



SITUATION OF THE THAI ELDERLY 2013

สถานการณ์ผู้สูงอายุไทย พ.ศ. ๒๕๕๖



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COVER : Professor Prasert Na Nagara, The Honorary Senior Fellow of 2013



**SITUATION OF
THE THAI ELDERLY**

2013



PREFACE

This report of the situation of the elderly in Thailand is a report commissioned by the National Committee for the Elderly, in accordance with the Elderly Act of 2003 Article 9 (10) stipulating the preparation of an annual report on the status of the elderly for submission to the Cabinet.

The National Committee for the Elderly has assigned the Foundation of Thai Gerontology Research and Development Institute (TGRI) to prepare this assessment of the situation of the elderly in Thailand annually since 2004.

This report is an annual report for 2013 and compiles data which portray the status of the elderly at present and projected for the coming decades. This annual report has a special focus on income security of the elderly.

In the preparation of this report, the TGRI has received excellent collaboration from government and private agencies in sharing up-to-date data. The TGRI would like to express its gratitude to all cooperating agencies for their contribution to this year's report. TGRI also thanks the Fund for the Elderly for funding the preparation of this report.



(Banloo Siriphanich, M.D.)

President

Foundation of Thai Gerontology Research
and Development Institute

EXECUTIVE SUMMARY AND RECOMMENDATIONS

OVERALL SITUATION

As of 2013, Thailand had a total population of approximately 66 million, comprised of 64 million Thai citizens and those non-Thais in the Civil Registration system. The remainder of two million non-Thais outside the Civil Registration system mostly include cross-border migrant laborers from neighboring countries. The total of 64 million Thais and registered persons has remained fairly constant in recent years, with a growth rate of only 0.5% per year (compared with over 3% per year 40 to 50 years ago). Nevertheless, despite the relative stable number of the population, the proportion of the elderly of the total is increasing at a rapid pace: As of 2003, the number of persons in Thailand age 60 or over reached nine million, or 14% of the total.

Thailand first crossed the threshold into the definition of an “aged society” as of 2005. This transition from a younger society is the result of the significant reduction of Thai fertility and the increased life expectancy of the population. Thai society has been aware of this evolving situation for some time, but still does not have a clear picture or data on what an aged Thai society will look like in the future. From the present forward, the structure of the population will continue to age, and at a faster pace than before. The large number of births during 1963-1983 (or “million birth cohort”) had reached the ages of 30 to 50 years as of 2013. This cohort is morphing into a very large group of elderly-to-be in the coming 10 to 20 years, resulting in a “complete aged society”. Within this decade (in about 2018) Thailand, for the first time, will have more elderly persons than children (under 15 years), and the number of elderly is projected to comprise one-fifth of the total population in that year.

The National Statistical Office (NSO) conducts periodic surveys of the population, including a survey of the elderly. The first NSO survey of the elderly was in 2002, and the most recent was 2011. The findings of these surveys need to be taken into consideration by national planners and policy makers to determine ways to improve quality of life of the elderly in the future. For example, the data indicate an increasing trend in the proportion of elderly living alone or only with their spouse (from less than 10% ten years ago to 20% as of the 2011 survey). Furthermore, the proportion of the elderly living alone in urban or municipal areas was higher than their rural counterparts. Living alone has long-term implications, for example, for the care providers and the system of care and monitoring of the elderly.

Data from the 2011 NSO survey of the elderly show that approximately one-third had incomes below the poverty line. In the past, Thai elderly could reliably depend on income support from their children. However, the survey data show that the proportion receiving income from their children declined from 52% in 2007 to only 40% in 2011. Given the inevitable increase the elderly population, those who retire from their occupations will lose the employment income. Thus, it is imperative and urgent that the government explore ways to promote income security for the elderly.

As people age, they are at higher risk for illness and injury. The most common geriatric illnesses are non-communicable diseases (NCD), many of which require close, long-term care. The 2011 survey found that over half of the sample of elderly (53%) reported that they had symptoms of at least one NCD. The most common symptom was high blood press/high cholesterol, followed by diabetes, gout/rheumatoid arthritis/chronic pain in the knee, back, and/or neck. Some of the elderly with a chronic illness requiring continuous treatment reported that they could not go for treatment because of inconvenient travel.

INCOME SECURITY FOR THAI ELDERLY

In addition to health promotion and long-term care, it is also important to provide income security for the elderly as a key component of quality of life for an aged society. This factor would respond to market demand and the economic system (which is currently experiencing a shortage of Thai labor) and help reduce the government welfare system, especially given the challenge of caring for the increased number of elderly leaving the full-time labor force. Sustainable income security for the elderly will directly contribute to the socio-economic development of the country. This security may come from elderly income-generating activities and increased savings accounts, in addition to the public welfare subsidy for the elderly already in place.

At present, only 36% of the elderly are still working. The job market does not provide extensive opportunities for employing the elderly. A 2013 NSO survey of the non-formal labor sector found that less than 10% of the employed elderly were working in the formal sector. There are many obstacles to labor force participation of the elderly, especially legal barriers such as the relatively young mandatory age of retirement in view of the significantly increased health of Thai elderly, and the “agism” prejudices against the elderly that are prevalent in Thai society.

Savings accounts can be promoted through livelihood cooperative funds, long-term savings groups, and different forms of commercial life insurance. There are non-formal community welfare funds being tried out in many locations, and individuals create individual savings accounts on their own. A National Savings Law was enacted in 2011 which encourages all Thais to open savings accounts with the National Savings Fund with counterpart contributions from the government.

Many Thai elderly do not have retirement pensions (public or private). Those that do are mostly persons who worked in government, state enterprise organizations, or the private sector. The government pension schemes include installment or fixed lump sum pension payment plans, the Thai provident fund for state enterprise workers, and Social Security. Even though laborers in the non-formal sector have limited options for income security after retirement, there is a movement to extend coverage of Social Security rights and benefits to these workers.

Regardless, the government needs to urgently identify measures to keep healthy and capable elderly in the labor force as long as possible, and to help the pre-retirement population to develop savings plans and good spending practices.

RECOMMENDATIONS

There is no doubt that Thailand is a rapidly aging society, and will achieve “complete aged society” status within the coming decade. The following are recommendations for the Thai government on policies and measures that are urgently needed to accommodate the aged society that is inevitable and rapidly approaching:

1.

Promote stable, safe and honorable livelihoods for the elderly

- 1.1 Create “social immunity” for the elderly for protection against adversity by providing up-to-date information, and learning on development of tools/mechanisms/appropriate technology to conduct one’s life safely and honorably;
- 1.2 Support the local administrative organizations and community to play a bigger role in care of the elderly to reduce the burden on the family;
- 1.3 Create a monitoring and care system for elderly living alone, especially in urban settings;
- 1.4 Develop models of housing and improve the housing environment, transportation, and basic public utilities for increased convenience of the elderly;
- 1.5 Combat “agism” and stigma of the elderly in all groups of society;
- 1.6 Promote and strengthen elderly support groups/clubs to play a more significant role.

2.

Health promotion for the elderly

- 2.1 Create elder-friendly health services and systems;
- 2.2 Promote self-health maintenance and care for younger cohorts so that they can live healthy as elderly;
- 2.3 Create system of trained volunteers to provide care and monitoring for elderly in the community.

3.

Promote stable and sustainable income security for the elderly

- 3.1 Promote hiring of the elderly;
- 3.2 Promote a new concept/definition of "elderly" to encourage society to view the elderly as energetic, capable, and productive members of the labor force;
- 3.3 Improve regulations/laws/procedures that are obstacles to hiring the elderly, including increasing the age of retirement for government and state enterprise workers;
- 3.4 Increase knowledge and planning of the population in how to build savings accounts and spend frugally, to ensure enough wealth for retirement;
- 3.5 Support the National Savings Fund to be strong and be effectively managed;
- 3.6 Improve and expand the pension system so that it covers all elderly. This includes improvements to the elderly welfare subsidy such as delaying the initiation of payments to a higher age but increasing the size of payments so that they are appropriate for cost of living and inflation.

