

Thailand's Policy Perspectives on the (Third) Demographic Dividend



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Outline

01

The Thailand's past and current population contexts

02

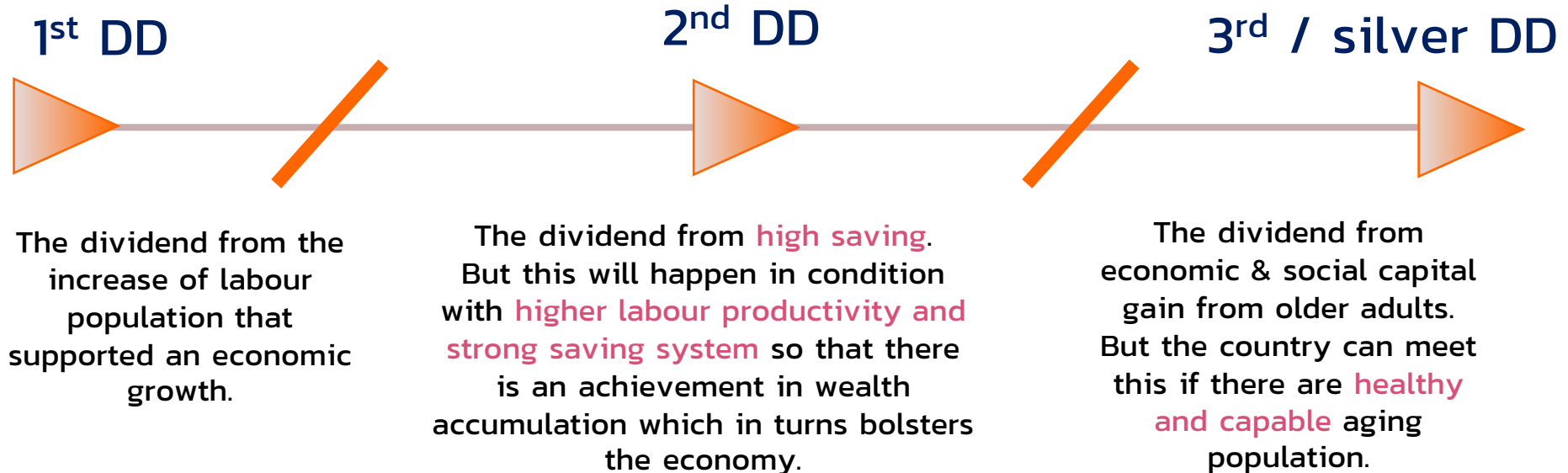
The medium – long term policies



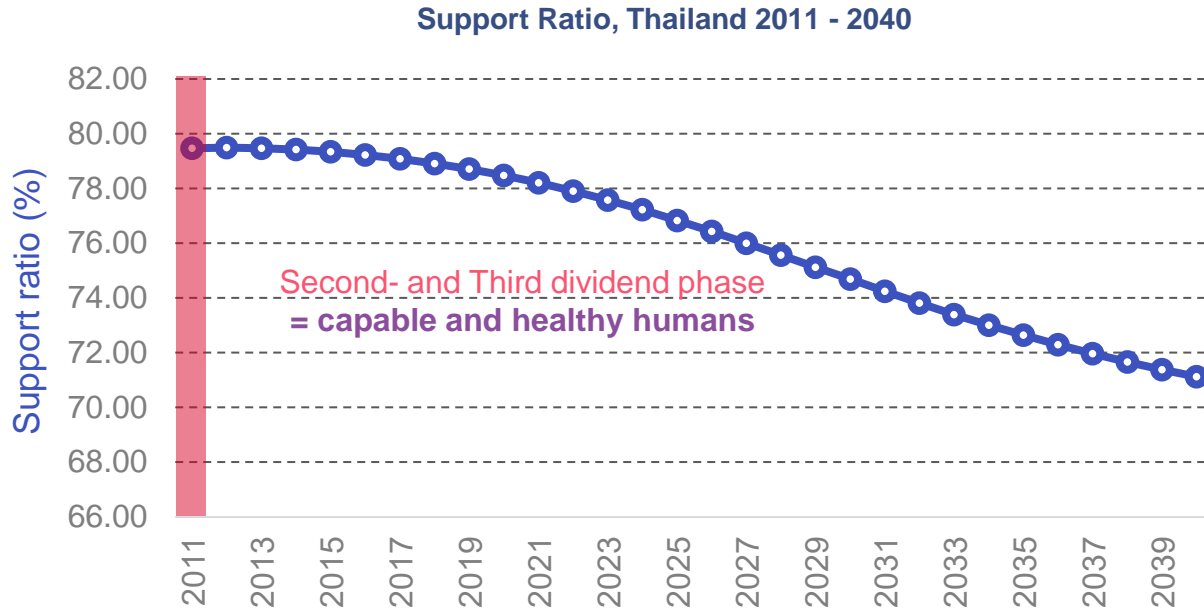
01 | **The Contexts**

Framing the demographic dividends

The demographic dividends (DD)



The First Demographic Dividend in Thailand has its ending since 2011



- Thailand transformed its economy from agriculture to export-oriented manufacturing
- Thailand was one of the world's fastest growing economies before the Asian Financial Crisis in 1997 with a real growth rates at around 8%. Even after the 1997 crisis, the growth was still around 5%.
- Main manufactured products are food, rubber, garments, chemicals, electronics etc.

(source: OECD, Thailand's development trajectory: Past and future strategies. <https://www.oecd-ilibrary.org/sites/a21090a7-en/index.html?itemId=/content/component/a21090a7-en>)

In the past 10 years, the reap of the 2nd and 3rd demographic dividends are not clear

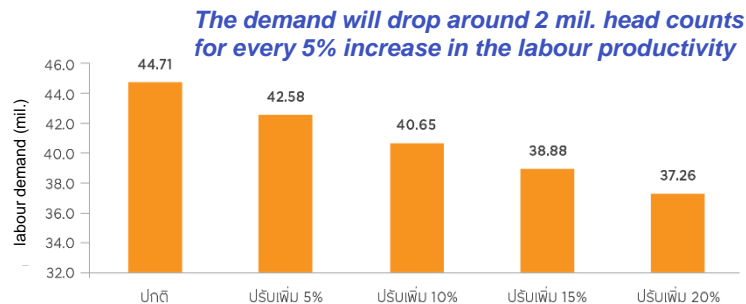
