a basket of fruit or offerings. The background is softly blurred, suggesting an outdoor or semi-outdoor setting with wooden structures.

2.Situation of Older Population in Thailand

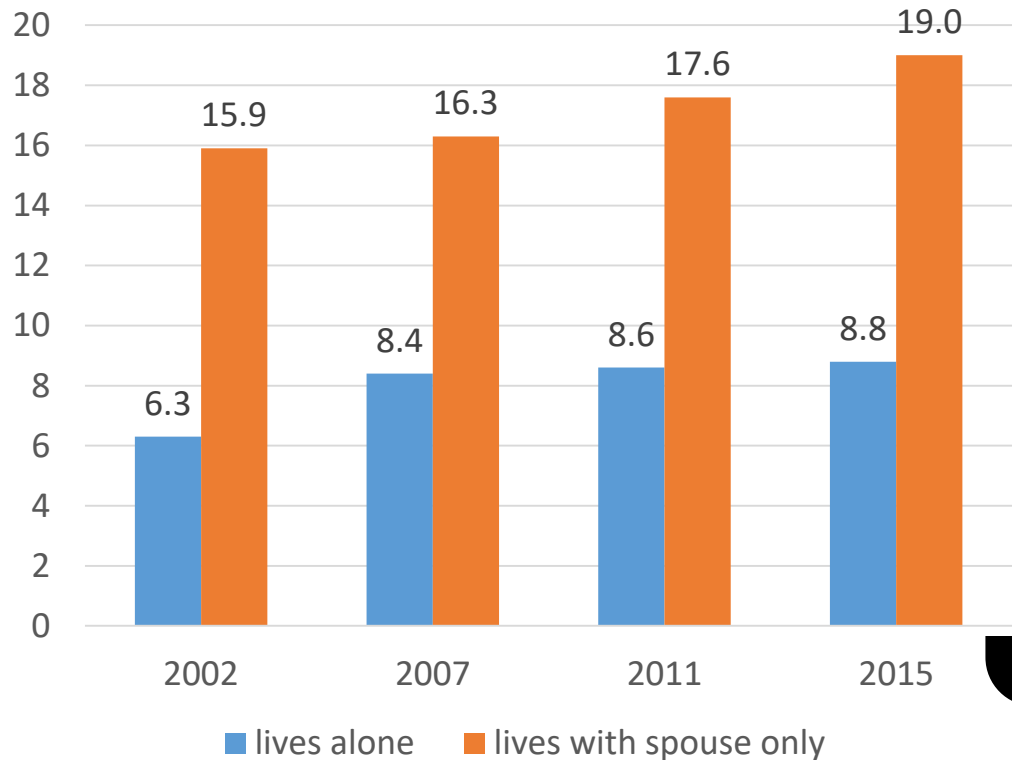
Decrease of Mean Number of Living Children by Age of Older Persons



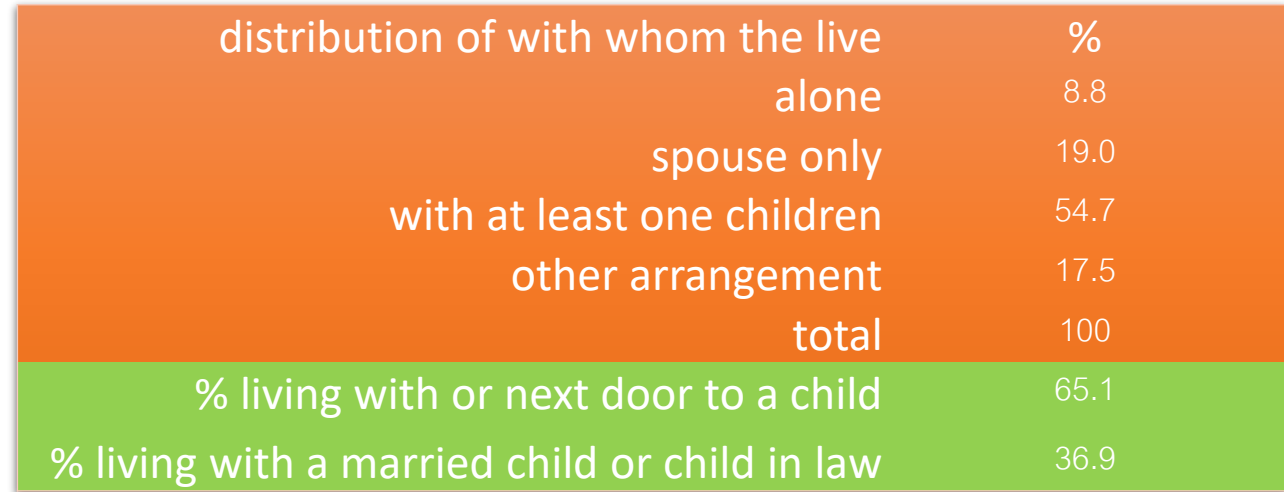
Source: Knodel, Prachuabmoh and Chayovan (2013)'s "The Changing Well-being of Thai Elderly: An update from the 2011 Survey of Older Persons in Thailand", College of Population Studies, Chulalongkorn University and HelpAge International. For 2014 from John Knodel, Bussarawan Teerawichitchainan, Vipap Prachuabmoh and Wiraporn Pothisiri (2015), The Situation of Thailand's Older Population: An Update based on the 2014 Survey of Older Persons in Thailand, HelpAge International, Thailand.