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GENERAL SITUATION



1.1

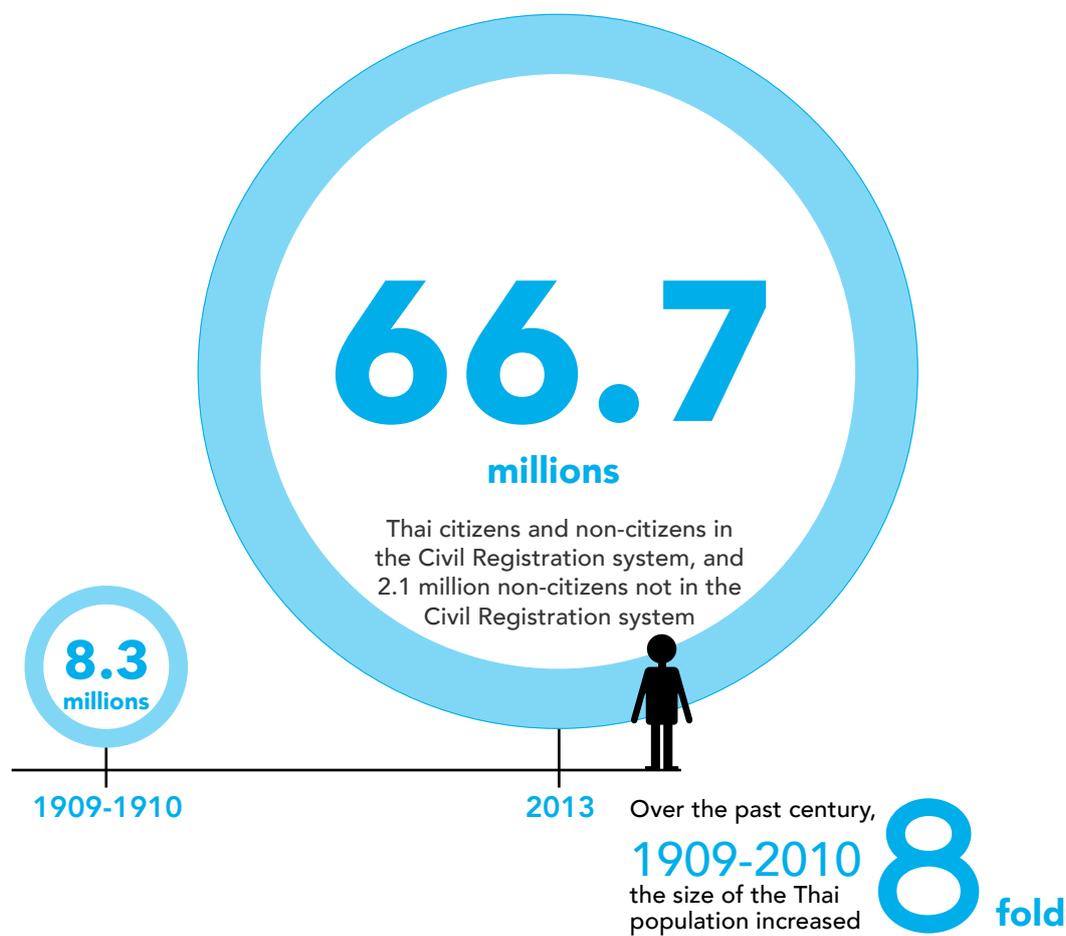
THE SIZE OF THE THAI POPULATION IS STABILIZING

Over the past century, the size of the Thai population increased eight-fold from 8.3 million as of the first national census (1909-10) to 65.9 million as of the latest, 2010 census.

In 2013, it was estimated that there were 66.7 million persons living in Thailand. Of these, 64.6 million were Thai nationals or non-Thais entered into the Civil Registration system, with the remaining 2.1 million residents mostly consisting of cross-border migrant laborers.

In the past 20 to 30 years, excluding non-Thai labor migration from neighboring countries, the Thai population increased at a rapidly declining rate. Forty to 50 years ago, the Thai population was increasing at the rate of more than 3% per year, compared to only 0.5% per year at present. The trend is toward further declines in natural population growth in the coming 30 years, and the size of the non-migrant Thai resident population is projected to stabilize at between 64 and 66 million persons.

Even though the size of the Thai population may be stabilizing, the age structure of the population is changing radically from a relatively young population in the past to an aged society at present. Furthermore, the population is continuing to age at a rapid rate.



Total Thai population 1909 - 2013

Order and Year of the Census	1 st 1909 - 1910	2 nd 1919	3 rd 1929	4 th 1937	5 th 1947	6 th 1960	7 th 1970	8 th 1980	9 th 1990	10 th 2000	11 th 2010	2013*
Number of Population (millions)	8.3	9.2	11.5	14.5	17.4	26.3	34.4	44.8	54.5	60.9	65.9	66.7

Source:

The 1st – 5th censuses are referred to as “Household Census” and were implemented by the Ministry of Interior. Rounds 6 to 11 of the census were implemented by the National Statistical Office (NSO)

* Population Projections for Thailand, 2010 – 2040

1.2

TRANSITION OF THE AGE STRUCTURE OF THE THAI POPULATION TOWARD AN AGED SOCIETY

In the past 30 years, the age structure of the Thai population has changed radically and is aging rapidly due to declining fertility and increased life expectancy.

The age-sex Thai population pyramid over time clearly shows the signs of an aging population structure. The horizontal bars on the pyramid show the proportion of the population at different ages by sex, starting at infancy at the base up to the oldest ages. Conventionally, the male population is displayed on the left half of the pyramid with females on the right.

In the past, the age structure of the Thai population reflected a high-fertility society, producing a broad base pyramid with a narrow peak. In this scenario, the number of younger cohorts always outnumber the elderly. Historically, the proportion of the Thai population under age 15 years was about half of the total population, while the elderly (age 60 years or older) comprised only 5% of the total.

Number and Percent of the Population Classified as Children, Working Age and Elderly in 1970, 1990, 2010, 2020, and 2030

Number (millions)

Population Group (years)	1970	1990	2010	2020	2030
Children (under 15)	15.5 45.1%	15.8 29.0%	12.7 19.2%	9.8 14.8%	8.2 12.8%
Working age (15-59)	17.2 50.0%	34.7 63.7%	44.8 67.9%	38.8 58.6%	35.2 55.1%
Elderly (60 or over)	1.7 4.9%	4.0 7.3%	8.5 12.9%	17.6 26.6%	20.5 32.1%
Total	34.4	54.5	66.0	66.2	63.9

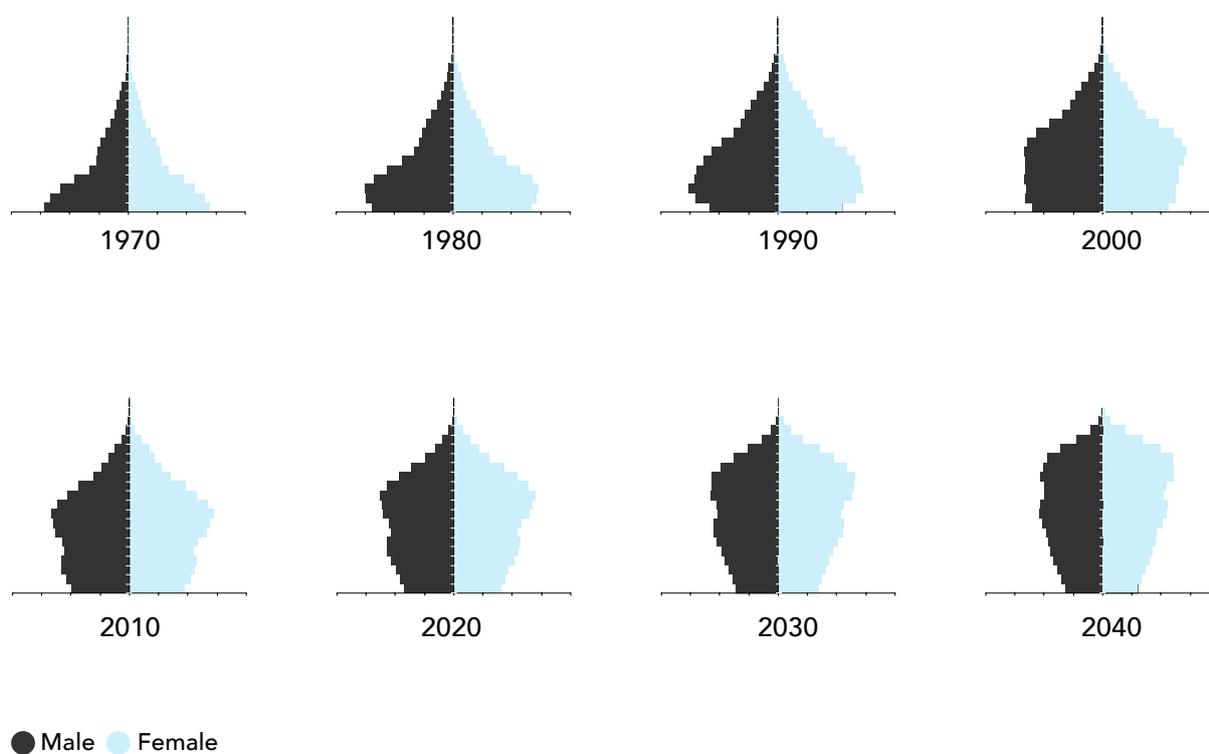
Sources:

