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## Income Security to Ensure the Desired Quality of Life at Old Age

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### 1. Definitions

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7 **Income Security** refers to coverage to ensure the people’s physical, mental, economic,  
8 social and environmental security. The key components of income security for the elderly  
9 encompass 4 factors:<sup>®</sup> 1) income from work, 2) saving/assets, 3) family support, and 4) state  
10 allowance. From the people’s perspective, two more dimensions should be taken into  
11 consideration, namely 1) community and local services, and 2) health coverage. All the  
12 dimensions would cover both income and expenses.

13 **Quality of Life** will be measured by the “Population Aging Quality Index” or PAQ Index,  
14 developed by the National Economic and Social Development Council (NESDC)<sup>®</sup> to monitor  
15 older people’s livelihoods in compliance with the Master Plan under the National Strategy  
16 and the Population Development for National Sustainable Development Plan. The PAQ Index  
17 is included in the National Plan on the Elderly, comprising 7 indexes: (1) Multidimensional  
18 Poverty Index of the elderly;<sup>™</sup> (2) Healthy Life Expectancy; (3) Average happiness score of the  
19 elderly; (4) Seamless access to state health coverage (connecting primary, secondary and  
20 tertiary levels) in all provinces; (5) Living with family; (6) Living in a decent and safe  
21 environment; and (7) Happy with land transport systems for the elderly.

22 Moreover, the National Economic and Social Development Council (NESDC) has  
23 developed the aging preparedness index for the working age population (aged 25 to 59),  
24 covering the **economic dimension** (i.e. saving enough money or assets for retirement), **social**  
**dimension** (i.e. social work or volunteer work after retirement), **health dimension** (i.e. staying

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<sup>®</sup> Proposed by Dr. Worawet Suwanrada at the Academic Consultation Meeting for income security coverage on August 1, 2022.

<sup>®</sup> Chulalongkorn University Academic Service Center, Project to develop a statistical data system and indicators for use in government administration according to the national strategy, issue 15: social power [click](#)

<sup>™</sup> Multidimensional Poverty Index (MPI), developed by Oxford Poverty & Human Development Initiative and United Nation Development Program, is applied for Thailand by the National Economic and Social Development Council, with the poor being defined as those who live under the poverty line in 5 dimensions: health, education, income, standard of living, and access to state services.

1 physically and mentally healthy or letting go before old age or joining religious activities more  
2 often), and **surrounding environment dimension** (i.e. staying with family or being taken care  
3 of).

4 It is the people who define their own meanings of good quality of life. There are many  
5 definitions used in the development plans at the village, sub-district, district and provincial  
6 levels. For example, the people in Nam Kian sub-district of Phu Piang in Nan province define  
7 quality of life as “**กินอิ่ม นอนอุ่น ฝันดี**”, literally “full stomach, warm sleep and good dreams”.  
8 “**กินอิ่ม**” means self-sufficient in the sufficiency economy. “**นอนอุ่น**” means good health and  
9 self-dependency and “**ฝันดี**” means safety in life and properties, no drug use and no debts.<sup>๔</sup>  
10 Another example is the Sub-District Community Council in Surin province, who defines quality  
11 of life as “**กินอิ่ม นอนอุ่น ทุนมี หนี้ลด**”, literally “full stomach, warm sleep, abundant capital,  
12 and low debt”. “**กินอิ่ม**” means living on the fertile land of fish and rice, where people do  
13 not have to buy everything with money, but save water, soil, and trees to create their own  
14 retirement safety net. “**นอนอุ่น**” means security in life, both physical and social, where people  
15 in families and communities look after one another. “**ทุนมี**” means wisdom capital and natural  
16 resource capital which should be conserved amid the waves of capitalism, and “**หนี้ลด**” means  
17 earning multiple incomes to reduce debts, circulating and making the most use of capitals  
18 within the communities. This way natural capitals, such as soil, water and forests are well  
19 conserved and beneficial to people in the communities. Local resources and wisdom  
20 management for local people based on the sufficiency economy will not create debts.<sup>๕</sup>

21 Additionally, Dr. Banlu Siripani<sup>๖</sup> likens “**Good quality of life**” as a good house that  
22 provides peaceful living and comprises many components with pillars and a foundation. The  
23 first pillar is health (physical, mental, social and wisdom), the second pillar is work (for oneself,  
24 others and society and the third pillar is security (economic, family, community and  
25 environment).

26 **The elderly** refers to the population aged 60 and above, which is in compliance with  
27 the definition in the Elderly Person Act, B.E. 2546 (2003) and the definition in the UN’s aging

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<sup>๔</sup> สถาบันพัฒนาองค์กรชุมชน.“กินอิ่ม นอนอุ่น ฝันดี” สวัสดิการชุมชนตำบลน้ำเกี๋ยนจากรากฐานการบริหารจัดการที่ดีของชุมชน”.  
[http://www.codi.or.th/downloads/welfare/Case\\_Study\\_of\\_Welfare/north](http://www.codi.or.th/downloads/welfare/Case_Study_of_Welfare/north)

<sup>๕</sup> สถาบันพัฒนาองค์กรชุมชน. (2558). กินอิ่ม นอนอุ่น ทุนมี หนี้ลด” ที่สุรินทร์. สืบค้นจาก <https://ref.codi.or.th/2015-08-04-11-01-52/12837-2015-06-12-03-17-09>

<sup>๖</sup> บรรลุ ศิริพานิช. (2552). เอกสารประกอบการบรรยาย “คุณภาพชีวิตที่ดี”. มูลนิธิสถาบันวิจัยและพัฒนาผู้สูงอายุไทย.

1 population report. However, the elderly mentioned here does not mean retired population  
2 at aged 60 as defined in the formal labor sector, both in the government and business  
3 organizations.

4 **The Income Security Coverage for Good Quality of Life of the Elderly** thus means  
5 multidimensional security in life. In terms of the economic dimension, it encompasses work,  
6 income generation, savings, asset accumulation, and wisdom and natural resource capitals.  
7 This interconnects with the health and physical/social environment dimensions, where people  
8 look after one another within families and communities to ensure the elderly live safely and  
9 happily.

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## 11 **2. Significance of Income Security for Good Quality of Life of the Elderly and** 12 **Relevant Policies**

13 The main targets of the **13th National Economic and Social Development Plan**  
14 **(2023 – 2027)** are *to develop human resources for the world in the new era*, to upgrade  
15 people’s capacity for national economic development, **to create a social safety net system**  
16 to support security in the lives of the people, and *to transform the country into a society*  
17 *of opportunity and equality*. This means to narrow economic and social inequality gaps in  
18 terms of income, living space, wealth and business competitiveness. This can be achieved by  
19 providing support to the vulnerable and the underprivileged with opportunities to upgrade  
20 their social and economic status, and ensuring equal access to economic opportunities and  
21 quality public services by all people in all areas. Also, the 13th National Economic and Social  
22 Development Plan focuses particularly on the aging population, which has impacts on  
23 opportunity and limitations in national development in different aspects. Therefore,  
24 preparation for reforms in various aspects are underway, as shown in relevant international  
25 goals, national strategies and implementation plans, as follows:

26 **1) The UN’s Sustainable Development Goals (SDGs):** Goal 3 : Good Health and Well-  
27 Being, Goal 4 : Quality Education, and Goal 8 : Decent Work and Economic Growth

28 **2) The 2018-2037 National Strategy:** which seeks to create opportunities and social  
29 equality, human capital (throughout the lifecycle), and competitiveness.

30 **3) The Master Plan under the National Strategy:** which aims to enhance human  
31 potentials throughout the lifecycle, people’s well-being, social equality and

1 security, research and innovations, and smart city. (reducing inequality gap and  
2 upgrading quality of life of people in all areas).