Living Arrangements of Older Persons

(% older persons aged 60 years and older)



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



Location of nearest child	lives alone	lives with spouse only
adjacent	29.4	25.5
same village or municipality	16.3	18.8
same province	15.4	17.6
outside province	21.5	30.1
has no children	17.5	8.0
Total	100.0	100.0

Old-age Financial Security:

Sources and Main Source of Income of Older Population in Thailand (%)

Income Source	Percent receiving any income					Main source			
	from the following source					of current income			
	1994	2002	2007	2011	2014	1944	2007	2011	2014
work	38.0	37.7	37.8	42.7	38.8	31.5	28.9	35.1	33.8
pension	4.1	4.3	5.4	7.5	6.3	4.0	4.4	6.0	4.8
old age allowance	0.5	3.0	24.4	81.4	84.9	0.0	2.8	11.4	14.9
interest, saving, rent	17.1	18.0	31.7	35.7	n.a.	1.7	2.9	2.6	3.8
spouse	21.4	17.4	23.3	21.4	25.2	4.6	6.1	3.1	4.3
children	84.5	77.2	82.7	78.5	78.9	54.1	52.3	40.1	36.8
relatives	11.4	6.9	11.0	8.9	10.0	2.4	2.3	1.5	1.4
other	8.8	2.6	1.5	2.5	1.6	1.7	0.5	0.2	0.2
Total	-	-	-	-	-	100.0	100.0	100.0	100.00