(1) National Population and Housing Census for 1970, 1990 and 2010

(2) Population Projections for Thailand, 2010 – 2040

When comparing the shapes of the Thai population pyramids for 1970, 1980, 1990, 2000, and 2010, and the projections for 2020, 2030, and 2040, it is clear that the population structure is changing distinctly from the pattern 40 to 50 years ago (i.e., a broad base with 45% of the population age under 15 due to historically high fertility and only 5% age 60 or more years due to higher mortality and shorter life expectancy, producing a pointed apex). Starting around 1990, the base of the pyramid started to narrow as a consequence of declining fertility while the upper portion started to broaden due to increased Thai life expectancy. As of 2000 and 2010, the base of the pyramid continued to shrink in width and the proportion of the population under age 15 in 2010 had declined to 19%, while the elderly increased to 13% of the total. This shrinking and broadening of the base and peak will continue until 2040 when children will comprise 13% and the elderly 32% of the total population, respectively, based on the aforementioned demographic factors.

THAI AGE-SEX POPULATION PYRAMIDS



Sources:

- (1) National Population and Housing Census for 1970, 1980, 1990, 2000 and 2010
- (2) Population Projections for Thailand, 2010 – 2040

AGE STRUCTURE OF THE POPULATION IN 2013

In addition to the demographic momentum which increased the size of the Thai population, the age structure of the population has undergone significant changes at the same time, i.e., from a young population 50 years ago to an aging population at present and more aged society in the future.

As of 2013, Thailand had a population 64.6 million persons, with 12.1 million children (18.7%) and 9.6 million elderly (14.9%).

The median age* of the population is currently 36 years or, in other words, half the population is either under or over this age.

The 2013 population pyramid is becoming narrower compared to past years, and the upper portion is broadening due to increased life expectancy of the elderly.

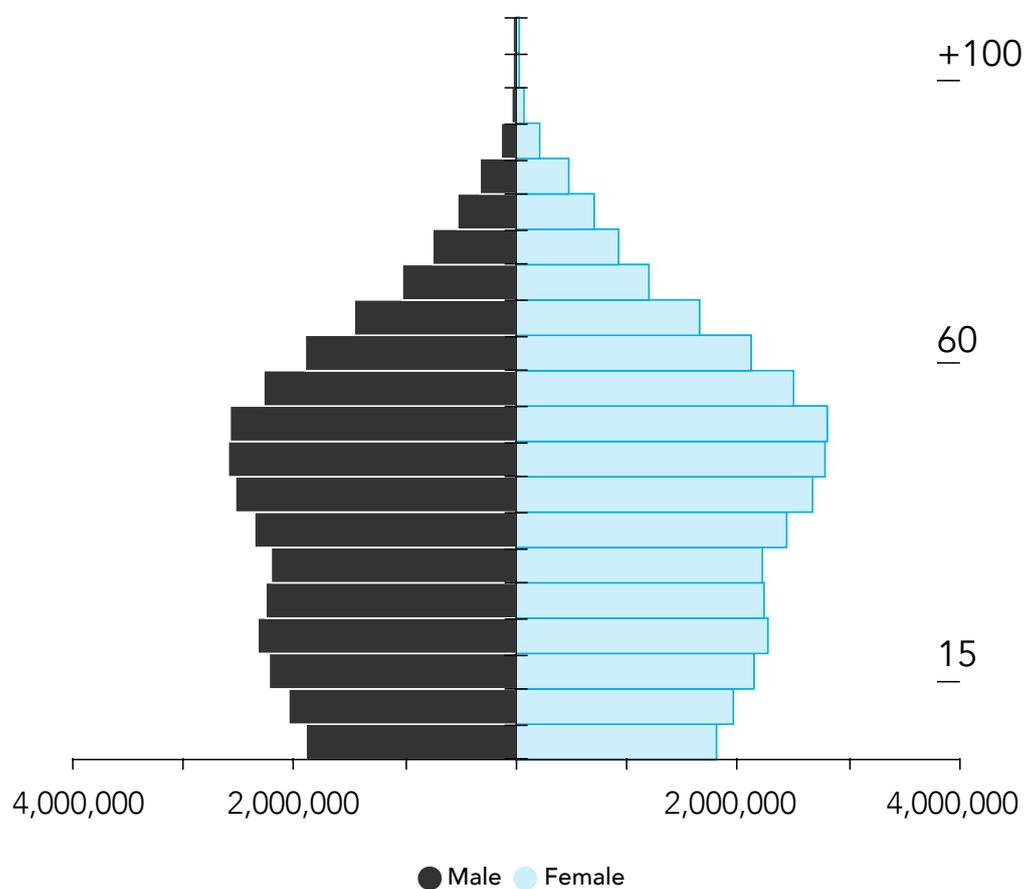
Number and Percent of the Population Classified as Children, Working Age and Elderly in 2013

Population Group (years)	Total Population (millions)	%
Children (under 15)	12.1	18.7
Working age (15-59)	42.9	66.4
Elderly (60 or over)	9.6	14.9
Total	64.6	100.0
Median age *	36 years	

* Median age denotes the age at which half the population is either above or below that age.

THAI AGE-SEX POPULATION PYRAMID

2013



Source:
Population Projections for Thailand, 2010 – 2040

1.3

THE AGE STRUCTURE OF THE THAI POPULATION IS MOVING IRREVOCABLY TOWARD AN AGED SOCIETY

The degree of the aging of the population can be measured by an “Index of Aging” which is the ratio of the population age 60 years or older to the population age under 15 years multiplied by 100. This is a measure of the number of elderly persons per 100 children in the population.

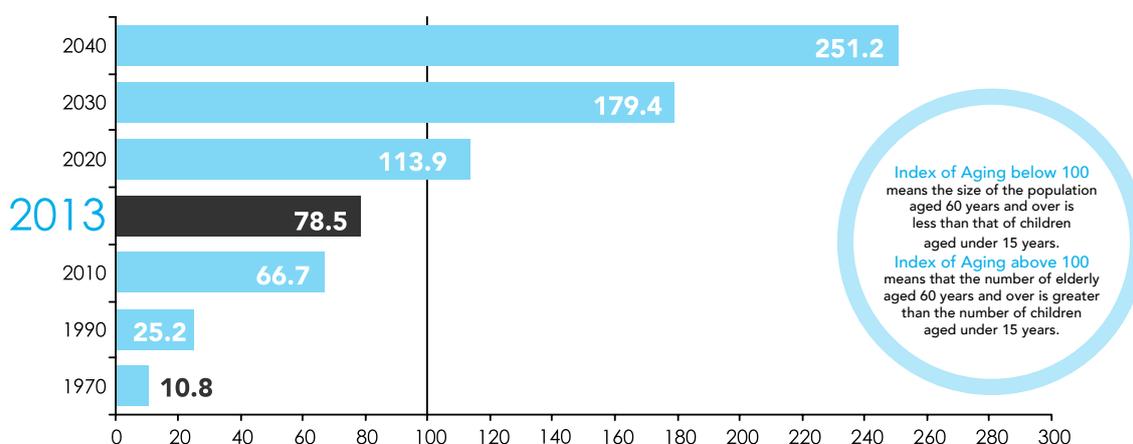
During the period from 1970-2040, the Index of Aging is projected to increase steadily.

In 1970, there were 11 elderly per 100 children. The Index of Aging increased to 67 in 2010, and to 79 in 2013.