Growth Rate of GDP and Sources of Growth

Unit : %

	2002-2006	2007-2011	2012-2016	2017-2021	12 th Plan				
	9 th Plan	10 th Plan	11 th Plan	12 th Plan	2017	2018	2019	2020	2021
GDP Growth	5.76	2.96	3.50	1.18	4.18	4.22	2.15	-6.20	1.53
Sources of Growth									
Labor	0.73	0.51	-0.15	0.01	-0.22	0.37	-0.23	0.06	0.07
Land	0.02	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Capital	2.05	1.94	1.65	0.83	1.45	2.02	0.86	-0.59	0.41
TFP	2.96	0.52	2.00	0.34	2.95	1.83	1.53	-5.67	1.05

Source: The National Economic and Social Development Council (NESDC). (2021). Capital Stock of Thailand

Scenarios of labour demand in 2037 with a variation in labour productivity



Source: NESDC. (2019). A series in a revision of population projection.

The goal in the 13th National Economic and Social Development Plan

Thailand as



'ASEAN's Digital and Smart Electronics Industry Hub'



'High-value Medical and Wellness Hub'



'World's Major EV Production Base'




'Leader for High-value Agriculture and Processed Agricultural products'

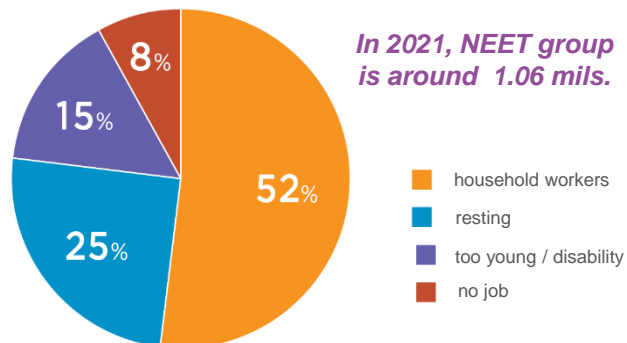


'Strong, High-potential, and Competitive SMEs'

Do we have quality labour (yet) ?