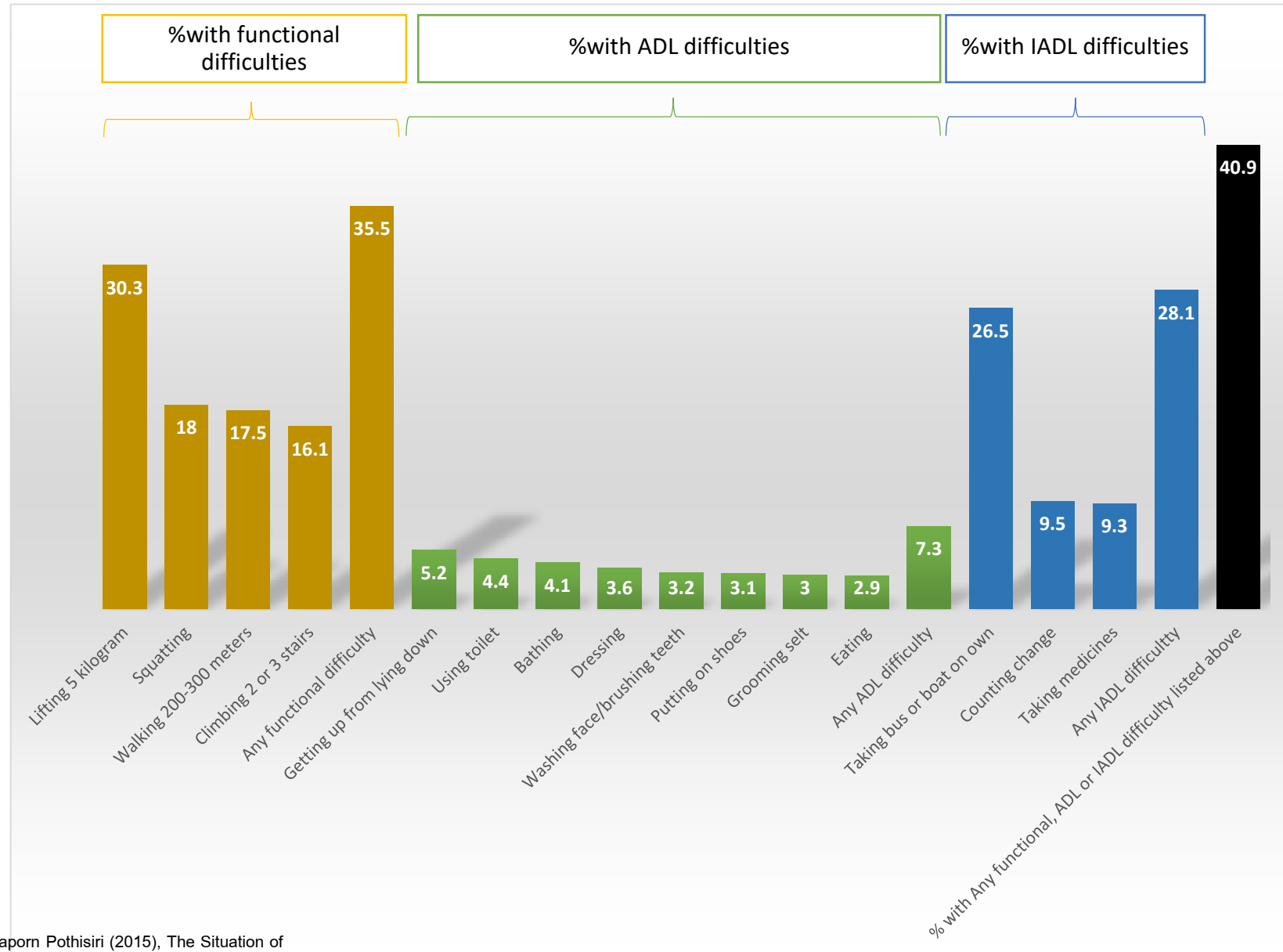
Source: For 1994, 2002, 2007 and 2011 from Table 4.2 in Knodel, Prachuabmoh and Chayovan (2013)'s "The Changing Well-being of Thai Elderly: An update from the 2011 Survey of Older Persons in Thailand", College of Population Studies, Chulalongkorn University and HelpAge International. For 2014 from John Knodel, Bussarawan Teerawichitchainan, Vipap Prachuabmoh and Wiraporn Pothisiri (2015), The Situation of Thailand's Older Population: An Update based on the 2014 Survey of Older Persons in Thailand, HelpAge International, Thailand.

Future Generation's Preparedness for Old-age Financial Security

Year of Survey	Should we prepare ourselves for old-age life or not?			The most important issue of preparedness	Adequate Saving/Assets Accumulation for Old-age Life		
	Should	Should not	Not sure		Ever thought		Never thought
					Prepared	Not Yet	
2007	91.4	3.7	4.9	Finance 98.8 Health 96.9 Housing 96.5	57.6	32.3	10.1
2011	87.1	6.8	6.8	Finance 98.4 Health 97.3 Housing 97.1	53.8	33.9	12.3