In 2018 it is projected that the number of elderly will equal and then surpass the number of children in the population until reaching a value of the Index of Aging equal to 251 in 2040. In other words, the age structure of the Thai population is certain to age steadily in the coming years.

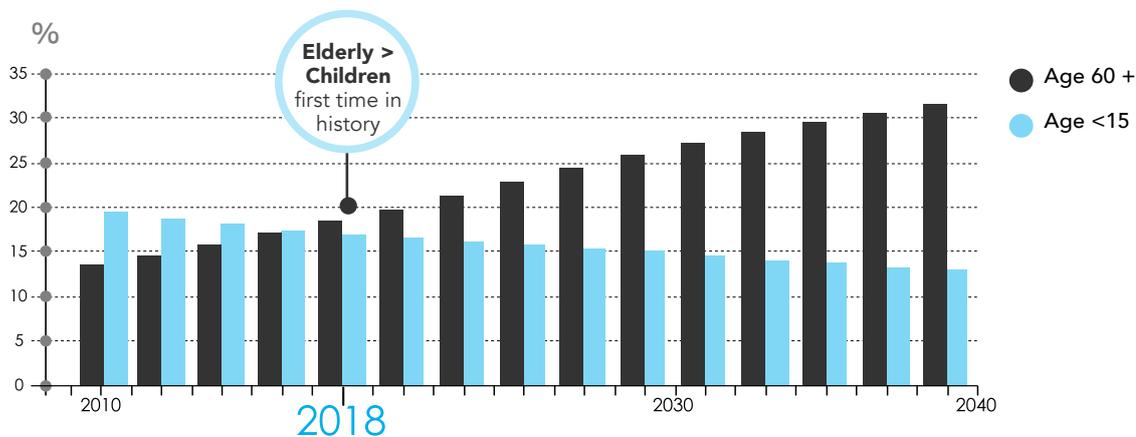
Thus, the significant threshold whereby the elderly outnumber the children for the first time in recorded Thai demographic history, is projected to occur in 2018.

Index of Aging of the Thai Population in Years 1970, 1990, 2010, 2013, 2020, 2030 and 2040



Sources:
 (1) National Population and Housing Census for 1970, 1990, 2010, NSO
 (2) Population Projections for Thailand, 2010 – 2040

Proportion of the Population under Age 15 and 60 Years or Over: 2010 - 2040

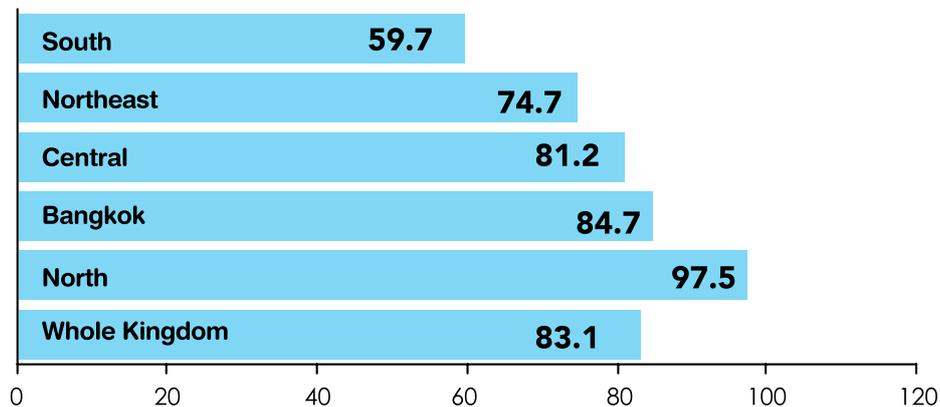


Source:
 Population Projections for Thailand, 2010 – 2040

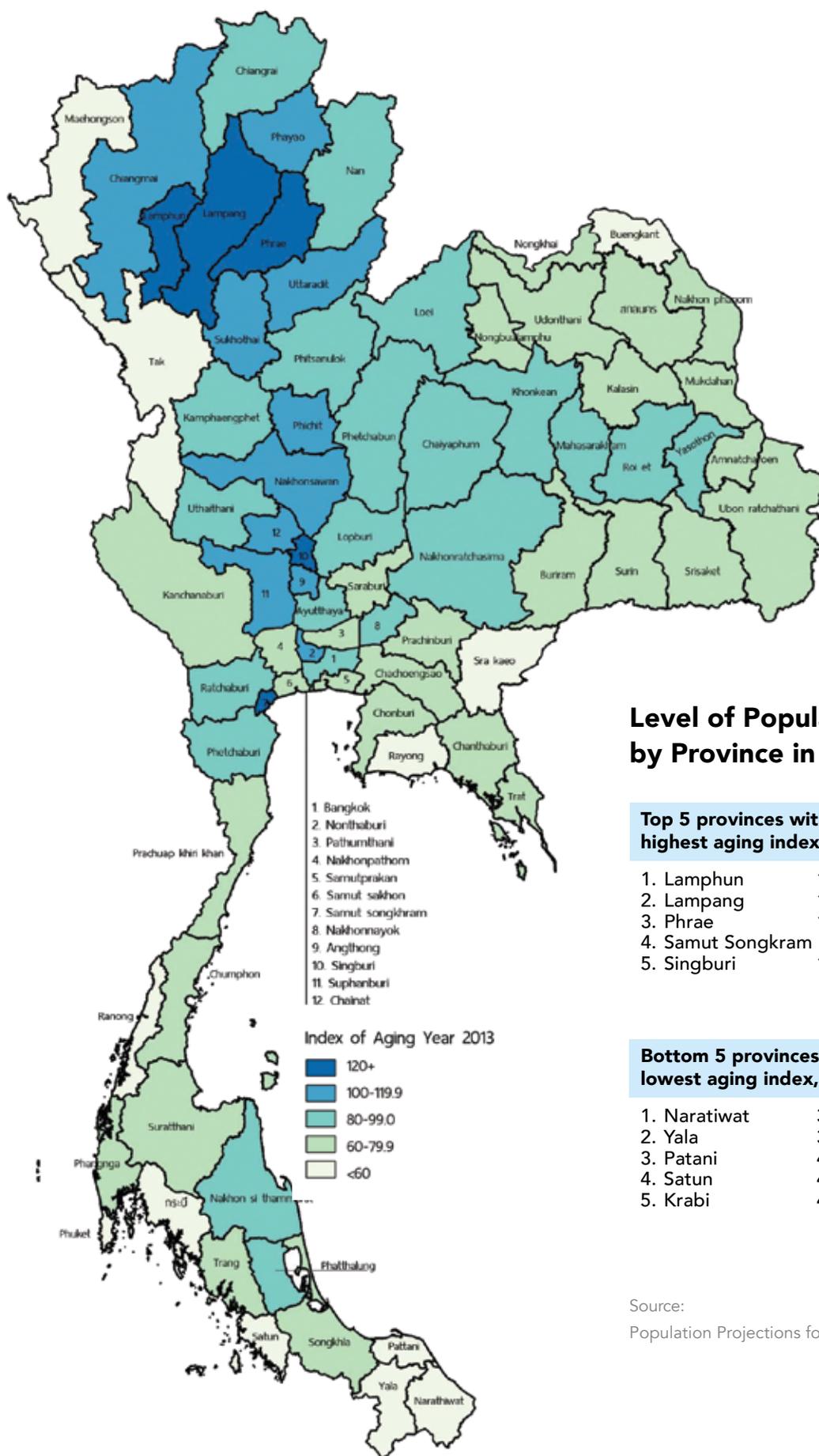
AGING OF THE THAI POPULATION IS OCCURRING UNEVENLY AMONG GEOGRAPHIC REGIONS

By geographic region, the level of population aging differs. In 2013, the North region had the highest value for the Index of Aging, followed by Bangkok, the Central, and Northeast regions. The South had the lowest value for the index (only 60).