3 **4) The 13<sup>th</sup> National Economic and Social Development Plan (2023 – 2027)<sup>of</sup>:**

4 which aims to “transform Thailand into a progressive society and sustainable value  
5 creation economy”<sup>cs</sup> not only by preparing the people for the new era and creating  
6 fairness and an equal society, but also ensuring people of all ages are upgraded in all  
7 dimensions (including supporting the elderly to be valuable citizens for society),  
8 developing highly capable manpower, and promoting lifelong learning. In the 2<sup>nd</sup>  
9 Dimension on “Economic and Social Opportunities and Equality” under the milestones  
10 9 and 12, goals are set as follows:

11 ■ **Milestone 9: “Thailand’s poverty across generations is on the decline  
12 and all Thais receive adequate and proper social protection”** with the following  
13 goals: (1) Opportunity for poor households across generations to upgrade their  
14 economic and social status and move out of poverty permanently, and (2) Thai  
15 people of all age groups to receive social security for an adequate standard of living.  
16 Another milestone is in the 4<sup>th</sup> dimension “Drivers in Transforming the Country”.

17 ■ **Milestone 12: “Thais are highly capable, constantly seek knowledge, and  
18 respond well to future development”** with the following goals (1) Thai people of  
19 all ages are developed to their full potential, to be highly capable in the new era, to  
20 have good virtue/ethics in social norms and are resilient to changes and global  
21 disruption, in order to live together in harmony, (2) Human resources are highly  
22 capable, meeting the demands of the targeted manufacturing sector, and able to  
23 create future jobs, and (3) All groups of people have access to lifelong learning.

24 **5) The Population Development Plan for Long-Term National Development  
25 (2021-2037) (Drafted)<sup>cs</sup>:** aimed at creating quality families and enhancing the mechanisms

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<sup>of</sup> Announced in the Royal Gazette on October 24, 2022, taking effect on October 1, 2022 to September 30, 2027.

The 2<sup>nd</sup> level of the plan aims at translating strategies into implementation plans (the 3<sup>rd</sup> level of the plan).

<sup>cs</sup> This is defined as creating changes in structural, policy and mechanism levels for the country to keep abreast with the world and for the Thai people to have opportunities to develop to their full potential, as well as upgrading productivity and services for higher values based on sustainable environment.

<sup>cs</sup> สำนักงานสภาพัฒนาการเศรษฐกิจและสังคมแห่งชาติ. (2564). (ร่าง) แผนพัฒนาประชากรเพื่อการพัฒนาประเทศระยะยาว (พ.ศ. 2565-2580).

1 that foster giving birth and raising children, boosting labor productivity, upgrading financial  
2 security, promoting people’s well-being to reduce untimely deaths and providing long-term  
3 care to cover later phases of life, building an environment that supports quality of life of all  
4 age groups, and managing better migration.

5 **6) The National Action Plan for the Elderly, Phase 3 (2023 – 2037)<sup>๑๐</sup>:** readiness  
6 preparation of the people for quality aging in all aspects in an inclusive and fair manner,  
7 reforming and integrating the administrative system in transition to a quality aging society, and  
8 upgrading research, technology, and innovations for the elderly. The policies and strategies  
9 need to be connected. The key element for the development is **income security for**  
10 **Good Quality of Life.** The starting point is that the working age people have decent  
11 jobs and incomes and are thereby able to plan a quality life when they get older. The  
12 long-term strategies are clearly stated, for example, “Poverty across generations must  
13 be reduced,” “Thai people are highly capable and love lifelong learning, are responsive  
14 to future changes,” and “Thai people have access to lifelong learning.” In transition to  
15 “**Income Security for Good Quality of Life of the Elderly**”, there are five key elements  
16 as follows:

- 17 1) Upgrading labor productivity and employment for all ages.
- 18 2) Long-term savings in a comprehensive, inclusive, adequate, and sustainable  
19 manner.
- 20 3) Access to health security, in particular long-term care.
- 21 4) State allowances and basic social services.
- 22 5) Care and support from family, communities, and local parties.

### 23 **3. Threats, Opportunities and Hopes in the Active Aging Society**

24 In 2021, the aging population in Thailand stood at 12.5 million or over 19 percent of the  
25 total Thai population. The country is entering a fully-fledged aging society in 2022.<sup>๑๑</sup> It is  
26 expected that from 2023 onwards, the number of the elderly will continue to increase by 1

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<sup>๑๐</sup> Proposed by the Ministry of Social Development and Social Security, and approved by the cabinet on May 17, 2022. It will take effect when the National Action Plan for the Elderly, Phase 2 (2002-2022) terminates. The National Action Plan for the Elderly, Phase 3 (2023 – 2037) is the third level national plan, and a continuation of the National Action Plan for the Elderly, Phase 2.

<sup>๑๑</sup> Foundation of Thai Gerontology Research and Development institute (TGRI), Situations of Thai Senior Population in 2021, <https://thaitgri.org/?p=40101>

1 million annually for the next 20 years. However, the aging Thai population is facing economic and social situations leading to a worsening quality of life.<sup>๑๒</sup> Some parts of the aging population have no economic security. The poverty rate increases in the older population. More than 1.19 million of the aging population earn less than 10,000 baht a year. Around 32 percent of the aging population depend on support from their children, while 19 percent depend on state cash allowances and another 8 percent depend on pensions. The tendency of the elderly's dependency on pensions and children's support is constantly declining whereas dependency on state cash allowances is on the rise. Welfare for the elderly is therefore crucial in helping to sustain their dignity, value and quality of life. During the COVID-19 pandemic, it was found that the elderly were among the hardest hit, in terms of health, economy and society, which essentially involves national inequality.<sup>๑๓</sup> Around 36 percent of the elderly, particularly in urban areas, lost their incomes due to unemployment, no market spaces, and pay cuts. The number of the elderly with work as their main source of income decreased by 45 percent, which might be the cause of the rising number of the elderly with the state allowance as their main source of income, or an increase of 40 percent.<sup>๑๔</sup> Furthermore, formal and informal debts of the vulnerable groups (the elderly, the disabled, the bed-ridden and those with chronic diseases) continue to rise.<sup>๑๕</sup> It is estimated that in 2037 or the next 15 years, the number of the Thai aging population will increase to 19.8 million, or more than 30 percent of the total population. Taking into consideration the aging population (aged between 60-65) and the working age population (aged between 30-59), and comparing the population structure in terms of dependency of children and aging population on the working age population, it is found that the ratio of the children and aging population to the working age population was 54:100 in 2020 and will rise to 79:100 in 2040.<sup>๑๖</sup> It is estimated that in the next 20 years, the working age group will have to shoulder more burdens of the

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<sup>๑๒</sup> The National Statistics Bureau, the 2021 Server on Thai aging population.

<sup>๑๓</sup> A survey on impacts of COVID-19 pandemic on Thai aging population.

<sup>๑๔</sup> College of Population Studies Chulalongkorn University. Covid-19 and older persons: Evidence from the survey in Thailand. UNFPA. 2020

<sup>๑๕</sup> กองพัฒนานโยบายและนวัตกรรมทางสังคม สำนักงานปลัดกระทรวงการพัฒนาสังคมและความมั่นคงของมนุษย์ ผลกระทบของ COVID-19 ต่อประชากรกลุ่มเปราะบาง

<sup>๑๖</sup> สำนักงานสภาพัฒนาการเศรษฐกิจและสังคมแห่งชาติ รายงานการคาดประมาณประชากรของประเทศไทย พ.ศ. 2553-2583 (ฉบับปรับปรุง)

1 children and aging population. In the meantime, they need to prepare themselves for their  
2 own security after retirement.

