



# Economic and Social News

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## Thailand's Social Development in Q2/2016

The Office of the National Economic and Social Development Board (NESDB) released the official report on Thailand's social development in the second quarter of 2016. Details of the key social situations and movements are elaborated as follows.

### Employment and income slightly increased with a considerably low rate of employment

Statistically, there were 37,393,472 employed persons in Q2/2016, a slight 0.9 percent drop from the same quarter last year. The employment rate in the agricultural sector declined further from the previous quarter by 6.2 percent. Despite the end of the severe drought, a result of which is believed to be due to the accumulated effects of the ongoing drought started back during the cultivation season in 2014 that gradually decreased agricultural activities. On the contrary, employment in the non-agricultural sector increased by 1.4 percent, especially in construction, transportation and tourism sectors, following the global economic expansions, while that of manufacturing sector went in the opposite direction. During the Q2/2016, there were recorded 411,124 unemployed persons, equivalence of 1.08 percent rate of unemployment. Wages and salaries in the private sector, excluding overtime pay and other benefits, increased by 1.14 percent, while the real wage (excluding overtime pay and other benefits) increased by 1.3 percent. Labour productivity increased on average of 4.5 percent, comprising of the 6.5 percent increase in the agricultural sector and 2.3 percent increase in the non-agricultural sector.

The key labour and employment related issues needed to be closely monitored are as follows,

(1) **Employment and income in the agricultural sector:** the continuing decline in the employment rate in the sector and the relatively low level of water in all of the reservoirs had raised deep concerns about the sector's employment and income. However, continuous heavy rainfall during mid-July to October is believed to help relieve reservoirs' low water level situation, and together with

Labour Force Survey in Q2/2016

	2015	2015				2016	
	Year	Q1	Q2	Q3	Q4	Q1	Q2
Total labor force (Millions)	38.5	38.3	38.4	38.7	38.7	38.3	38.2
1. Employed (Millions)	38.0	37.6	37.8	38.3	38.4	37.7	37.4
(%YoY)	-0.2	-0.5	-0.2	-0.2	0.3	0.2	-0.9
1.1 Agriculture (%YoY)	-3.6	-4.4	-5.8	-3.8	-0.7	-2.7	-6.2
1.2 Non-agriculture (%YoY)	1.6	1.3	2.6	1.7	0.8	1.5	1.4
2. Unemployed (Millions)	0.3	0.4	0.3	0.4	0.3	0.4	0.4
Unemployment rate (%)	0.88	0.94	0.88	0.92	0.8	0.97	1.08
3. Seasonally inactive labor force (Millions)	0.2	0.3	0.3	0.1	0.1	0.3	0.4
Share to labor force (%)	0.5	0.8	0.8	0.2	0.2	0.7	0.9
Source: National Statistical Office							

effectively planned water storage management, it is anticipated that the employment situation in the agricultural sector in the second half of 2016 should be improved as cultivation is believed to bounce back to its normality.

**(2) Employment adjustment in manufacturing sector:** despite the recent accelerating expansion rate of the economy, production for exports has been on the decline. As a result, many business owners had opted for employment suspension after failing at trying to lower other related non-labour costs. Nevertheless, increases in employment in the sector are anticipated with future export expansion. According to the Export Expectation Index in Q3/2016, export is expected to show a sign of improvement, especially among electrical appliances, plastic products, automobiles, rubber products and metal.

**(3) The enforcement on wage rates set by the 5<sup>th</sup> the National Occupational Skill Standard Announcement in 20 additional occupations:** as of 10<sup>th</sup> August 2016, workers in 20 additional occupations in 5 industrial sectors should have their wages paid in accordance to the regulation. Thus, throughout follow ups should be carried out by related officials to ensure that such regulation implementation is effective, which in turn, can incentivize workers to have their skills developed and improved so that they can fairly pursue higher wages. These can, therefore, positively impact the country's economic development and competitiveness, as Thai labour, which is one of the most crucial contributions to the economy, will have higher capacity, thus yielding higher productivity overall.

**Promotion of birth quality to deal with the aging society.** Thailand is rapidly moving towards an aged society nation with an alarmingly lower fertility rate, while the number of elderly population and dependency ratio have concerningly increased. According to the Ministry of interior's statistical data, the birth rate has been persistently on a decline during 2006-2015, with 736,352 children being born in 2015 compared to 802,924 children in 2006. Furthermore, given such alarmingly declining birth rate, the Institute for Population and Social Research, Mahidol University, had forecasted that the fertility rate would be dropped to just about 1.3 in 2040, which would be below the replacement rate. Therefore, it is crucially important to ensure utmost quality maternity care and child bearing so that children can grow into decent and capable adults who can utilize their abilities, skills and knowledge to the greatest use for the country.