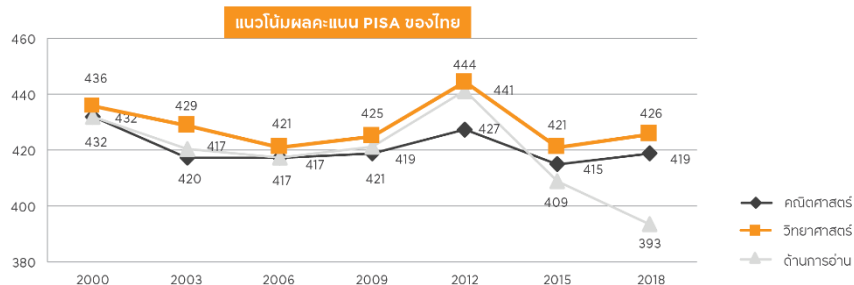
	value	score	Rank/141
 6th pillar: Skills 0–100	-	62.3 ↓	73
Current workforce 0–100	-	51.4 ↓	91
6.01 Mean years of schooling years	7.6	50.7 ↓	96
Skills of current workforce 0–100	-	52.2 ↑	68
6.02 Extent of staff training 1–7 (best)	4.3	55.1 ↑	48
6.03 Quality of vocational training 1–7 (best)	4.1	51.6 ↑	74
6.04 Skillset of graduates 1–7 (best)	4.0	49.7 ↓	79
6.05 Digital skills among active population 1–7 (best)	4.3	54.3 ↓	66
6.06 Ease of finding skilled employees 1–7 (best)	4.0	50.4 ↑	86

source: WEF. The Global Competitiveness Report 2019.



Source: The National Statistics Office (NSO)

Thailand PISA's score 2000 – 2018 haven't improved significantly



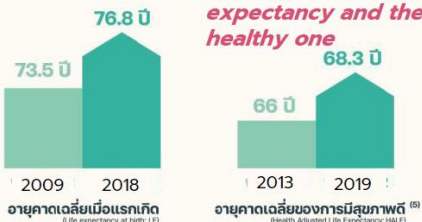
Thailand PISA's 2018 score in comparison with other countries is nearly at the bottom



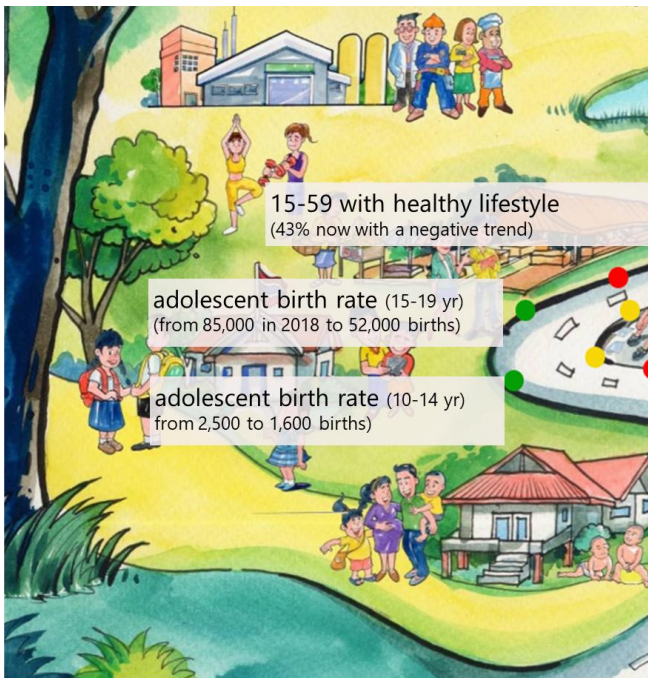
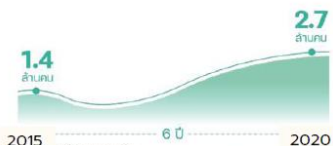
source: The Institute for the Promotion of Teaching Science and Technology, Thailand.