Index of Aging in Thailand by Region: 2013



Source:
Population Projections for Thailand, 2010 – 2040



Level of Population Aging by Province in Thailand: 2013

Top 5 provinces with highest aging index, 2014

1. Lamphun	134.2
2. Lampang	134.2
3. Phrae	130.0
4. Samut Songkram	127.1
5. Singburi	121.5

Bottom 5 provinces with lowest aging index, 2014

1. Naratiwat	38.6
2. Yala	39.0
3. Patani	42.5
4. Satun	44.2
5. Krabi	46.0

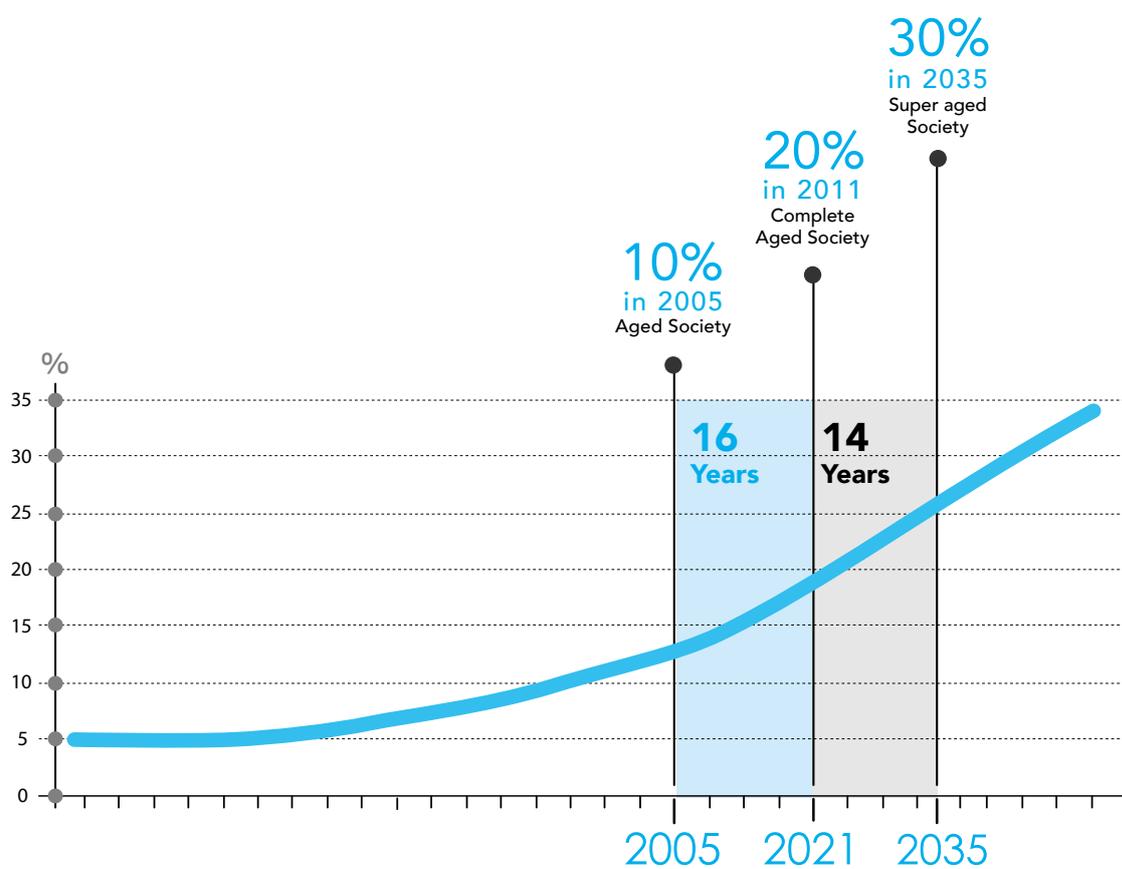
Source:
Population Projections for Thailand, 2010 – 2040

1.4

THE PACE OF AGING OF THE THAI POPULATION IS VERY RAPID

Thailand technically became classified as an “aged society” in 2005 when the proportion of the populations age 60 or over reached 10% of the total. In the coming decade, or in about 2021, Thailand will have become a “complete aged society” when the elderly reaches 20% of the total population, and a “super-aged society” in 2035 when the elderly comprise nearly a third or 30% of the total indigenous population.

Percent of the Population Age 60 Years or Over: 1960 - 2040



Sources:

- (1) National Population and Housing Census for 1970, 1980, 1990, 2000, and 2010, NSO
- (2) Population Projections for Thailand, 2010 – 2040

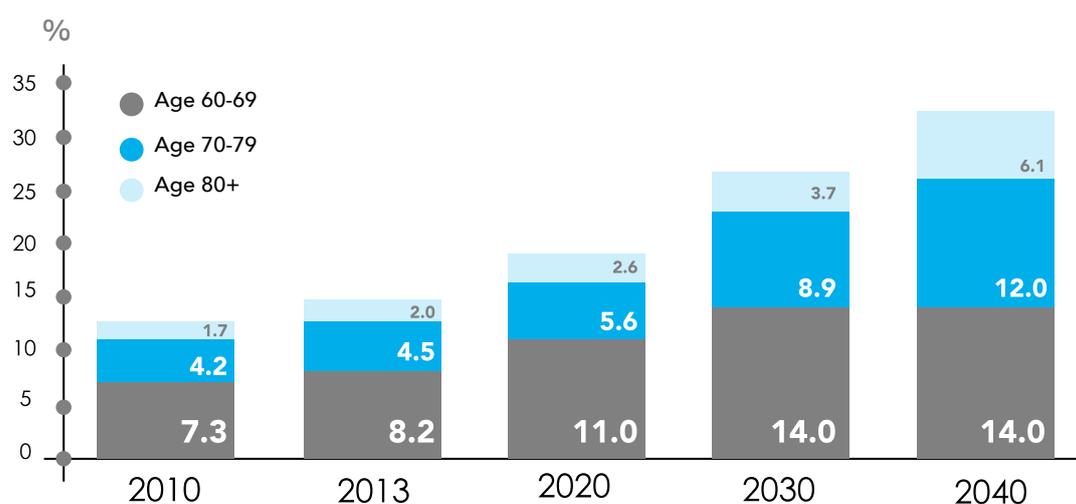
IT INCREASES AT AN ACCELERATING RATE ACROSS AGE

The elderly can be divided into three sub-groups as follows:

- 1) Early elderly (60-69 year-olds)**
- 2) Mid-elderly (70-79 year-olds)**
- 3) Late elderly (Those 80 years or older)**

As of 2013, Thailand had 5.3 million 'early elderly' (8.2% of the total population), 2.9 million 'mid-elderly' (4.5%) and 1.3 million 'late elderly' (2.0%). By 2040, it is estimated that the population age 80 years or more will double, representing a higher rate of increase than for the other two groups of younger elderly. At the same time, those 'late elderly' will have proportionately higher risk for illness, injury, disability, and inability to care for themselves. Thus, it is clear that, as the Thai population increases, the burden and duration of needed care will increase in tandem.

Percent of the Elderly Population by Age Group in 2010, 2013, 2020, 2030, and 2040



Source:
Population Projections for Thailand, 2010 – 2040

Number and Percent of the Elderly Population by Sub-Group in 2010, 2013, 2020, 2030, and 2040

Number (millions)

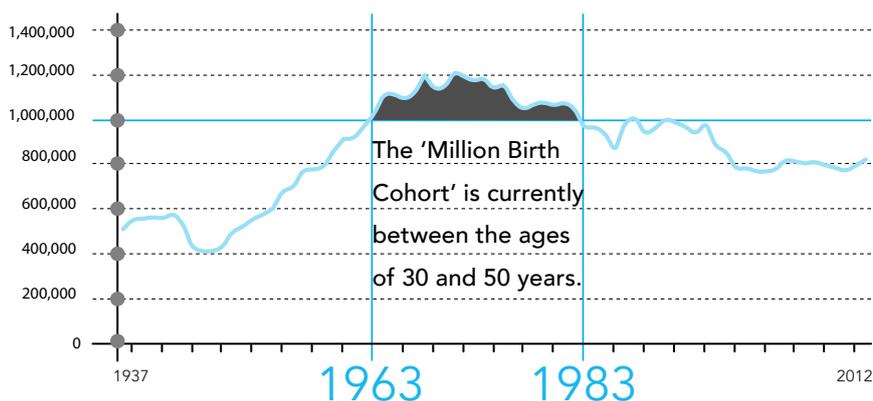
Population Group (years)	2010	2013	2020	2030	2040
Early (60-69 years)	4,629.7 7.3%	5,329.0 8.2%	7,255.6 11.0%	9,260.4 14.0%	8,958.5 14.0%
Mid (70-79 years)	2,708.1 4.2%	2,901.6 4.5%	3,676.6 5.6%	5,897.9 8.9%	7,639.4 12.0%
Late (80+ years)	1,070.2 1.7%	1,286.4 2.0%	1,689.5 2.6%	2,420.6 3.7%	3,921.4 6.1%