3 Therefore, it is highly likely that the future aging population will face income insecurity  
4 unless relevant policies and systems are improved from today onwards. The majority or 50  
5 percent of the Thai working-age group is in informal sectors, including agricultural, family and  
6 personal businesses, who presently have no access to the social security scheme and no  
7 income security after retirement. The coverage rate of income security in their old age for the  
8 population aged 25-59 is only 37.2 percent.<sup>๑๗</sup> In terms of savings, it is suggested that enough  
9 money be saved for living to 60 – 100 years with around 4.3 million baht for the urban middle  
10 income earners and 2.8 million baht for those living upcountry.<sup>๑๘</sup> Most Thai people still do  
11 not have adequate savings for their security in life. Only 0.5 percent, or 120,000 of Thai  
12 households have more than 2.8 million baht in savings.<sup>๑๙</sup> The inadequate savings, coupled  
13 with poverty, income insecurity of the elderly, and other household economic factors, such  
14 as time and expense in taking care of aging family members, are deeply intertwined with  
15 inequality in various dimensions. These are considered obstacles to overall long-term  
16 economic growth and security, as well as inclusive and sustainable development. Poverty  
17 across generations has been a longstanding structural problem and is increasingly worsening.  
18 Most of the households with poverty across generations have no savings, low education, and  
19 high dependency. 17.2 percent of children aged 6-14 in these households have no access to  
20 the 9-year compulsory education. Most of the children have no choice but to drop out of  
21 school, lack the basic knowledge to earn a living, and thereby become low-skilled workers,  
22 which has adverse effects on their income level and quality of life in the future.<sup>๒๐</sup>

23 Additionally, Thailand has been facing **collective crises** for 3 main reasons, namely:

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<sup>๑๗</sup> ข้อมูลจากโครงการติดตามและประเมินผลแผนผู้สูงอายุแห่งชาติ ฉบับที่ 2 (พ.ศ.2545-2564) ระยะที่ 3 (พ.ศ.2555-2559) ซึ่งเป็น  
การประเมินในกลุ่มประชากรอายุ 30-59 ปี

<sup>๑๘</sup> สถาบันวิจัยเพื่อการพัฒนาประเทศไทย 2562 รายงานการเตรียมความพร้อม ด้านการเงินและสุขภาพในสังคมอายุยืน  
<https://tdri.or.th/2019/08/financial-and-health-preparation-in-a-longevity-society/>

<sup>๑๙</sup> สำนักงานสภาพัฒนาการเศรษฐกิจและสังคมแห่งชาติ รายงานภาวะสังคมไทย ไตรมาสสี่และภาพรวม ปี 2563  
[https://www.nesdc.go.th/ewt\\_dl\\_link.php?nid=11290&filename=social\\_outlook](https://www.nesdc.go.th/ewt_dl_link.php?nid=11290&filename=social_outlook)

<sup>๒๐</sup> สำนักงานสภาพัฒนาการเศรษฐกิจและสังคมแห่งชาติ. (2565). แผนพัฒนาเศรษฐกิจและสังคมแห่งชาติฉบับที่สิบสาม พ.ศ. 2566-  
2570.

1           **1) Social Inequality:** Thailand ranks among the top countries that have a big socio-  
2           economic gap with a tendency highly likely to worsen. Among the countries with big  
3           social gaps between the rich and the poor are South Africa, Brazil, India, Russia, the  
4           United States and Sri Lanka. Among ASEAN countries, Myanmar and the Philippines  
5           are at the top of the list of the countries likely to become fragile states with large  
6           inequality gaps where both the rich and the poor have no safety in life and assets, not  
7           to mention the elderly whose lives and assets are at risk of being abused or violated.

8           **2) “ Low Productivity” and Lost in Economic War:** For Thailand to become a  
9           rich country, highly skilled workers are essential. The government’s economic policies  
10          need to prioritize competitiveness. Currently, Thailand’s Total Factor Productivity (TFP)  
11          is growing slowly. There is a need to extend working age range to include those in their  
12          60s and 70s so that they can be independent, while being able to take care of their  
13          children and grandchildren at full capacity for as long as possible. This is to **“create**  
14          **hope in the active aging society”**.

15          **3) Frequent and severe crises:** Thailand’s economy was hit hard by the COVID-  
16          19 pandemic in 2020. The number of the poor rose by half a million, from 4.3 million  
17          to 4.8 million. The number of jobless people almost doubled, from 373,000 to 651,000.  
18          The country’s GDP fell by 6.1 percent.<sup>๒๑</sup> The elderly group has the highest poverty rate,  
19          with 11 percent of the total aging population falling under the poverty line or having  
20          less than 3,000 baht a month.<sup>๒๒</sup> The government injected around 1-1.5 trillion baht into  
21          the economy for COVID-19 relief measures.<sup>๒๓ ๒๔</sup> Additionally, in 2022 the world  
22          continued to face rising inflation, declining economy, European armed conflicts, and

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<sup>๒๑</sup> สำนักงานสภาพัฒนาการเศรษฐกิจและสังคมแห่งชาติ. (2564). รายงานการวิเคราะห์สถานการณ์ความยากจนและความเหลื่อมล้ำในประเทศไทย ปี 2563.

<sup>๒๒</sup> ดร.ทีปกร จิริฐิติกุลชัย (2565). ข้อมูลจากการประชุมวิชาการเพื่อพัฒนาเครือข่ายสังคมสุขภาวะและนโยบาย ครั้งที่ 8 การพัฒนาและขับเคลื่อนนโยบายสาธารณะแบบมีส่วนร่วมประเด็น “หลักประกันรายได้พื้นฐานถ้วนหน้า หรือบำนาญถ้วนหน้า” เมื่อวันที่ 5 สิงหาคม 2565.

<sup>๒๓</sup> The overview of the government expenditure of loans: Plan 1 : 60,898 million baht on medical/public health; Plan 2 : 709,059 million baht on allowances/remedies; and Plan 3 : 227,043 million baht on economic and social revival.

<sup>๒๔</sup> The overview of the government expenditure of loans: Plan 1 : 163,679 million baht on medical/public health; Plan 2 : 174,042 million baht on allowances/remedies; and Plan 3 : 162,279 million baht on economic and social revival, <https://www.pdmo.go.th/th/covid-19/projectcovid19-2021>

1 increasing impacts from global warming such as drought, flooding, as well as damage to  
2 agricultural produce, households and people’s lives. Another big threat is technological  
3 disruption. On the one hand, new technologies translate into advancement while, on  
4 the other, they pose threats in some occupations. More and more hi-tech robots are  
5 replacing human laborers with lower investment in the long run. This will result in a  
6 rising unemployment rate and technological inequality in the areas that have no access  
7 to advanced technology.

8 Therefore, it is crucial for Thailand to get ready and stay resilient in collective  
9 crises, which are likely to become increasingly severe.