Building healthy citizens is still a challenging issue

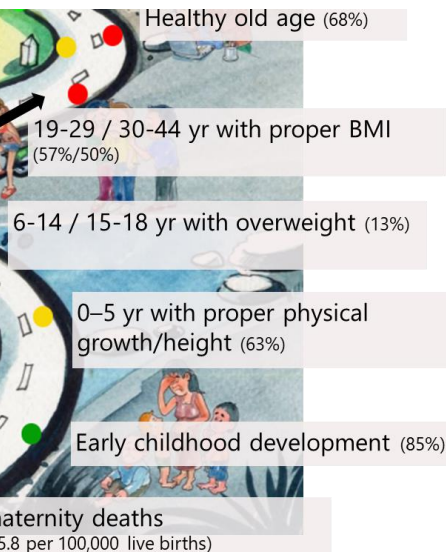
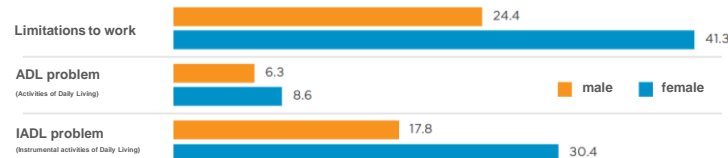
The gap between life expectancy and the healthy one



« *An increasing mental health patients*

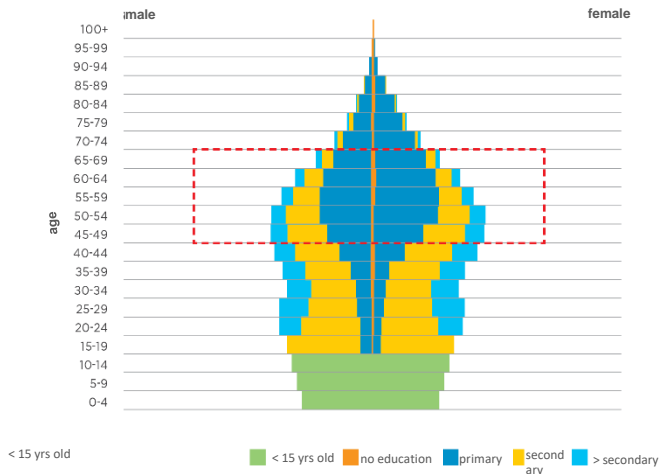


Source: The Department of Health. <https://dashboard.anamai.moph.go.th/>

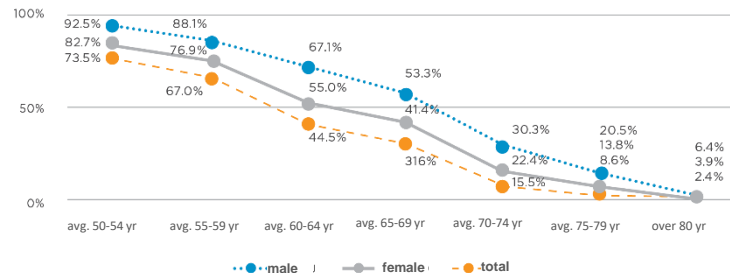


The 3rd demographic dividends is super challenging

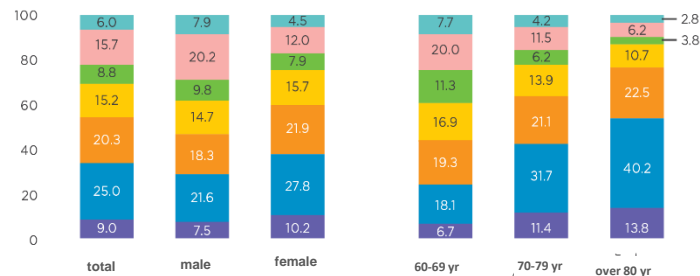
Population structure by education level



Proportion of population aged 50+ who still work (Q3/2019)



Proportion of income of the old age



■ 0-9,999 Baht
■ 10,000-29,999 Baht
■ 30,000-49,999 Baht
■ 50,000-69,999 Baht
■ 70,000-99,999 Baht
■ 100,000-299,999 Baht
■ 300,000 Baht