**Accelerating the development of foreign language skill for communication with the global community.** Based on the O-NET results in 2015, it revealed that Thai students had the average scores of the main subjects less than 50 percent, especially in English subject that had the lowest average score, in line with the English Proficiency Index (EPI) that ranked Thailand in the very low proficiency group. Similarly, the ranking conducted by the International Institute

for Management Development (IMD) on education in 2016 put Thailand at number 52, compared to that of 48 in 2015. However, there were some sub-indexes of the IMD on education that reflected slight improvements of Thailand's education system and language proficiency, but not sufficiently enough to push the country into a better ranking number.

**The overall number of patients diagnosed with diseases under surveillance decreased, but certain contagious diseases easily spread during the rainy season needed to be closely monitored.** The total number of patients under disease surveillance persistently decreased in Q2/2016 from Q2/2015 by 2.3 percent, comprising of 77.3 percent decreases of dengue fever patients, 8.3 percent increases of Pneumonia patients and 34.1 percent increases in influenza patients, most of whom were children and elderly with chronic diseases due to compromised immune system, making them easily prone to infections. Furthermore, the hand, foot and mouth disease has made a comeback, thus, requiring a close monitoring as the number of children diagnosed with such disease had been doubled in this quarter. Lastly, sharing invalidated and incorrect health information on the social media, which could impact general well-being, needed to be closely watched.

**Thai people seemed to be content overall, but the increasing suicide rate needed to be closely followed up.** According to the UN's World Happiness Report, it was found that Thailand's happiness index in 2016 was ranked number 33, a slight improvement from number 34 in 2015, and ranked second in ASEAN, following Singapore. However, the survey on mental health (happiness) of the Thai people, conducted by the Department of Mental Health in collaboration with the National Statistical Office, revealed that the total happiness score of the Thai people in 2015 was at 31.33 points, a slight decrease from that of 31.48 in 2014. Furthermore, the suicide rate among the Thais had gone up from 6.07 persons per 100,000 people in 2014 to that of 6.31 in 2015. The highest rate was found among population aged between 30-39 years old and the most major causes of suicide were problems associated with family issues, economics and chronic diseases. Compared internationally, according to the World Health Organization, the average global suicidal rate was 11.4 persons per 100,000 people, while Thailand was placed at 57<sup>th</sup> highest suicidal rate nation out of 172 nations worldwide.

**Expenditure on cigarette consumption decreased, whereas that of alcohol consumption increased.** In Q2/2016, the value of alcoholic consumption spending was estimated at about 35,488 million baht, a 1.3 percent increase compared to the same quarter in 2015. However, the spending on cigarette was approximately 15,149 million baht, a 0.4 percent decline compared to the same quarter last year. Despite such improvement in the cigarette consumption, limitation on both alcohol and cigarette consumptions should still need to be persistently campaigned, aiming to lower the number of alcohol consumers

that had gone up in nearly all age groups and that of the first time smokers whom seemed to be among youths.

**Overall crime and narcotics cases improved.** The overall crime cases in Q2/2016 decreased by 14.6 percent compared to the same quarter in 2015, with 11.3 reduction in narcotics and drug related cases, and life, physical and sexual offence cases and violence against property cases dropped by 18.9 percent and 29.4 percent respectively. Furthermore, despite the slight reductions in the cases of rapes and gambling of 19.4 percent and 28.1 percent respectively during the first half of 2016, it still deemed very important to strictly curb the problem of sexual assault and gambling problems, with more emphasis being placed on personal deployment to risky areas.

**Number of road accidents decreased.** In the second quarter of 2016, the number of road accidents and casualties decreased by 6.9 and 3.1 percent respectively. The value of loss decreased by 56.9 percent. The World Health Organization's Global status report on road safety 2015 indicates that Thailand's fatality rate is 36.2 per 100,000 people, which placed Thailand as the second-highest road-accident country in the world, after Libya, compared to the world average death rate from road accidents of 18 per 100,000 people.

**Thailand has been upgraded to Tier 2 Watch List on human trafficking,** after placed in Tier 3 in 2014-2015. Thailand has given priority to human trafficking, demonstrated diligence towards human trafficking, and established a national policy to solve the problem, consistently protecting and repressing human trafficking for the sake of national security and humanity. In the next stage of this effort, Thailand will increase coordination with every related sector, improve coordination at the bilateral level to stop human trafficking, especially in women and children, and include other aspects such as victim protection, law enforcement, and returning victims to their home countries. Also, Thailand will communicate and inform other countries about its intention and movement to thwart human trafficking, which also promotes Thailand's image at the international level.