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

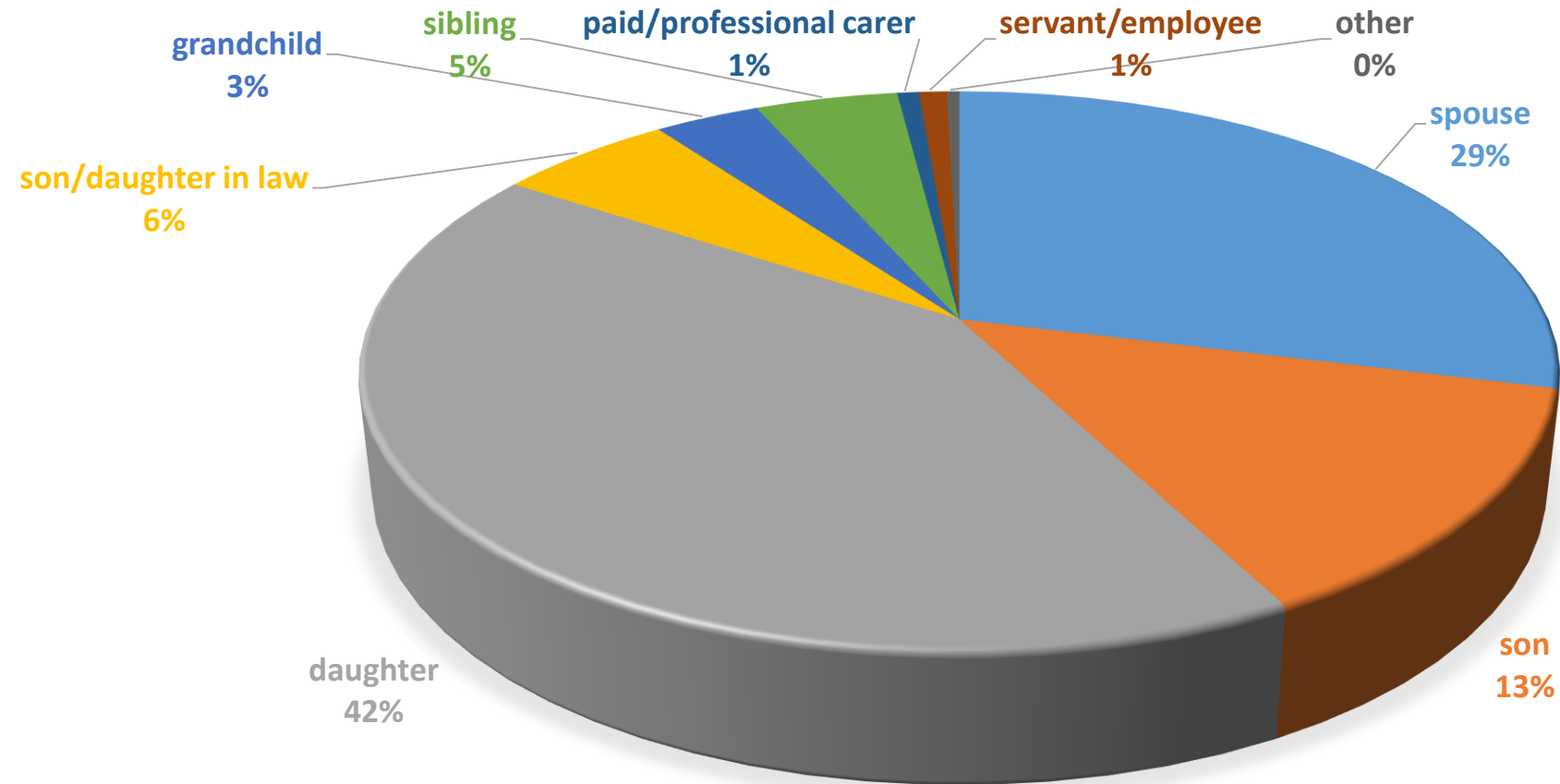
Ability of Daily Livings of Older Persons



Source: John Knodel, Bussarawan Teerawichitchainan, Vipap Prachuabmoh and Wiraporn Pothisiri (2015), The Situation of Thailand's Older Population: An Update based on the 2014 Survey of Older Persons in Thailand, HelpAge International, Thailand.