Source:
Population Projections for Thailand, 2010 – 2040

THE 'MILLION BIRTH COHORT' (born between 1963 and 1983) IS APPROACHING THE ELDERLY AGE GROUP

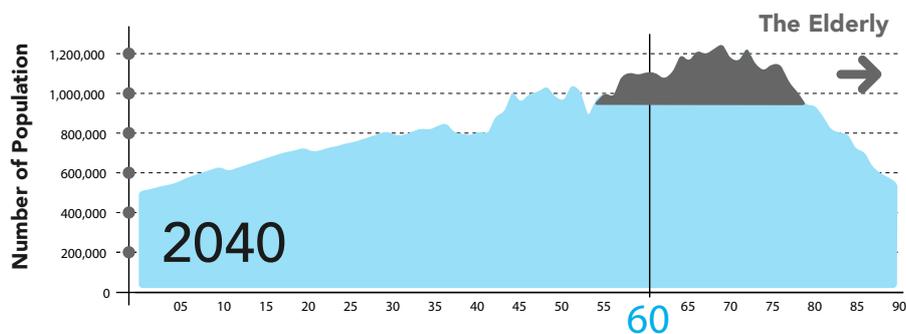
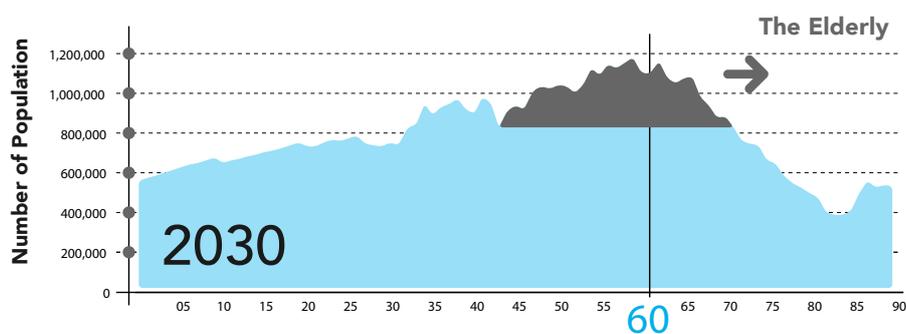
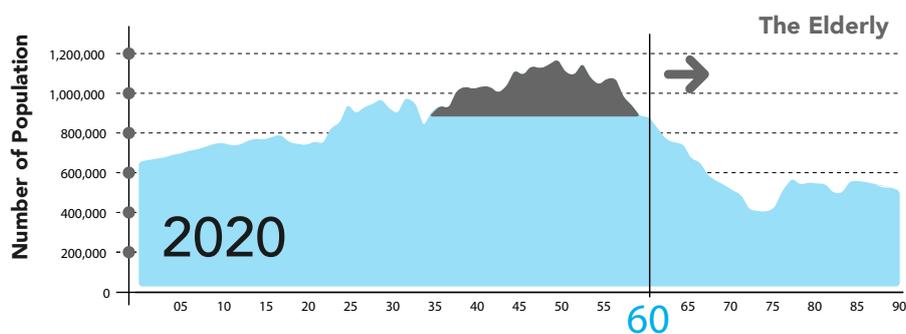
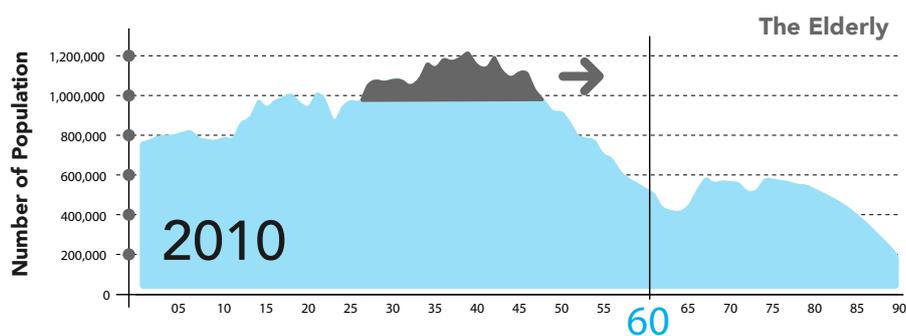
In the near future, the so-called Thai “baby boom” represents a demographic wave of people who will enter the elderly age group and further accelerate the aging of the population. This cohort of births (which occurred between 1963-83) currently is between the ages of 30 and 50 years and represents a mammoth potential demand for services in the areas of health, welfare and income security.

Million Birth Cohort



Source:

Pramote Prasartkul and Patama Wapatanawongse: “Status of the Thai Population in 2005” cited in Kritaya Archavanitkul and Pramote Prasartkul (editors). Population and Society 2005



Population Tsunami

The 'million birth cohort' represents a 'population tsunami' that is rapidly propelling the Thai population toward a more aged society in the near future.

Source:
Prasartkul, P.(2013). Population aging and health: a case study of Thailand. Keynote lecture presented at the RGJ-PhD Congress XIV, Chonburi, Thailand. IPSR Publication No. 416, 2013.

1.5

INCREASED HEALTH AND LONGEVITY OF THE THAI POPULATION

Over the past 100 years, the health of the average Thai has improved steadily, and the life expectancy at birth increased from only 40 years a century ago to 58 a half-century ago and to 75 years at present.

Similarly, life expectancy for the elderly has also increased. Fifty years ago, Thais who had reached the age of 60 could expect to live an additional 17 years. Those who reached age 65 could expect to live an additional 14 years.

At present, a 60 year-old Thai can expect to live an additional 22 years, while a 65 year-old can expect to live an additional 18 years.

Thirty years from now, it is projected that life expectancy will continue to increase, and a 60 year-old could expect to live an additional 26 years, and a 65 year-old could expect to live an additional 20 years.

Life Expectancy for the Thai Population

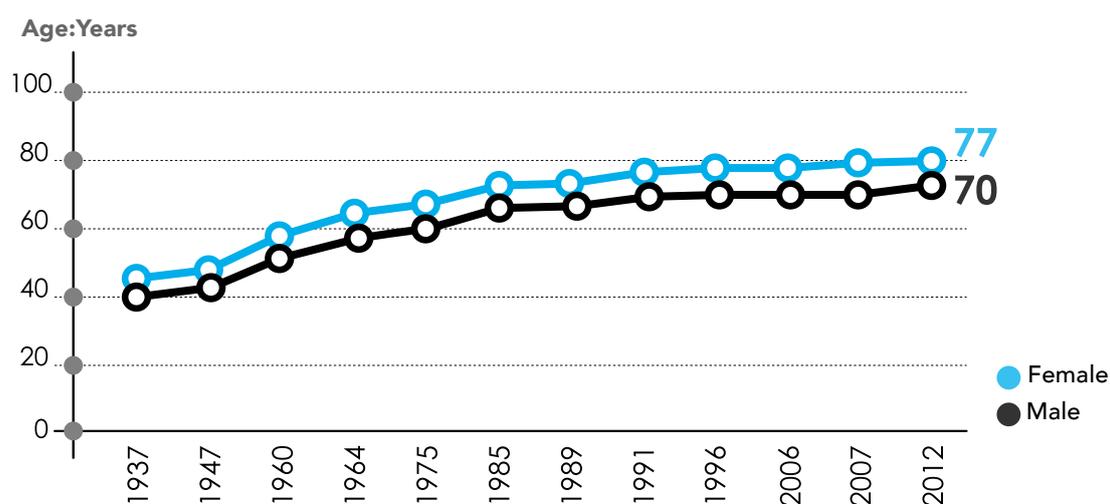
Life expectancy(e_x)	100 yrs ago	50 yrs ago	Present 2013	Future 2030*
At birth(e_0)	37.3	58.4	74.8	80.0
At age 60(e_{60})	12.3	16.9	21.6	25.7
At age 65(e_{65})	9.8	13.5	17.8	20.2

Sources:

Pramote Prasartkul and Patama Vapattanawong. 2012. The Health of Thais in 2012: Food security, illness, and death. Bangkok: Office of the Thai Health Foundation

* Ansley Coale and Guang Guo. (1989). Revised Regional Model Life Tables at Very Low Levels of Mortality. Population Index, 55(4). 613-643.