**Complaints on consumer goods and services have decreased, yet the problems of antibiotic use in animals that affect consumer safety have been found.** Numerous complaints to the Office of the Consumer Protection Board have decreased by 3 percent, while important problems caused by using antibiotics on animals for consumption still exist. Therefore, Thailand should establish measures to campaign to inform ranchers about the disadvantages of antibiotic usage in order to reduce, quit or utilize antibiotics correctly. It should support research and assure alternative drugs as substitutes for antibiotics, adjust and enforce laws to supervise the proper application, prevention of antibiotics smuggling, as well

as push for labeling details concerning the production that does not contain antibiotic animals to give consumers choices.

**Efficient waste management by turning waste to fuels.** The government has created a roadmap to manage the increase and long-time accumulation of municipal solid waste and hazardous waste. The main idea is using 3Rs (Reduce, Reuse, Recycle). For instance, Thailand will reduce waste production at the source, reuse refuse for the sake of reducing production cost and waste generation, and recycle sorted trash. Today, the country has several energy-from-waste technologies, such as Incineration, Gasification, Pyrolysis, Landfill Gas to Energy, and Refuse Derived Fuel (RDF) etc. Both private and local government sectors in several regions have been successfully adopted RDF, by private individual purchases of waste from a community himself or a local government, accompanied with entrepreneurs, to produce RDF. The major limitation of RDF production is the chemical composition, heat and moistness of waste used in energy generation. Since waste has been affecting sale prices, sorting waste is the principal method of eliminating waste by efficiently developing energy from waste. It is also a starting point toward waste elimination and waste management in all forms.

**The unskilled migrant workers from the neighbor countries have increasingly changed from laboring in dangerous, dirty, and arduous jobs to individual retailers.** A survey found that there are two processes that migrant workers can become small retailers. First process happens when a migrant worker, who was originally a legal immigrant, changed to be a small retailer because of foreseeing more earnings than being employed in exploited and temporary jobs. The other process applies to an illegal immigrant who could not find a job. As a consequence, this worker turned himself into small retailers. About 40 percent of the migrant workers who are small retailers own the business in many forms such as owning the business themselves, hiring Thai citizens to act as employers, and doing business with the help of investors who agree to share profit. The migrant workers can still work as small retailers because there are employers who will take care of the fine when they are arrested and if the migrant workers are deported, they can still return to Thailand and work as small retailers. Speaking of an impact of foreign retailers, authorities and Thai small retailers think that the problem affects Thai dealers negatively in term of competing for the market and customers while researchers believe that it does not cause serious consequences. However, concerns for health care, cleaning and hygiene, epidemics, crime and access to resources and public services still remain. Therefore, it is important to review all regulations relevant to labor migration's occupation in accordance with foreign worker demand. Raise public awareness through media to increase understanding of the labor migration regulations to inform migrant workers before entering Thai labor market.

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

1. Approaches to develop overall labor and the management of labor migration.

(1) **Overall labor development** by driving work force development correspondence with direction of country development with aiming to upgrade high skilled workers or effective entrepreneurs. It's also important to develop all labor information system especially informal worker data in order to develop their potentials and provide them with access to social protection. In addition, cooperate with related agencies to improve data system on manpower production and demand.

(2) **Management of migrant workers** by improving database on migrant worker, including adding all important information in order to prevent illegal migration. Moreover, using technology to set standard database to verify information and then linking to related agencies for effective labor migration management is also crucial. The government should review all relevant regulations in accordance with foreign worker demand, and enforce the law strictly, with promoting migrant workers into registration process, along with raising public awareness through national media to increase understanding of the labor migration regulation in Thailand.

2. **Tackling narcotic drugs problem emphasizing on protection of “Pracharat” (public-private-community) collaboration mechanism** by coordinating with local and regional institutions to solve problem using the principle of “understand” “approach” “develop” and “solve” the problem structure. Furthermore, encourage those involved in drugs to adjust their lifestyle, so they will not return to drugs again. In addition, government should cooperate with countries of origin and destination, including borders.

3. **Holistic road accidents management** by promoting the enforcement of road safety regulations in order to achieve goals under Moscow Declarations. Create culture for people to follow rules. Moreover, there is a need to analyze the root causes of road accidents to solve the problem permanently.