#### 10 **4) The five key elements of income security for good quality of life**

11 In transition to the “income security for good quality of life of the elderly,” the following  
12 five key elements should be taken into consideration: upgrading labor productivity and  
13 employment for all ages; long-term saving in a comprehensive, inclusive, adequate and  
14 sustainable manner; access to health security, in particular long-term care; state allowances  
15 and basic social services; and care and support from family, communities and local parties.  
16 Details of each element are as follows:

##### 17 **4.1 Upgrading labor productivity and employment for all ages.**

18 Labor productivity is defined as output per unit of labor input. Growth in labor  
19 productivity means higher incomes and a better living standard. It is an important long-  
20 term economic driver for national competitiveness. Labor productivity relates to  
21 poverty and inequality<sup>๒๔</sup> as growth in labor productivity contributes to success in poverty  
22 eradication and inequality reduction. Hence, for the low-income earners, *labor productivity*  
23 *enhancement is necessary for income security.*

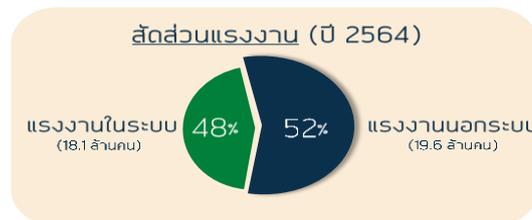
24 As for Thailand, *the labor productivity per hour has been declining* since 2010-  
25 2019. Among the ASEAN countries, Thailand’s labor productivity ranks 4<sup>th</sup> after  
26 Singapore, Brunei and Malaysia, respectively. Globally, in 2019 Thailand’s labor  
27 productivity ranked the 40<sup>th</sup> among 64 countries.<sup>๒๖</sup> *The decline has impacts on*  
28 *national competitiveness* while *the labor productivity reflects the effectiveness of*

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<sup>๒๔</sup> Mahamat Hamit-Haggar and Malick Souare Productivity Growth, ๒๐๑๘. Poverty Reduction and Income Inequality: New Empirical Evidence. Productivity Growth, Poverty Reduction and Income Inequality: New Empirical Evidence | SpringerLink

<sup>๒๖</sup> Institute for Management Development (IMD), 2021

1 *human development policy.* It is found that the national primary production workers  
2 are plenty<sup>๒๗</sup> while highly skilled workers are scarce.<sup>๒๘</sup> More than half of Thai workers are  
3 in the informal sector, where productivity and incomes are low and who have virtually  
4 no access to state welfare and no income security after retirement. Meanwhile, the  
5 ratio of skilled workers is merely 14.4 percent of the total workers.



11 Labor Ratio (2021)

12 Labor in formal sector 48 percent (18.1 million people) : Labor in informal sector 52 percent (19.6  
13 million people)

15 Additionally, it is estimated that in the next 20 years the working age group will  
16 require 2.2 times greater capability than its current counterpart in order to maintain the  
17 current level of the economy. This means the future workforce needs to have at least  
18 2.5 times more capability than the current workforce.<sup>๒๙</sup> The demographic change will  
19 lower growth of GDP per capita by 0.86 percent in the 2020s.<sup>๓๐</sup> Moreover, it is projected  
20 that during 2020-2060, the overall workforce will decrease by 14.4 million people and  
21 by 2025 *technological unemployment* will rise rapidly due to higher dependency on  
22 digital technology and lower dependency on human workforce,<sup>๓๑</sup> which will affect  
23 employment and incomes.

24 *To improve labor productivity, income and to increase the number of*  
25 *workers, the targets of development should include the working age group and*  
26 *aging group still capable of working. The goal is to support people to be*  
27 *employable throughout their life cycle.*

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<sup>๒๗</sup> OECD's Multi-dimensional Review of Thailand, points out that labor productivity is a vital variable in economy. Labor productivity enhancement will upgrade national competitiveness and benefit policy evaluation.

<sup>๒๘</sup> <http://blogs.worldbank.org/eastasiapacific/skilled-workforce-and-strong-rd-keys-thailand-4.0-success>

<sup>๒๙</sup> สำนักงานเลขาธิการสภาการศึกษา, 2563. แนวโน้มความต้องการกำลังคนโดยยึดพื้นที่เป็นฐาน

<sup>๓๐</sup> A report by the World Bank on "Aging and labor market in Thailand" (2021)

<sup>๓๑</sup> The World Economic Forum's Future of Jobs Report, 2020

1                   **4.2 Long-term saving in an inclusive, adequate and sustainable manner.**

2                   *Long-term saving* means money accumulated without being spent before  
 3 retirement. The goal of long-term saving is “**inclusive, adequate and sustainable,**” at  
 4 both personal and governmental levels. There are many types of long-term saving:  
 5 mandatory contributory saving, voluntary contributory saving and alternative saving.

6                   At present, laws and types of the contributory long-term saving system in Thailand  
 7 are as follows:

8  
 9 **Table 1 : Laws and types of the contributory long-term saving system in Thailand**

Saving System	Recipients	Contributory	Benefits	Responsible Organization
<b>Mandatory Contributory Saving</b>				
<b>Mandatory Social Security Fund (Social Security Act Section 33)</b> (launched in 1990)	Employees aged 55+ (after completing 15 years of contributory saving)	Employees contribute 3 percent of their salary, while employers contribute 3 percent, and the government 1 percent, (totalling 7 percent) (and 0.65 percent in case of supporting children)	Pension calculated from average salary of the last five years (but no more than 15,000 baht/month) (a lump sum is paid in case of not completing 15 years of contributory saving.) (Benefits are for healthcare, unemployment, death, disability, giving birth and supporting children)	Ministry of Labor
<b>Voluntary Contributory Saving</b>				

<b>Saving System</b>	<b>Recipients</b>	<b>Contributory</b>	<b>Benefits</b>	<b>Responsible Organization</b>
<b>Voluntary Social Security Fund (Social Security Act Section39)</b> (launched in 2000)	Those who applied for the Mandatory Social Security Fund, aged 55+	432 baht/month (9percent of 4,800 baht salary base)	Pension calculated from average salary of the last five years.	Ministry of Labor
<b>Voluntary Social Security Fund (Social Security Act Section40)</b> (launched in 2000)	Those who do not apply for other income security funds, aged 60 (Voluntary)	Contributed by the individual and the government: (a) 100 baht/month (the government contributes 50 baht) (b) 300 – 1,000 baht/month (the government adds 150 baht maximum)	The accumulated lump sum (contributed by the individual and the government) x months + interests.	Ministry of Labor
<b>National Savings Fund</b> (launched in 2011)	Those who do not apply for other income security	Contributed by the individual and the government:	- If the last accumulated amount is over 150,000 baht, the lowest pension is 600 baht. - 7,200 baht, whole life	The Securities and Exchange Commission, Thailand

Saving System	Recipients	Contributory	Benefits	Responsible Organization
	funds aged 60-80 (Voluntary)	The government contributes 50-1,200 baht/year (600 baht/year for people aged 15-30) (960 baht/year for people aged 30-50) (1,200 baht/year for people aged 50-60)	- Pension calculated from total savings (inclusive of interest) divided by 240 ( 12 months X 20 years) (at least 600 baht per month, terminating when the savings are finished) (or a lump sum if resigning before 60 years of age.)	and Fiscal Policy Office
<b>Provident Fund</b> (launched in 1983)	Employees, 55+ (Voluntary)	Employees and employers contribute 2-15percent of their salary	A lump sum /accumulated & contributed installments + returns on investment (tax exempt) (No tax exemption in case of withdrawal prior to retirement)	The Securities and Exchange Commission, Thailand
<b>Government Pension Fund (GPF)</b> (launched in 1997)	Retired government officers, 60+ (Voluntary)	Retired government officers & the government contribute 3-15 percent of their salary (the government	The accumulated lump sum and benefits from investment (tax exempted) or 20-year pension fund	Ministry of Finance

Saving System	Recipients	Contributory	Benefits	Responsible Organization
		contributes no more than 5 percent)		

1 Long-term saving for the elderly is considered in the National Pension System, currently  
2 under development. In the National Action Plan for the Elderly, Phase 3 (2023 – 2037), there  
3 is a proposal for a multi-tiered pension system. The Cash Allowance for the Elderly is  
4 proposed as the basic pension, the first-tier pension. The second-tier pension would be the  
5 combined benefits of the Social Security Fund and the National Savings Fund. Meanwhile,  
6 the Provident Fund should be reformed as mandatory saving, as the third-tier pension; and  
7 the fourth-tier pension would be voluntary savings in both monetary and non-monetary forms.