Main providers of assistance with daily living activities

(% of persons 60 and older who have assistance for daily activities)



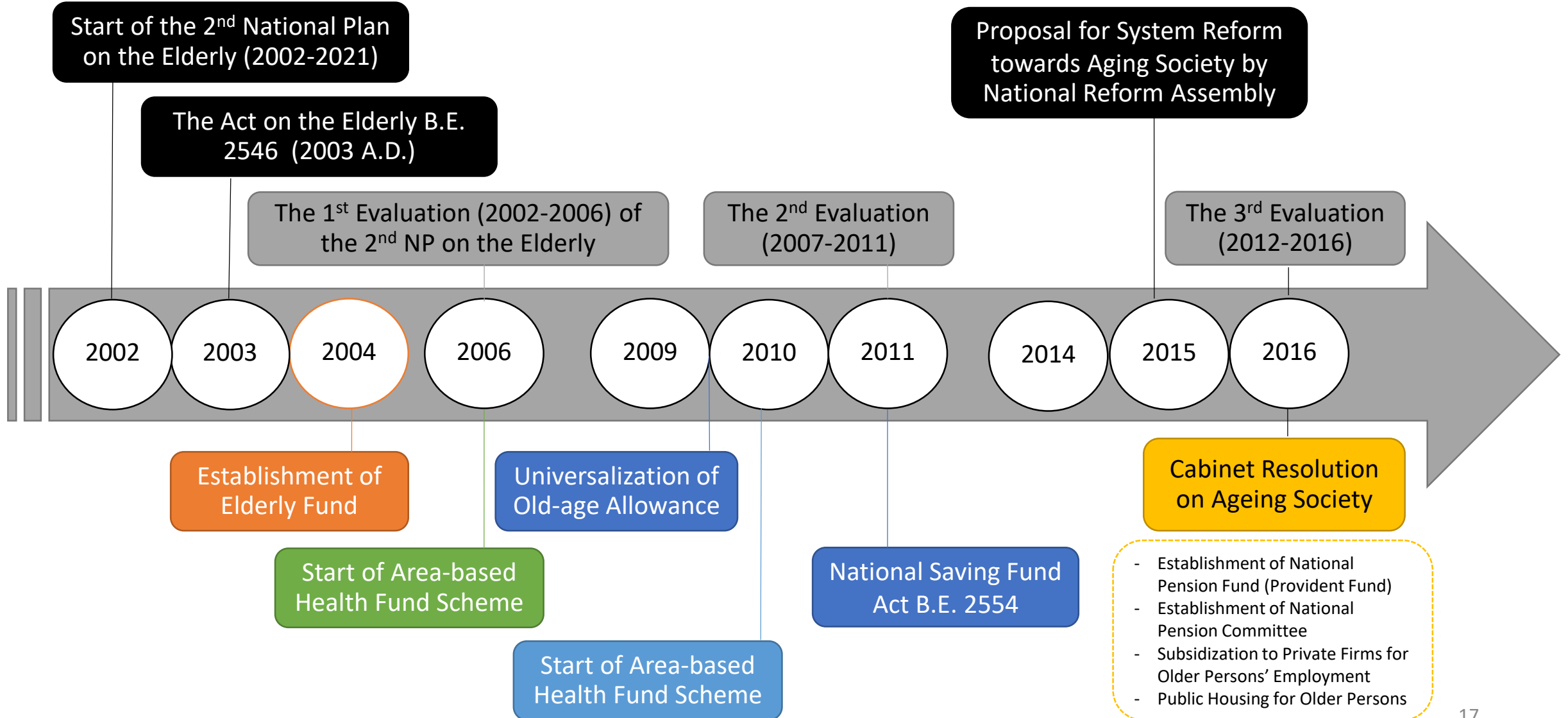
Source: John Knodel, Bussarawan Teerawichitchainan, Vipap Prachuabmoh and Wiraporn Pothisiri (2015), The Situation of Thailand's Older Population: An Update based on the 2014 Survey of Older Persons in Thailand, HelpAge International, Thailand.

Outline of Presentation



3. Policy Responses

Policy Responses



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



"The elderly are valuable assets to the society"

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 suiting the circumstances at all times.

Strategy (No. of Index)	Accomplishment (%)
Overall	51.0%
Strategy on readiness preparation of the people for their quality ageing	28.6%
Strategy on the elderly promotion and development	53.3%
Strategy on the social safeguards for the elderly	33.3%
Strategy on management of developing the national comprehensive system for undertakings and developing the personnel for the elderly involving missions	85.7%
Strategy on processing, upgrading and disseminating knowledge on the elderly and the national monitoring of implementation of NPE	100.0%

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)

Informal Sector Working Population and Non Labor Force Population
(2/3 of working pop)



Current Picture of Elderly Care Regime

How to construct proper elderly care system to support medium-income older persons?