Office of the National Economic and Social Development Board

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## Key Social Indicators

Components	2014	2015	2014				2015				2016	
	Year	Year	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
<b>1. Employment<sup>1/</sup></b>												
Workforce (Thousands)	38,576	38,548	38,454	38,442	38,811	38,598	38,279	38,404	38,767	38,744	38,312	38,160
%YOY	-0.2	-0.07	-0.12	-0.89	0.35	-0.20	-0.45	-0.10	-0.1	0.4	0.1	-0.6
Employed person (Thousands)	38,077	38,016	37,812	37,815	38,421	38,262	37,612	37,752	38,330	38,371	37,684	37,394
%YOY	-0.4	-0.16	-0.40	-1.18	0.27	-0.14	-0.53	-0.17	-0.2	0.3	0.2	-0.9
Unemployed person (Thousands)	322.7	340.6	341.1	385.7	326.6	237.3	361.3	336.1	356.0	308.8	369.9	411.1
Unemployment rate (%)	0.80	0.88	0.89	1.00	0.84	0.61	0.94	0.88	0.92	0.8	0.97	1.08
Underemployed person (Thousands)	256.3	272.5	277.9	258.1	245.1	244.1	281.2	277.2	250.9	280.8	292.9	351.8
<b>2. Health and illness</b>												
<b>Number of patients under disease surveillance (cases)<sup>2/</sup></b>												
- Measles	1,184 (-55.3)	1,015 (-14.3)	340	321	313	210	224	236	276	279	316	215
- Meningococcal Meningitis	14 -	25 (78.6)	4	3	2	5	4	6	9	6	5	4
- Japanese encephalitis	594 (-17.8)	632 (6.4)	140	143	153	158	164	144	178	146	182	119
- Cholera	12 (50.0)	108 (800.0)	2	2	6	2	2	2	4	100	41	2
- Hand, food and mouth	65,835 (42.7)	41,392 (-37.1)	9,662	19,732	27,792	8,649	9,217	7,771	14,594	9,810	8,906	17,872
- Dysentery	8,106 (-15.4)	7,042 -13.1	2,326	2,261	2,050	1,469	1,804	1,956	1,774	1,508	1,694	1,590
- Pneumonia	200,710 (8.2)	216,959 (8.0)	60,599	38,215	56,775	45,121	56,556	42,176	57,754	60,473	56,376	45,658
- Leptospirosis	2,263 (-27.1)	2,151 (-49.4)	393	462	774	634	283	393	723	752	391	364
- Dengue fever	40,999 (-73.5)	144,952 (53.6)	4,953	8,222	16,554	11,270	7,538	24,409	60,768	52,237	14,885	5,537
- Influenza	74,065 (68.6)	77,926 (52.1)	30,899	11,178	16,146	15,842	24,206	10,840	18,397	24,483	34,817	14,545
- Rabies	6 (20.0)	5 (-16.6)	2	1	2	1	1	1	2	1	3	1
<b>Rate per 100,000 population of death with major chronic non-communicable diseases</b>												
- High blood pressure	11.0 (37.5)	n.a.	No quarterly data available									
- Ischaemic heart disease	27.8 (3.3)	n.a.										
- Cerebrovascular disease	38.7 (7.2)	n.a.										
- Diabetes	17.5 (17.4)	n.a.										
- Cancer and tumors	107.9 (3.0)	n.a.										
<b>3. Social security</b>												
- Patients from road accidents (cases)	5,998	6,271	1,884	1,577	1,285	1,625	1,623	1,533	1,322	1,793	1,871	1,494
- Crime against person (cases)	23,916	25,602	5,884	6,024	5,904	6,313	6,210	6,724	5,947	6,721	5,659	5,294
- Property crimes (cases)	46,722	48,770	11,706	11,853	11,845	11,690	11,214	12,850	12,926	11,780	10,236	8,957
- Narcotics (cases)	384,644	279,266	95,095	102,728	98,838	91,711	83,963	67,015	64,375	63,913	64,753	59,104
<b>4. Consumer protection<sup>3/</sup></b>												
<b>4.1 Number of complaints (cases)</b>												
- Advertisement	2,571	2,875	287	843	805	636	632	753	742	748	727	795
- Label	2,352	2,552	254	682	752	664	572	726	614	640	704	559
- Contract	1,515	2,552	131	621	519	244	260	272	253	334	457	373
- Law	69	6	10	15	39	5	4	1	1	0	25	12
- Direct sales and direct marketing	131	566	0	0	0	131	54	159	177	176	120	244
<b>4.2 Hot line 1166 (cases)</b>	<b>38,701</b>	<b>49,708</b>	<b>3,410</b>	<b>10,804</b>	<b>12,703</b>	<b>11,784</b>	<b>12,293</b>	<b>12,300</b>	<b>12,865</b>	<b>12,250</b>	<b>11,666</b>	<b>10,555</b>

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