8 Moreover, alternative saving systems have been set up at national and community  
9 levels, partly supported by government organizations (i.e. the Community Development  
10 Department, Government Saving Bank, and the Bank for Agriculture and Agricultural  
11 Cooperatives). These alternative saving systems have been managed by local communities  
12 such as marketing demonstration centers, community welfare funds, village funds, and other  
13 saving systems including the Retirement Mutual Fund (RMF), the Super Savings Fund (SSF) and  
14 annuities.

15 In addition to monetary savings, there are many other types of savings in Thai  
16 communities, such as Zakat (of Islam), Time Bank and Trees Bank. These diverse types of  
17 savings depict community strength, where people look after one another in the ways that suit  
18 their communities’ contexts, which would lead to sustainable systems.

19 With reference to the community welfare fund, the research entitled “Case studies of  
20 Public Welfare Systems in Songkhla and Lampang Provinces: Shared Responsibilities among  
21 People, Local Administration Organizations and the Government”<sup>๓๒</sup> provides some policy  
22 recommendations for future welfare fund reform, as follows: (1) Area-based system should be  
23 larger in size than community or sub-district level. It is a tough task for welfare distribution

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<sup>๓๒</sup> วรเวศม์ สุวรรณระดา. (2550). กรณีศึกษาจังหวัดสงขลาและลำปางระบบสวัสดิการภาคประชาชน: นโยบายการแบ่งงานกันทำระหว่างภาคประชาชนองค์กรปกครองส่วนท้องถิ่นและรัฐบาล. มูลนิธิสาธารณสุขแห่งชาติ

1 management in small areas. Besides, the larger the number of the elderly in the demographic  
2 structure in each area, the greater the financial burden. Enlarging the area for welfare  
3 management would help minimize the burden among communities. (2) Savings and benefits  
4 should be balanced. People’s attitude should be changed from “giving” to “receiving”.  
5 Meanwhile, funds should be raised by recruiting more members. Newborns may be burdens  
6 on the young generations of members, rather than present members. (3) Management of  
7 pension funds and other welfare schemes should be separated. Pension funds should be  
8 kept in a long-term manner and invested with maximum benefits so that the interest can be  
9 fruitfully used. (4) Contributions should be also made by local administration organizations  
10 because the community welfare funds are voluntary, an additional system to the government  
11 welfare. This is also in line with the role of local administration organizations in supporting  
12 local people’s welfare. (5) Knowledge of actuarial science, investment and risk management  
13 should be promoted by the government for better community fund management to build  
14 trust among existing and new members.

15 *However, at present it is found that most low-income earners not only have no*  
16 *long-term savings but also have debts. According to the 2017 Survey on Household*  
17 *Economic and Social Situations in Thailand, almost one in three Thai households have*  
18 *no savings and over 80 percent of this group are low-income earners who have an*  
19 *average monthly debt two times higher than those with savings do. Almost 60 percent*  
20 *of Thai household savings belong to high-income households, which accounts for only*  
21 *10 percent of total households with savings.*<sup>๓๓</sup>

#### 22 4.3 Access to health security, in particular Long-term care (LTC)

23 It is found that 44.83 percent of the Thai elderly population aged 55-70 live with  
24 their spouses and 42.5 percent live with their children/grandchildren. Over 35.6 percent  
25 of the late-stage elderly (above 80) are dependent, mostly on family members. The  
26 need for elderly care is on the rise. In terms of the elderly’s health, around 46 percent  
27 of the elderly say they have good to very good health. Men have an average age of  
28 79.1 while women have an average age of 82.6.<sup>๓๔</sup>

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<sup>๓๓</sup> พิรญาณ์ รมภาพ และคณะ. (2563). ช่องว่างการออมและการลงทุน เสาสะท้อนความไม่สมดุลในระบบเศรษฐกิจไทย. ธนาคารแห่งประเทศไทย. ประเทศไทย.

<sup>๓๔</sup> เบญจวรรณ อภินันท์กุล และคณะ (2558), Gender differences in health expectancies across the disablement process among older Thais.

1 From the information above, medical expenses are among the elderly  
2 population's top expenses. And thus, this is the main element of income security  
3 coverage. Good health means good quality of life. Currently, one of the public health  
4 policies targeting the elderly is the Long-term Care (LTC) for the dependent elderly  
5 population,<sup>en4</sup> which came into effect in fiscal year 2016. The three main responsible  
6 organizations are 1) the Ministry of Public Health, in charge of service management and  
7 service standard control, 2) the National Health Security Office (NHSO), in charge of  
8 specifying benefits and budget management, and 3) Local Administration Organizations  
9 (LAOs), in charge of local budget and project management.

10 *Although the Universal Health Coverage and primary healthcare services*  
11 *are available for Thai people and the elderly, some, and especially the low-*  
12 *income earners, have difficulties in accessing the health services. Among the main*  
13 *problems are:*

14 ■ **The LTC is still not inclusive.** A large number of the dependent elderly  
15 population in over 1,000 sub-districts have no access to long-term care. In fiscal  
16 year 2021, there were 251,589 registered dependent people receiving LTC, 90  
17 percent of whom are the elderly. However, this budget was predominantly for  
18 healthcare services, not covering other social services needed by the dependent  
19 population. Furthermore, the numbers of LTC managers and workers in  
20 communities are inadequate.

21 ■ **The Universal Health Coverage does not include some other**  
22 **expenses**, such as transportation expenses to and from hospital and dependent  
23 living expenses.

24 ■ **Different benefits of the three funds,**<sup>en5</sup> which are: 1) Different  
25 healthcare funds have different laws, target groups, management types,  
26 organizational structures, and policies/payment methods, which results in  
27 injustice; 2) There is unequal distribution of LTC centers and workers and no  
28 standards of effectiveness and referral management; and 3) Different methods of

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<sup>en4</sup> Dependent elderly population refers to those aged over 60 with access to the Universal Health Coverage and scoring 11 or lower on the Barthel ADL Index. Those younger than 60 with no access to healthcare services may be entitled to the services of community funds.

<sup>en5</sup> The 1<sup>st</sup> National Health Security Conference, 2015.

1 payments to hospitals/LTC centers, which may result in patients feeling  
 2 discriminated against.

3 *The recommendations for LTC improvement are thus as follows: (1) adhering to*  
 4 *the development principle that “the dependent population shall receive quality and*  
 5 *inclusive long-term care on a continual basis with family members as main carers and*  
 6 *support from the government and local communities under the Sustainable, Adequate,*  
 7 *Fair and Efficiency (SAFE) principle”; (2) Redefining “the dependent population” to*  
 8 *cover those in the middle stages of Alzheimer's who are still be able to perform daily*  
 9 *activities and patients with a PPS (Palliative Performance Scale) score of 50 percent or*  
 10 *below; (3) Prioritizing healthcare service standard and capital costs of standard*  
 11 *services; and (4) Supporting healthcare and social services management using the*  
 12 *government budget.*

#### 13 4.4 Allowances and Basic Social Services from the Government

14 The Thai government has provided various social protection schemes to reduce  
 15 inequality and to enhance people’s well-being. In preparation for the aging society,  
 16 many initiatives and schemes have been set up,<sup>enaj</sup> including tax reduction and social  
 17 welfare for the underprivileged and the vulnerable, which covers the following 9  
 18 branches of benefits: (1) sickness (2) maternity (3) death (4) disability (5) family/children  
 19 allowance (6) aging (7) unemployment (8) dependents and (9) employment injury.