Unprivileged Older
Person/Household (Low-income)

**Central Government's
Care Facilities/Shelters**

**Local Authorities' Care
Facilities/Shelters**

**Non-profits
Organizations' Care
Facilities/Shelters**

Medium-income Older
Person/Household

**Community-based
Integrated Older
Persons' Long Term
Care System**

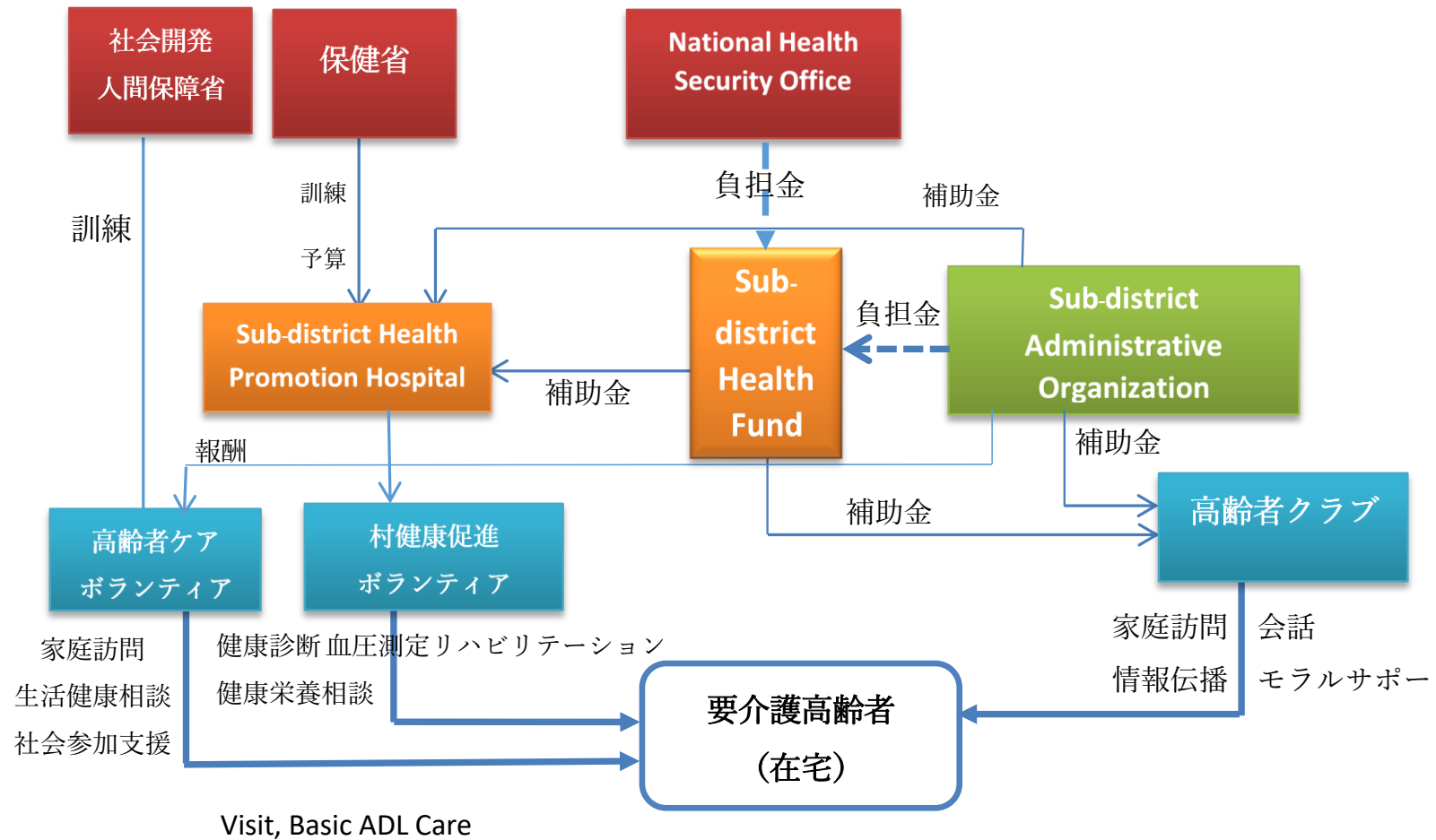
High-income Older
Persons/Household

**Institutional Care by
Private Care Providers**

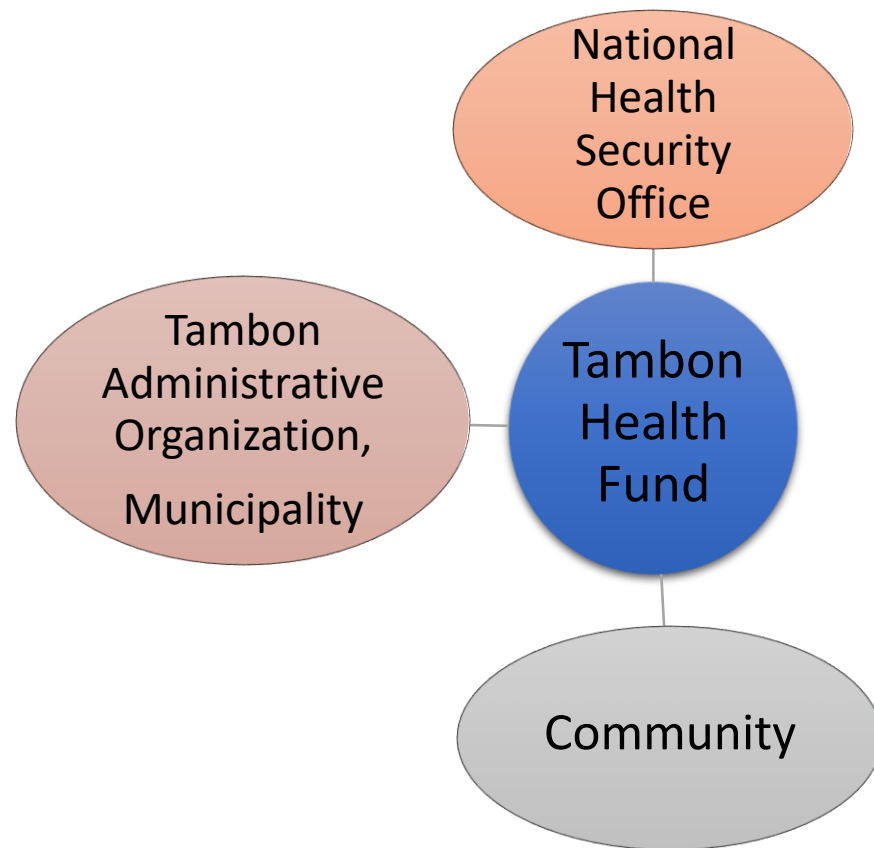
Private Home Helpers

Family Care

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)**
 - Except for some occupations extended to 65-70
 - Professional: medical doctor, dentist, veterinarian,
 - fine artist, traditional dancer, traditional musician, traditional singer
 - judiciary, judge (until 70)
 - professor (65)
- **Private Sector: No mandatory retirement age, normally 55-60**
 - Pensionable age of social security fund's old-age benefits = 55+

Proposal from National Reform Assembly

February 2015

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

HEALTH

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

ENVIRON MENT

- 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)

Promotion of Older Persons' Employment

Distribution Jobs to Households and Communities

Extension of Official Retirement Age of Government Officials

Promotion of Continuing Employment for Private Sector's Employees

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



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



<p>Strategy on readiness preparation of the people for their quality ageing</p>	<p>Strategy the elderly promotion and development</p>	<p>Strategy on the social safeguards for the elderly</p>	<p>Strategy on management of developing the national comprehensive system for undertakings and developing the personnel for the elderly involving missions</p>	<p>Strategy on processing, upgrading and disseminating knowledge on the elderly and the national monitoring of implementation of NPE</p>
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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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