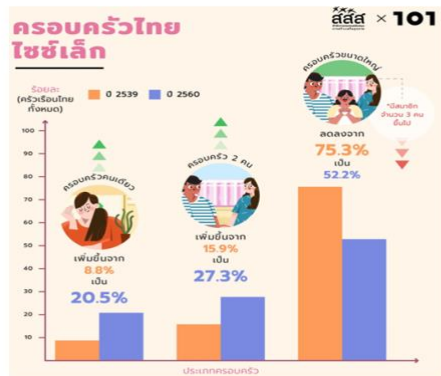
Source: old-aged employment survey 2021.



02 | **The Policies**

The expecting dividends with new contexts

The changes of FAMILY STRUCTURES



THE WAR ON TALENT

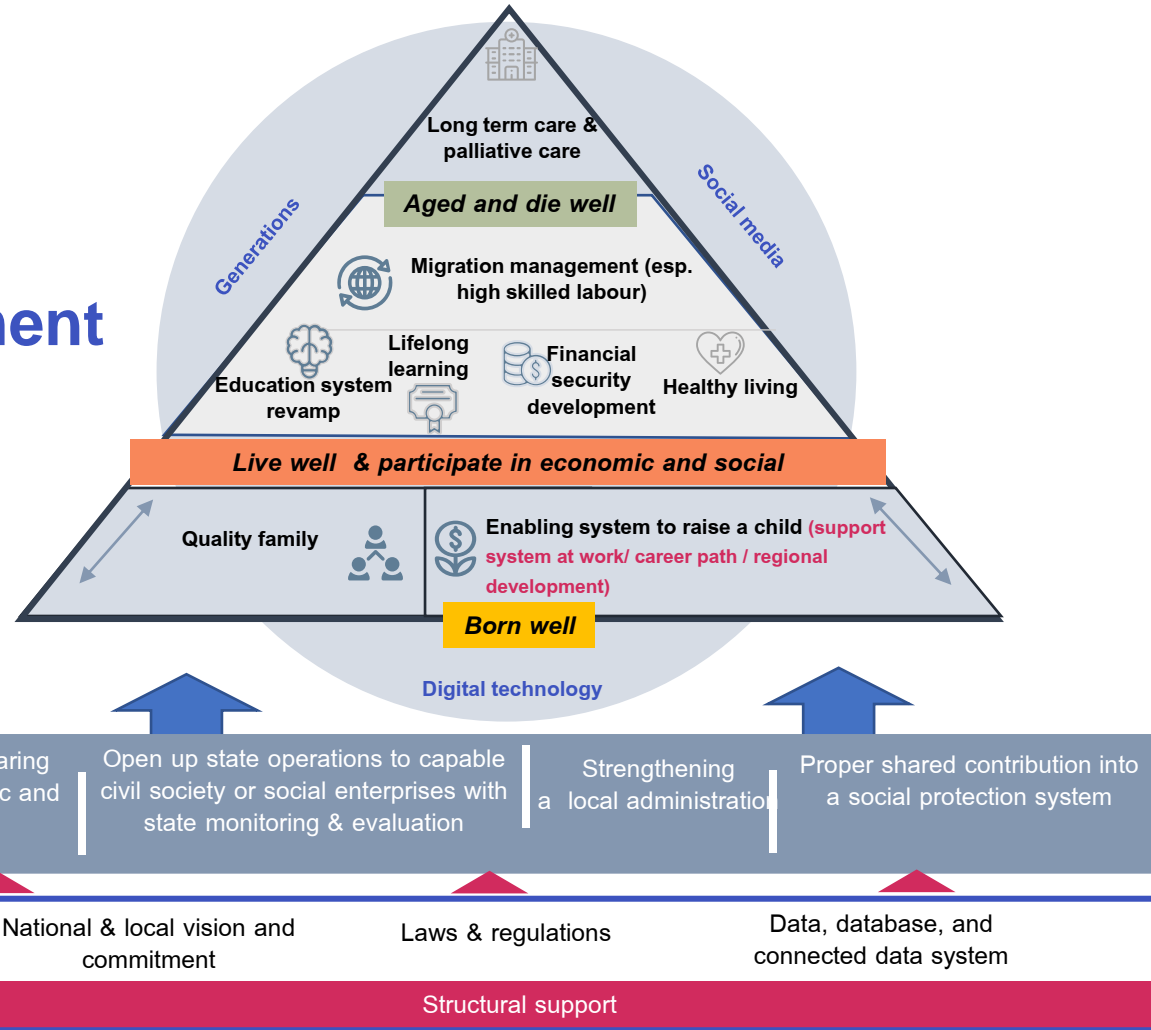


A climbing in household debt

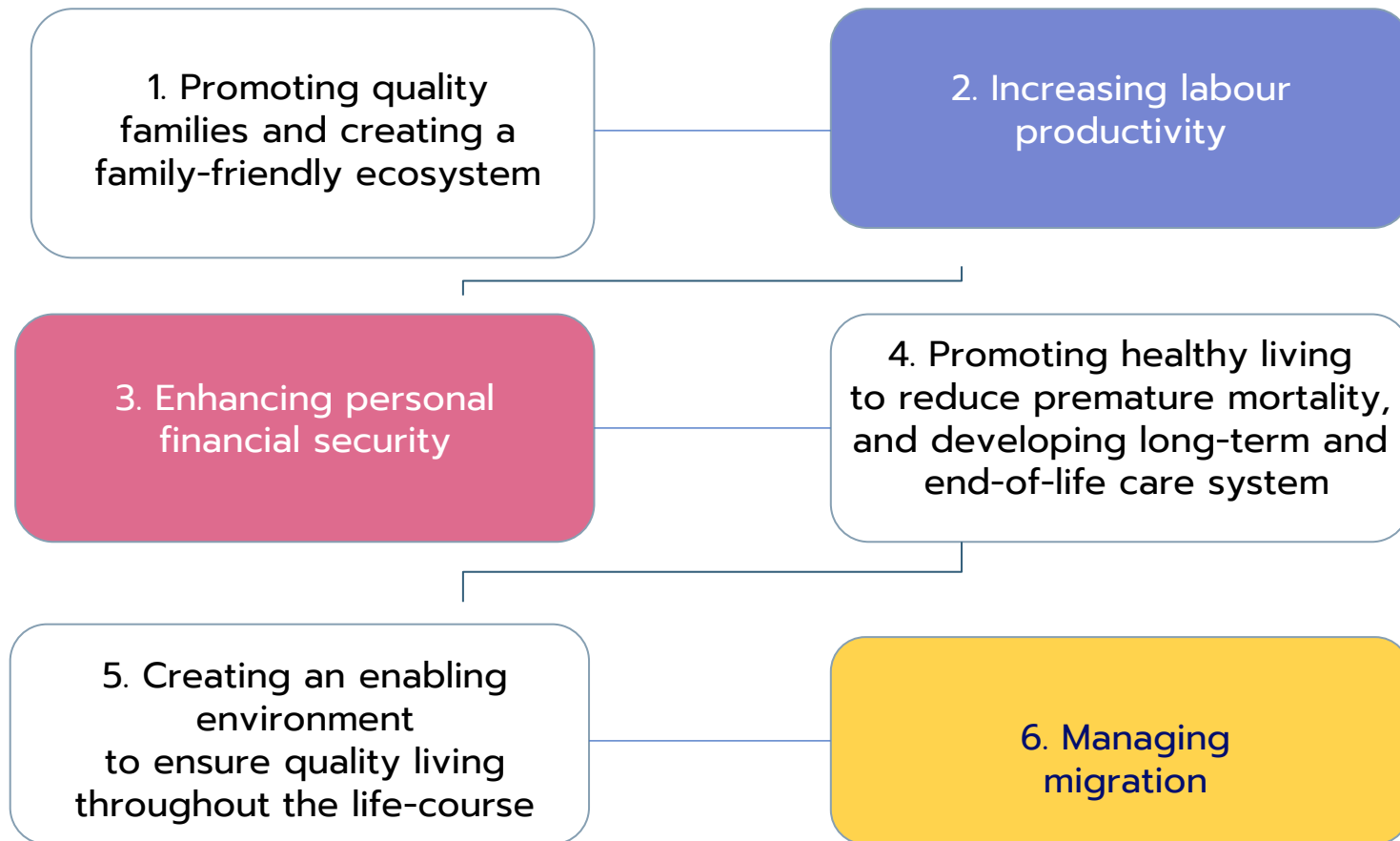
Household debt	yearly		Quarterly								
	2561	2562	Q1-63	Q2-63	Q3-63	Q4-63	Q1-64	Q2-64	Q3-64	Q4-64	Q1-65
Amount (in trillion B)	12.83	13.49	13.50	13.59	13.77	14.03	14.14	14.28	14.35	14.57	14.65
%YoY	6.0	5.1	4.1	3.8	3.9	4.0	4.7	5.1	4.2	3.8	3.6
Household debt per GDP	78.4	79.9	80.3	83.9	86.8	89.8	90.9	89.6	89.7	90.0	89.2