20 The details of income security of the elderly or non-contributory pension, as basic  
 21 welfare provided by the government are as follows:

22 **Table 2 : Non-Contributory Pension in Thailand**

Non-Contributory Pension system	Recipients	Non-contributory	Benefits	Responsible Organization
Cash Allowance for the Elderly	Thai people aged 60+ with no access to other	Non-contributory	600-1,000 baht per month (depending on age groups)	Ministry of Social Development and Human Security

<sup>enaj</sup> Most of the schemes offer benefits for retirees in monetary form, or generally called pensions.

(launched in 2009)	governmental welfare		During April and September 2022, extra cash added (600 baht/month + extra 100 baht/month for those aged 60-69), (700 baht/month + extra 150 baht/month for those aged 70-79), (800 baht/month + extra 200 baht/month for those aged 80-89), and (1000 baht/month + extra 250 baht/month for those aged 90+)	
<b>Government Pension</b> (launched in 1951)	Retired government officers age 60+	Non-contributory	Government pension (calculated from the working years & the last salary) (those with 10–25 years of service receive a lump sum)	Ministry of Finance

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7

Despite the Cash Allowance for the Elderly that was launched in 2009, there remain a number of key challenges, as follows:

- **Inclusiveness:** The distribution of the cash allowance to the elderly aged 60 and above can cover only 83 percent. A large number of people are still missing out and another 7 percent are the minority groups and ethnic groups who are waiting for proof of nationality.

1                   ■ **Adequacy:** For the low-income earners,<sup>๓๘</sup> the 600 - 1,000 baht monthly  
2 allowance is not sufficient for basic needs and far below Thailand’s poverty line  
3 (2,763 baht per month as of 2019). The amount is still not taking into consideration  
4 the inflation rate.<sup>๓๙</sup>

5                   ■ **Sustainability:** Thailand’s pension floor is among the lowest in the world.  
6 The pension expenditure amounted to 1.9 percent of GDP in 2019, and the cash  
7 allowance for the elderly was 0.43 percent of GDP, lower than those of low-  
8 income countries such as Timor-Leste (0.5 percent), and Nepal (0.7 percent).<sup>๔๐</sup>  
9 Furthermore, the national pension system lacks clarity in terms of security and  
10 fiscal sustainability.

11                   A study on “Analyses of Fiscal Gaps, Income Sources, and Political Economy  
12 Feasibility of Establishing the National Pension System with the Impacts of COVID-19 on the  
13 Elderly Population”<sup>๔๑</sup> found that there was an economic rationale for the national pension  
14 system. That is, the government’s welfare expenditure is considered a positive expenditure  
15 contributing to economic growth, serving as an automatic stabilizer in times of crises, and  
16 decentralizing resources directly to social parties. And, if parts of the pension are derived  
17 from wealth tax and the elimination of pro-rich policies, the pension system will serve as a  
18 vital tool in lessening economic inequality. **The national pension system, therefore, is**  
19 **proposed as a national agenda, with a central responsible authority.** Meanwhile, there  
20 have been proposals for reforms of laws and regulations to remove limitations in order to  
21 enable universal pensions as a fundamental right for all and to protect people from falling  
22 below the poverty line. For example, the “Elderly Persons Act, B.E. 2546 (2003)” was  
23 amended to the “Elderly Persons and National Pension Act, B.E. 2546 (2003),” while upgrading  
24 the cash allowance for the elderly to serve as the basic national pension and multiplying  
25 pension sources for the pension fund, as suggested by the Committee on Social Welfare, the

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<sup>๓๘</sup> Around 31 percent of the elderly population aged above 70 have the cash allowance from the government as main income.

<sup>๓๙</sup> The 600 baht monthly allowance scheme took effect in 2011. The real value after taking into consideration the inflation rate was 533 baht in 2019. (Source: many research studies, including the research of Nada Wasi)

<sup>๔๐</sup> HelpAge International, 2018

<sup>๔๑</sup> ทีปกร จิริรัฐดิกุลชัย และคณะ. (2565). การวิเคราะห์ช่องว่างทางการคลัง แหล่งรายได้ และความเป็นไปได้ทางเศรษฐศาสตร์การเมืองของการจัดตั้งระบบบำนาญแห่งชาติ โดยคำนึงถึงผลกระทบของ COVID-19 ที่มีต่อผู้สูงอายุ. มูลนิธิสถาบันวิจัยและพัฒนาผู้สูงอายุไทย

1 House of Representatives in 2021. On the strategies to push for the national pension system,  
2 it was proposed that pension sources be multiplied. The rate of VAT should be increased at  
3 the right time whereas the wealth tax should also be raised and the pro-rich policies should  
4 be eliminated. On the pension sources, the majority of stakeholders were of the view that  
5 VAT should be the primary source the government needs to take into consideration to support  
6 the national pension system, followed by wealth taxes where there is a huge gap in improving  
7 tax collection. This also supports income distribution and reduces inequality. In addition to  
8 broadening the tax base, the government should also put a focus on expenditure  
9 management. Recommendations for expenditure management reform include (1) Prioritizing  
10 budgets to ensure effective spending, minimizing redundancy and setting up clear criteria; (2)  
11 Due to the large budgeting system and very little space for an increase in welfare expenditure,  
12 the budgets should be recategorized while the budgets that do not contribute to productivity  
13 should be minimized; and (3) For a good budgeting system, checks and balances need to be  
14 set in place for easy participatory monitoring. This is another role of the Budget Bureau in  
15 promoting public participation in budgeting process.

16 *Therefore, it is apparent that Thailand's social protection system and pension*  
17 *system are low cost & low return investment. The funds come from low tax rates and*  
18 *voluntary co-contribution. There have been no positive returns on the government's*  
19 *investment. However, thanks to the current situation, opportunities are widely*  
20 *available for improvement in Thailand's social protection system and pension system*  
21 *with participation from all parties. The national pension system is proposed as a*  
22 *national agenda, with a central responsible authority. Reforms of laws and regulations*  
23 *should be carried out to remove limitations in order to enable universal pensions as a*  
24 *fundamental right for all and to protect people from falling below the poverty line.*

#### 25 4.5 Care and support from family, communities and local parties.

26 People have the ability to look after one another within families and local communities,  
27 which can be summarized as follows:

#### 28 Family Support

29 Support from children/family members is one of the pillars of income security for the  
30 elderly. Among the benefits from this type of support are a higher living standard of the  
31 elderly in higher income families. The income security also helps the poor households to  
32 escape from poverty across generations as they have more opportunities to spend on basic  
33 expenses such as higher quality food and education for their children.

1            *Issues that are likely to be ignored include roles and values of the elderly as*  
2 *family supporters as in raising children, and family assets/property manager. The*  
3 *elderly's role is usually not taken into account in economic productivity and*  
4 *participation.*

5            **Local Community Support**

6            Five main drivers of supporting the aging society at the local level are: (1) Local  
7 Administration Organizations, (2) Centers for Quality of Life Development and Career  
8 Promotion for the Elderly, (3) The integrated long-term healthcare system for the elderly in  
9 communities, (4) Senior citizens' clubs, and (5) Other local organizations. The decentralization  
10 plan aims to empower local administration organizations (LAOs) to take action in managing  
11 voluntary services to the homes of the elderly and ensuring a decent and safe living  
12 environment. This is an opportunity to encourage LAOs to offer a wide variety of support to  
13 the elderly.<sup>๔๖</sup>

14            *Area-based strengths:*

15            (1) There are various types of local support services to the elderly by many parties,  
16 including provincial and local administration organizations, government organizations, and  
17 collaboration of government organizations with other local parties. Many parties have joined  
18 hands and worked as an integrated system.