Trends in Life Expectancy at Birth for the Thailand Population by Sex: 1937 -2012



Sources:

¹ 1937, 1947, 1987: Rungpitarangsi (1964)

² 1964-65, 1974-76, 1985-86, 1989, 1991, 1995-96: Report on the survey of population change, National Statistical Office Thailand.

³ 2006, 2007 and 2013 estimated by Institute for Population and Social Research, Mahidol University

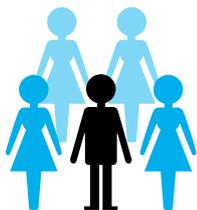
1.6

AN AGED SOCIETY HAS MORE FEMALES THAN MALES

Because females generally live longer than males, the male:female sex ratio declines as the population ages.

The sex ratio is an indicator of the number of males per 100 females at different age groups. At present, for the population age 60 or older, the sex ratio is 81 (81 males per 100 females). In 2040, it is projected that the sex ratio will decrease further to 76.

For those age 80 or older, the sex ratio is projected to decline from 65 at present to 58 in 2040.



**Sex Ratio of the Elderly Population:
2010, 2013, 2020, 2030, and 2040**

Elderly Age Group	2010	2013	2020	2030	2040
Early (60-69years)	89.1	87.1	86.0	85.1	85.7
Mid (70-79 years)	79.0	78.6	78.6	77.3	76.1
Late (80+ years)	66.5	65.2	62.6	60.4	57.9
60 years or older	82.6	81.2	80.4	78.7	76.2

Source:
Population Projections for Thailand, 2010 – 2040

1.7

CHANGING PATTERNS OF DOMICILE FOR THE ELDERLY

The size of the average Thai household* has decreased dramatically

Thai households are getting smaller. In 1970, the average Thai household had 5.7 occupants.

By 1990, this average had decreased to 4.4 occupants, and decreased further to 3.1 household members at of 2010.

An increasingly number of elderly are living alone

The pattern of households with elderly occupants is changing. Thai elderly who live alone or only with their spouse increased from 22% in 2002 to 26% in 2011.

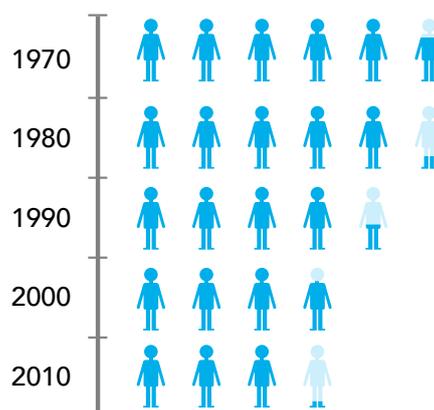
Further, as more Thais remain single and have fewer children, or whose children move to urban centers, the number of elderly who are left to live alone or with their spouse in the family household is increasing. The proportion of elderly living alone is higher in urban or municipal areas compared with rural or non-municipal areas.

This trend, if it continues, will have serious implications for providing long-term care for the elderly.

* "Household" in this discussion refers to private dwellings as defined in the National Population and Housing Census, and does not include collective household such as hospitals, prisons, monasteries, or school dormitories.

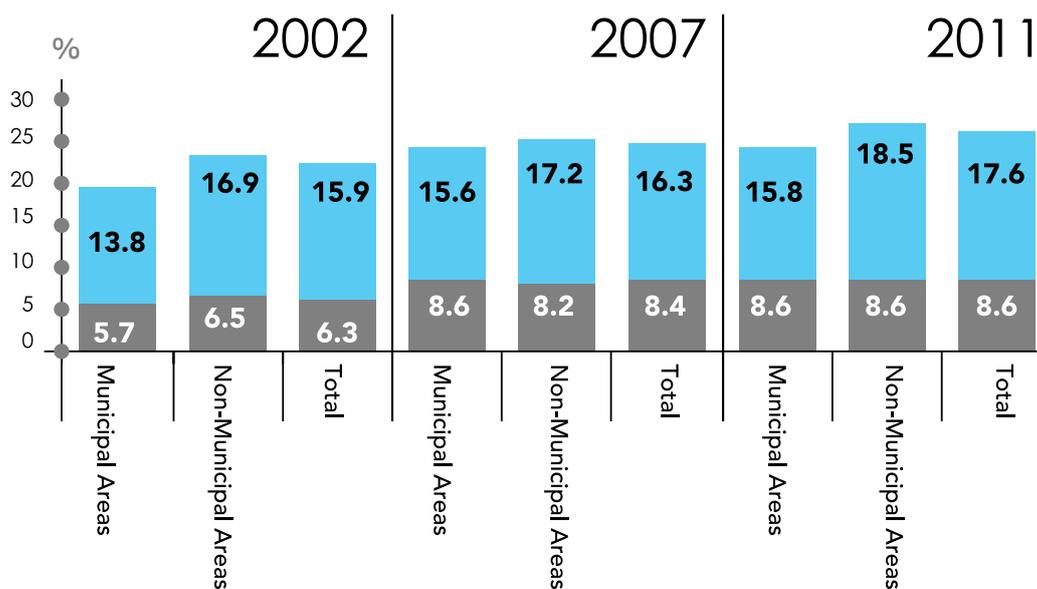
Average Thai Household Size (number of occupants): 1970 -2010

Source:
National Population and Housing Census for
1970, 1980, 1990, 2000 and 2010, NSO



Percent of persons age 60 or more who are living alone or only with their spouse by type of locality: 2002, 2007 and 2011

● Living alone ● Living only with their spouse



Source:
Survey of the Elderly in Thailand: 2002, 2007 and 2011, NSO

1.8

ELDERLY INCOME IS STILL PROBLEMATIC

One-third of elderly have incomes below the poverty line

The latest round of the Survey of Elderly in Thailand (2011) found that over one-third (34%¹) still had incomes under the poverty line², even though this is a decline from the level of under half (47%) in the 2002 round of the Survey of the Elderly.

Children are the principal source of income for the elderly

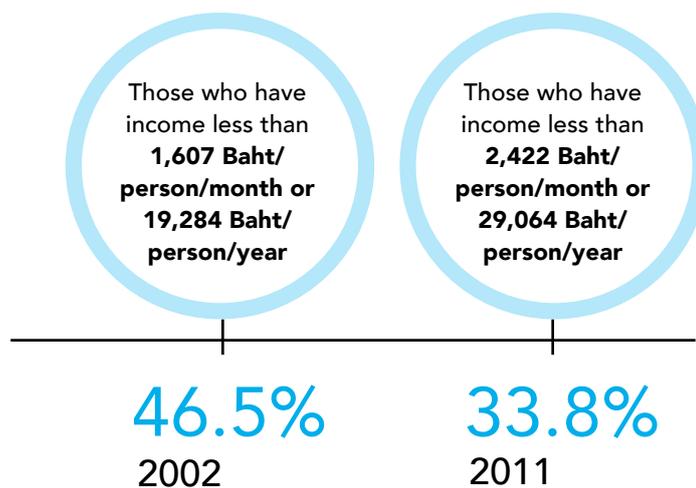
Children continue to be the most important source of income for the Thai elderly. The 2011 Survey of Thai Elderly found that 40% of elderly cited a child (including adoptees or foster children) as the principle source of income, followed by work income (35%), welfare subsidy (11%), pension (6%), spouse (3%) and interest from savings account or other assets (under 3%).

That said, the proportion of elderly who can rely on children for most of their income is declining. The Elderly Survey in 2007 and 2011 found that the proportion of elderly whose primary income came from their children declined from 52% to 40% across rounds.