At Q1/2022, **35%** of the household debt is housing loan, **28%** is loan for household consumption, **19%** is loan for business, **12%** is car financing.

The population development plan for the long term national development (2022- 2037)



The strategies



The strategies to harness both the 2nd and 3rd dividends

2.1 Promote a quality education system

- Upgrade the education system equip population with the 21st century competencies and digital literacy
- Expand Internet coverage to support learning

2.2 Develop various life-long learning pathways

- Design and integrate learning courses
- Develop databases on skill clusters and job market, and analyze future of jobs.
- Integrate lifelong learning infrastructure
- Provide minimum training vouchers
- Promote labour organization to strengthen their collective bargaining power

2.3 Increase quantity and quality of labor among vulnerable populations

- Promote non-stigmatization towards vulnerable populations
- Adopt competency-based employment
- Using a comprehensive package/approach for skill development due to multi-dimensional limitation of the vulnerables.
- Develop and integrate a database of vulnerable populations.

2.4 Retaining talents within the country

- Develop a formal mentorship/bridging system
- Provide funding for social enterprises that are in line with country development, as well as allow government agencies to outsource their projects to such enterprises
 - Develop a system to connect Thai talents abroad

2. Increasing labour productivity

4.1 Promoting health literacy to prevent and control health risk factors

- Have a shared vision on reducing health risk factors
- Develop media and improve national curricula in order to promote and disseminate knowledge on health
- Applying behavioral economics, technology and innovations to public health policy
- Study and analyze risk factors contributing poor health in the next normal era and tackle that issues.

4. Promoting healthy living to reduce premature mortality, and developing long-term and end-of-life care system

4.2 Develop a care system for the elderly

- Support a care plan for the elderly
- Develop a system to protect the elderly's assets
- Develop a care system for the elderly and end-of-life patients



Policy Prioritization

Big Impact Policies

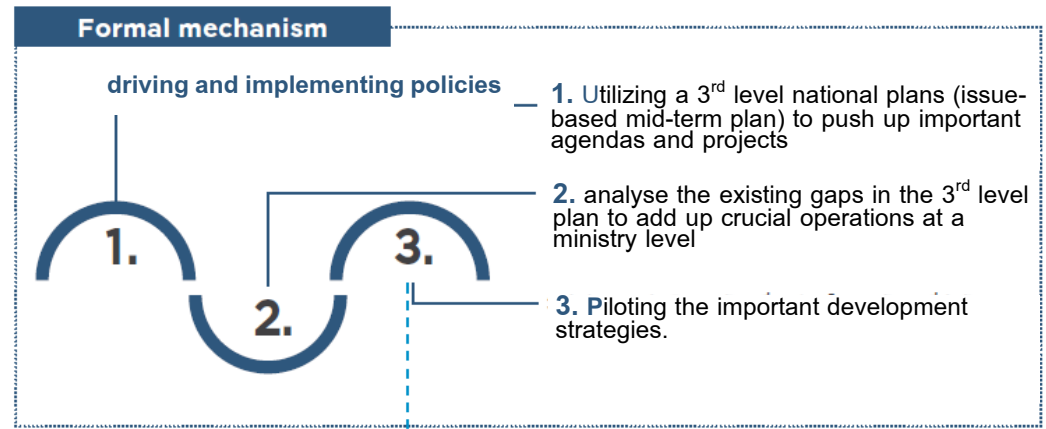
- **Education system** that can truly build key competencies for 21st century
- Develop **lifelong learning system** by **integrating resources** from public and private stakeholders / **developing Labor Competency Development Fund**
- **Develop clear frameworks and guidelines on jobs for low skills labors** and those vulnerable for being replaced by automation, piloting together with the development of communities with livability, good health and job opportunities
- Pilot **learning at the sub-district level**
- Promote **compulsory savings**