19            (2) Almost all local administration organizations (LAOs) have annual elderly care  
20 management plans with budgets and activities. Some LAOs include the elderly care plan in  
21 their local development plan while others have a separate specific plan for elderly care  
22 management, encompassing economic, health, social, environmental and livelihood aspects  
23 through collaboration/integration with government organizations and other parties in their  
24 communities.

25            *The area-based strengths should be taken into consideration in setting the local*  
26 *elderly care management policies/guidelines.*

27            **5. The Public Voices on the Income Security for Good Quality of Life of the**  
28 **Elderly**

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<sup>๔๖</sup> ศ.ดร.วรเวศม์ สุวรรณระดา และคณะ. (2565) .รายงานฉบับสมบูรณ์โครงการการทบทวน สังเคราะห์ และจัดทำข้อเสนอยุทธศาสตร์ การขับเคลื่อนงานผู้สูงอายุไทย. เวที “อนาคตสังคมผู้สูงอายุไทย...ก้าวไปอย่างไร?...บนความท้าทาย” เมื่อวันที่ 27 มกราคม พ.ศ. 2565

1 The public voices were compiled and analyzed from the “Forum for Development of  
2 Public Policy on the Income Security for Good Quality of Life of the Elderly,” held 7 times in  
3 October 2022. People of all ages from many groups were invited to discuss, share their  
4 opinions, co-design the desired Thai society in all dimensions where all groups of people can  
5 access to the Income Security for Good Quality of Life of the Elderly. Their voices can be  
6 summarized into 5 areas as follows:

### 7 **5.1 Upgrading labor productivity and employment for all ages.**

8 The aim of creating productivity in the elderly is their self-dependency. They need  
9 to earn their own incomes and contribute to the society. It is recommended that  
10 employers hire more senior citizens while the elderly population should be reskilled to  
11 be able to use their experiences to benefit the society. The elderly’s jobs can help  
12 reduce family expenses when they take care of children/grandchildren at home. Some  
13 senior citizens have a role similar to a doctor, a nurse or a teacher. Therefore, they  
14 should be rewarded to be able to do better in their jobs.

15 Furthermore, productivity of the elderly should be enhanced. They should be  
16 supported to do the jobs that suit their skills, to have new life skills and occupational  
17 skills to earn higher incomes and from multiple sources. They should have access to  
18 job loans/funding, factors of production, land, occupational equipment loans, career  
19 tools and technology, as well as online platforms for marketing products/services.  
20 Senior citizens should have decent wages high enough to cover today’s cost of living,  
21 and welfare that is not related to employment. This will attract young generations who  
22 wish to run their own businesses.

### 23 **5.2 Long-term saving for the elderly in an inclusive, adequate and sustainable** 24 **manner.**

25 Although the main hindrance to saving is having no money to be saved despite  
26 the wish to do so, saving for later stages of life is very important. The government  
27 should support both compulsory and voluntary savings with incentives and improved  
28 long-term saving plans that are easily understood by local people. Generally, local  
29 people focus more on saving money for emergencies, and this should be changed.  
30 People should set a goal for long-term saving for debt-free, independent lifestyles after  
31 retirement. They should save a lump sum of money in case of career change, illness or  
32 charity.

1            Additionally, people of all ages need to have financial literacy to be able to make  
2 long-term plans. From an early age or as students, people need to have saving skills,  
3 investing in financial funds, bonds, and life and health insurances.

4            Collaborative saving should also be promoted to link personal savings with  
5 community savings. This can be carried out in the form of group savings, i.e. the One-  
6 Baht-A-Day scheme, saving groups, community funds, and Sajja One-Baht-A Day Fund.  
7 Saving among career groups can also be done, such as the street hawkers' saving group  
8 and the motorcycle taxi riders' saving group. The key is to be able to save money while  
9 making a living, which will turn into community funds for better living with dignity in the  
10 later stages of life. Moreover, saving should be promoted in wider forms other than  
11 monetary saving, such as good deeds bank and tree bank.

### 12            **5.3 Access to health security, in particular the long-term care.**

13            Among the main challenges for senior citizens other than income is health, which  
14 is the main expense unless they have access to healthcare coverage. The majority of  
15 Thai people have access to the Universal Healthcare Coverage as fundamental welfare.  
16 However, the Universal Healthcare Coverage scheme can be improved and the three  
17 funds<sup>๔๘</sup> should be merged into one with one single standard. The quality of the primary  
18 healthcare service system should be improved with service centers close to home. The  
19 health security should cover health expenses of those who are in real need and the  
20 healthcare services should be easily accessed. In case of the elderly, the health security  
21 should cover basic factors for preventive healthcare such as management and  
22 improvement for proper living spaces.

23            Health and income security should be accessible by all people, including informal  
24 workers, under a co-contributory system with agreed amounts between the government  
25 and individuals.

### 26            **5.4 State allowances and basic social services.**

27            State allowances are one of the main income sources of the elderly. Therefore,  
28 the amount of the allowances and pensions should be increased to match the current  
29 cost of living. For instance, the cash allowance for the elderly should be raised to 3,000

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<sup>๔๘</sup> Government Pension Fund, the Social Security Fund, and the National Health Security Fund.

1 baht a month. Meanwhile, the allowance for the vulnerable should be provided by the  
2 government.

3 The quality of state welfares should be enhanced to ensure convenient access by  
4 the elderly, such as better healthcare services, hospital delivery, and reduction of costs  
5 of living and utilities.

6 Welfare for the quality of life of all people should be improved in all areas,  
7 including decent housing, and home loans. Welfare should be flexible for freelance  
8 workers and platform workers, as well.

### 9 **5.5 Care and support from family, communities and local parties.**

#### 10 **Family Support**

11 The family is the main source of quality life and income for the elderly. Family  
12 members should support, take care of and respect the rights of the elderly. Elderly care  
13 should be promoted for instance through tax reduction for children taking care of  
14 parents, and setting up quality respite care centers in communities to reduce family  
15 expenses to let caregivers have time off.

16 Awareness should be raised among families to match changing social contexts.  
17 Parents' expectation and the relationship between generations should be adjusted as  
18 there are changing trends in the family structure caused by the rising number of single  
19 people and gender diversity.

20 Measures should be carried out to encourage people to create quality families, by  
21 reducing family expenses in all stages of life and providing advice on child raising, elderly  
22 care, and quality physical and mental healthcare to make the family a safe space for  
23 all.

#### 24 **Community support**

25 Thanks to their proximity and understanding of cultural and social contexts, local  
26 communities should be supported in elderly care management and welfare for people  
27 of all ages in the ways that best suit their specific environment. Local people and  
28 students should be upskilled to be able to take care of the elderly as “community  
29 caregivers.”

30 A fundamental principle is to strengthen the community development process,  
31 community network and financial institutes. Forums should be held to share  
32 experiences. Group activities, such as career groups, should be promoted to build up

1 collaboration and participation in solving problems in communities. Networking among  
2 communities is also crucial in empowering one another for community self-  
3 management.

#### 4 Local support

5 Community spaces should be developed as childcare/elderly care centers,  
6 sports/recreation/exercise areas, safe space/green parks, and public corners for people  
7 to speak freely, learn from and heal one another. Basic infrastructure, amenities and  
8 environment should be easily accessed by the elderly, the disabled and the vulnerable  
9 of all ages. For example, wheelchair slope ramps should be provided.

10 Decentralization should be carried out to empower local communities, such as  
11 sub-district hospitals, and local administration organizations. Decentralization on tax  
12 collection should also be done to enable local problem-solving management that best  
13 suits specific contexts. The tax rate should be reasonable and able to be translated  
14 into tangible and appropriate returns.

### 16 **6. Case studies from other countries**

17 The followings are countries that have income security policies stressing employment  
18 and income generation for the elderly:

19 **6.1 Japan** is aging fast. According to the 2021 World Bank's report, 29 percent of  
20 Japan's population are 65 or older.<sup>66</sup> This changing demographic structure has a  
21 significant impact on the economy with declining production, innovations, savings and  
22 investment. In 2018, the International Monetary Fund (IMF) predicted that Japan's  
23 economic growth will decline by an average rate of 0.8 percent annually over the next  
24 40 years. Robots have been used to solve problems in production. Japan has been  
25 attempting to solve the problem by issuing social policies, such as the policy to boost  
26 the birth rate, education and childcare welfare, employment welfare for women, and  
27 welfare for migrant workers. In terms of healthcare, there are policies to support good  
28 health and healthy longevity, aiming to reduce medical costs, to promote lifelong  
29 healthcare and prioritize primary healthcare system.<sup>67</sup>

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<sup>66</sup><https://data.worldbank.org/indicator/SP.POP.65UP.TO.ZS?end=2021&locations=JP&start=2021&view=map>

<sup>67</sup>[https://www.europarl.europa.eu/RegData/etudes/BRIE/2020/659419/EPRS\\_BRI\(2020\)659419\\_EN.pdf](https://www.europarl.europa.eu/RegData/etudes/BRIE/2020/659419/EPRS_BRI(2020)659419_EN.pdf)

1 For the pension system, Japan's income tax to GDP ratio is 31.4 percent. The  
2 pension is divided into three tiers: 1) National pension, participated in by people aged  
3 20-60 for long-term saving with fixed amounts and not depending on income; 2)  
4 Additional pension from employee's pension or social security system, co-contributed  
5 by employees, employers and the government; and 3) Pension from voluntary saving  
6 for employees and general people, most of which is insurance. In addition, the  
7 government pays a monthly pension for people aged 65 and older.

8 **6.2 Singapore:** The social security system includes provident funds where  
9 employers and employees co-contribute to get benefits as designated by the  
10 government, without additional state allowances. The government plays a role in  
11 management for fund growth, encouraging people to work to be entitled to the social  
12 security system, to be independent and to take care of their family. In other words,  
13 people have to work for benefits, rather than merely receive benefits from the  
14 government (workfare not welfare). Unemployed people are encouraged to reskill or  
15 upskill to re-enter the workforce. For saving, insured persons have three separate  
16 personal accounts: 1) Ordinary account for home, investment and education, 2) Special  
17 account for retirement and investment for retirement, and 3) Medical account for  
18 medical expenses for themselves and children. The low-income earners and the poor  
19 are entitled to cash allowances from the government.

20 **6.3 South Korea:** A member of the Organization for Economic Co-operation and  
21 Development (OECD), South Korea has workers retiring on average at age 68 for men  
22 and 67 for women. Like Japan and many European countries, South Korea is facing aging  
23 problems.<sup>6b</sup> The government's welfare that has been successful is the Basic Livelihood  
24 Security Program (BLSP), launched in 2000 with the aims of reducing poverty and  
25 supporting quality basic livelihoods. The program was later adjusted to cover all people  
26 and not just limited to the poor. In the adjusted program, there are four types of income  
27 security, including living, health, housing and education. In addition, basic pensions are  
28 provided for the elderly.

29 The National Pension System (NPS) launched in 1988 has been part of the social  
30 security scheme to ensure income security for the elderly and retirees. Under this

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<sup>6b</sup> <https://www.oecd.org/els/emp/33906935.pdf>

1 system, people who suffer from accidents or illness are entitled to state support for as  
2 long as is necessary. Eleven years after the implementation of the NPS, all people have  
3 access to the system. Apart from government officers, and those to whom employment  
4 pensions apply, all people aged 18-60 are required to register in the system to be  
5 entitled to lifelong coverage when reaching a certain age and after completing 10 years  
6 of co-contribution.<sup>66</sup>

7 **6.4 France** puts a focus on welfare for workers and a pension system. Employees  
8 and employers play a main role in saving and managing retirement pensions while the  
9 government supports workers who do not have salaries and those who cannot work.  
10 Five divisions of the pension system in France are: 1) Basic non-contributory pension for  
11 people who work in the fields that do not generate income such as caregivers or those  
12 with health problems (Zero Pillar, or cash allowance); 2) Mandatory state pension in  
13 form of contributory social security, or “payroll tax” (First Pillar); 3) Mandatory  
14 occupational pension (2<sup>nd</sup> Pillar) for entrepreneurs, employees and government officers,  
15 co-contributed by employers and employees; 4) Voluntary private collective pension  
16 where people invest in collective investment funds; and 5) Voluntary private individual  
17 pension where people invest in tax-free individual funds (3<sup>rd</sup> Pillar). French people aged  
18 70 and older qualify for maximum-rate pension. Moreover, saving can be divided into  
19 two types: mandatory saving deducted from monthly salaries, and voluntary saving  
20 focusing on long-term investment.

21 Furthermore, among member countries of Organization for Economy Co-operation  
22 and Development (OECD), Thailand has low social welfare spending to GDP ratio as  
23 shown in the table below comparing incomes per capita, tax rates and social welfare  
24 spending:

25  
26 **Table 3 : Countries providing social welfare (percent of GDP), compared with**  
27 **income per capital and income tax rate to national GDP**

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<sup>66</sup> [https://www.mohw.go.kr/eng/pl/pl0101.jsp?PAR\\_MENU\\_ID=1003&MENU\\_ID=100324](https://www.mohw.go.kr/eng/pl/pl0101.jsp?PAR_MENU_ID=1003&MENU_ID=100324)

Country	Income per capita <sup>๔๔</sup> (USD)	Income tax rate (percent) of GDP	Social Welfare Spending (percent) of GDP
France	38,625	45.5	32
Sweden	51,925	42.6	29.6
Japan	40,113	31.4	21.6
Singapore	59,797	12.8	11.55
Thailand	7,189	16.5	3.7

1

## 2 7. Challenges and Policy Recommendations

3 The Income Security for Good Quality of Life of the Elderly is not limited to the aging  
4 population, but includes populations of all ages and across generations. In essence, it starts  
5 from family planning, reproductive health, investing in human resources, access to proper  
6 education that suits economic and social contexts, upgrading capacity and quality of laborers,  
7 creating a wide variety of jobs and skills that suit different age groups, enhancing constant and  
8 longer productivity, as well as encouraging learning and financial planning during working ages.

9 Thus, readiness and resilience management for future challenges needs to be carried  
10 out in an integrated and comprehensive manner, which combines all the five key elements:  
11 upgrading labor productivity and employment for all ages; long-term saving in a  
12 comprehensive, inclusive, adequate and sustainable manner; access to health security, in  
13 particular the long-term care; state allowances and basic social services; as well as care and  
14 support from family, communities and local parties. Although Thailand has planned many  
15 relevant policies, most of them are disconnected in the implementation level. The  
16 government's cash transfer system still has no fiscal sustainability. There is no fiscal and  
17 monetary policy analysis to back up the income security system for the elderly in the future.  
18 Moreover, for fairness and good quality of life of all Thai aging population, many other factors  
19 need to be taken into consideration, including economic situations and demographic structure  
20 and characteristics of diverse groups of population such as aging informal workers, aging  
21 population who live alone, and urban and upcountry aging population.

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<sup>๔๔</sup> Income per capita, as of 2020