Structural Reform

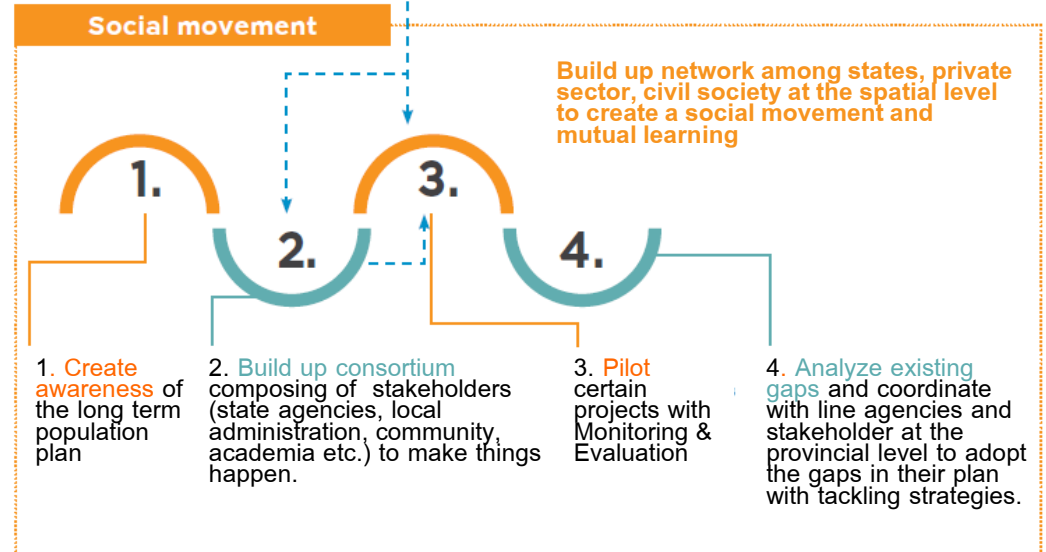
- Define **work patterns** / adjust laws in order to **encourage child and elderly care** / change attitudes towards the role of fathers in caring for children and families
- Develop **competency-based employment system**
- Adjust attitudes of the society/ organizations to **encourage and provide opportunities and flexible learning and employment models** for vulnerable groups (for example, NEETs/ ex-convicts)
- Develop **public-private/civil society partnership working system** that has the potential to take certain actions on behalf of the government based on having a reliable evaluation system
- Develop measures under **comprehensive package** framework so that the stakeholders can work on and meet the various needs of each group effectively



We need..
A new *focus*
A new *implementation*




Consulting with related implementing stakeholders
on the strategies chosen to select area for small implementation



Final remarks

To reap the 2nd and the 3rd demographic dividends....

- **An economic structure has been changed** from especially advancement in technology, it underlines the crucial skills that make people thrives. It may imply that **a source of demographic dividends may be different from the past**, or the **weight** of each factor are dissimilar to the past. A rigorous investigation will be useful for policy formulation.
- **Challenges are more complex**, the playing fields are multi-layered and multi-faceted. Thus, **a new set of operations are in need**, which a government has to adjust herself dramatically.
 *literacy* *environment* *economy* *policy advocacy*
- In the case of Thailand, the **untapped leftover 1st demographic dividend (DD)**, **together with redesigning & operating the edu. & skill development system** (with a consideration on emigration tracking esp. the skilled workforce) **for the 2nd and 3rd DD can be and have to be done together.**
- **Aligning NTA for** monitoring and evaluating those policy implementations would be a nice combination.



THANK YOU