¹ Excludes those with income but of unknown amount

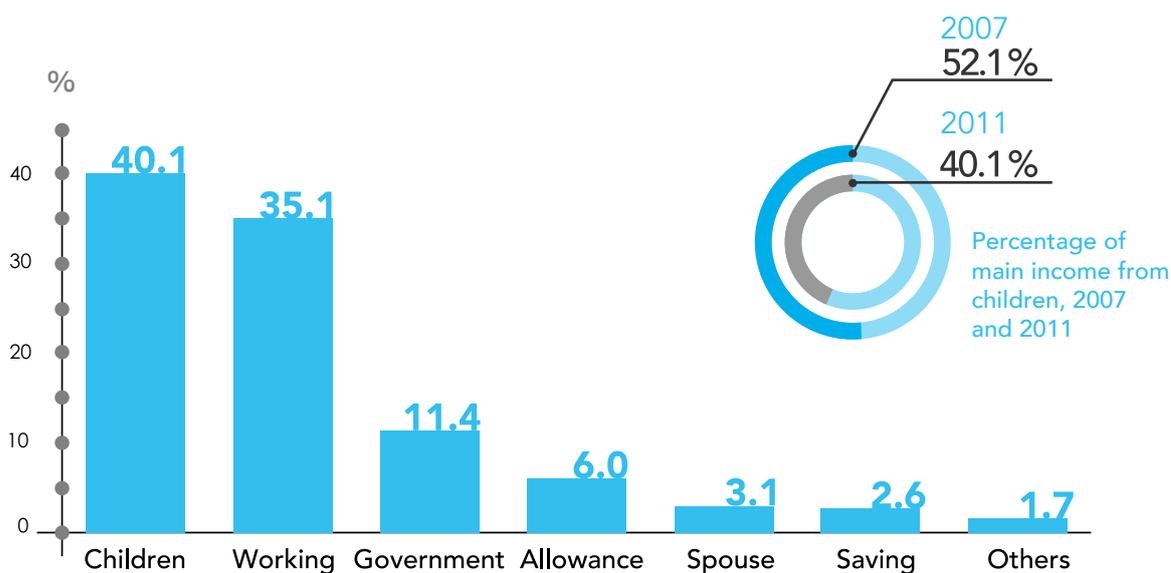
² In 2011, persons with income under 2,422 baht per month or 29,064 per year were considered below the poverty line. In 2002, the corresponding amounts were 1,607 baht per month or 19,284 baht per year. These thresholds apply to both municipal and non-municipal locations. Source: Social Database and Indicator Development Office, NESDB

Percent of Elderly with Income below the Poverty Line in 2002 and 2011



Source:
Survey of the Elderly in Thailand:
2002 and 2011, NSO

Percent Source of Income for Thai Elderly: 2011

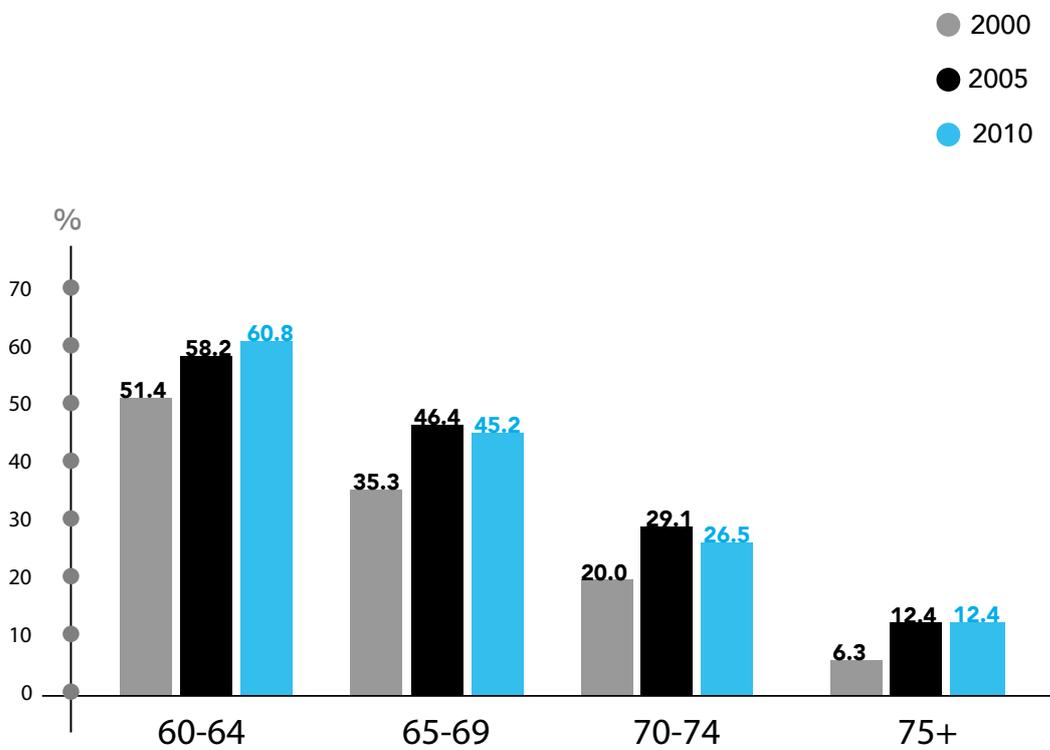


Source:
Survey of the Elderly in Thailand: 2007 and 2011

OVER HALF OF EARLY ELDERLY ARE STILL WORKING

As the health status and longevity of the Thai population improves, more Thai elderly are able to continue to work beyond the age of 60. The Thai Labor Force Survey during 2000-2010 found that the population age 60-69 years had increasing levels of employment over rounds. The proportion of elderly age 60-64 still working was 51% in 2000 and increased to 61% in 2010. The corresponding percentages for persons age 65-69 were 35% and 45%, respectively.

Percent of Elderly Still Working by Age Group in 2000, 2005 and 2010



Source:
The Labor Force Survey: 2000, 2005, and 2010, NSO

1.9

THE ELDERLY STILL FACE HEALTH CHALLENGES

As they age, the elderly are at increased risk of chronic illness related to past consumption behavior, exercise, genetics or natural erosion of their bodily functions.

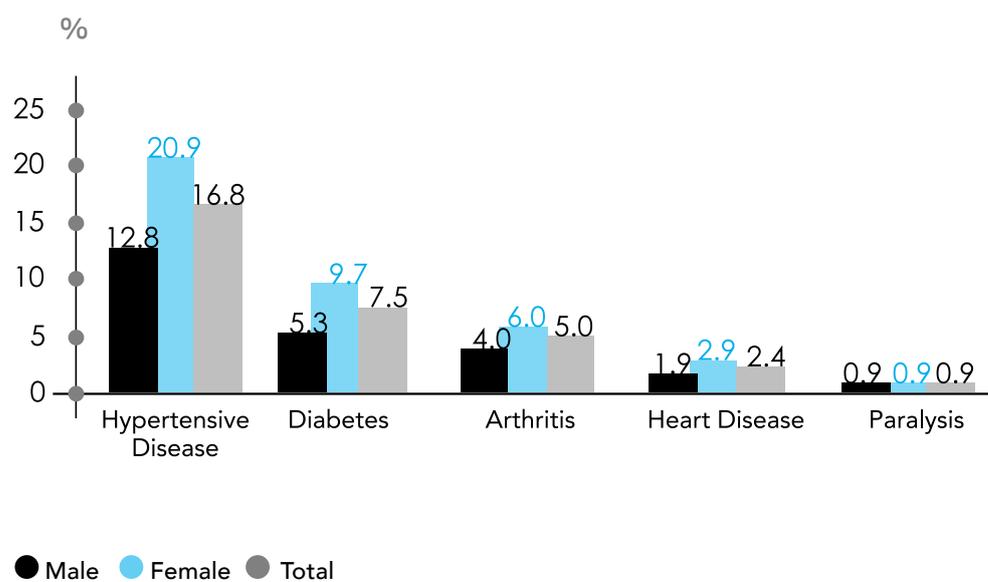
The 2011 Survey of the Elderly asked (them or someone close to them) the following: “Do you have any of the following 15 chronic conditions?³”

53% of elderly reported one or more chronic conditions

The most commonly reported condition was high blood pressure/cholesterol (17%), followed by diabetes (8%), gout/rheumatoid arthritis/chronic pain in the knees/back/neck (5%), heart disease (2%), and paralysis (1%). It is noteworthy that more females than males reported having one or more of these top five conditions.

³ These conditions include: high blood pressure/cholesterol, diabetes, gout, rheumatoid arthritis, chronic pain in the knees/back/neck, heart disease, paralysis, kidney disease, chronic kidney failure, kidney stones, senility, loss of memory, fainting spells, epileptic seizures, AIDS, polio, leprosy, thyroid illness (goiter), cancer, thalassemia/anemia, mental disorder, depression, alcoholism, drug addiction.

Percent of Elderly who Reported Having a Chronic Condition (Top 5) by Sex: 2011



Source:
Survey of the Elderly in Thailand: 2011, NSO

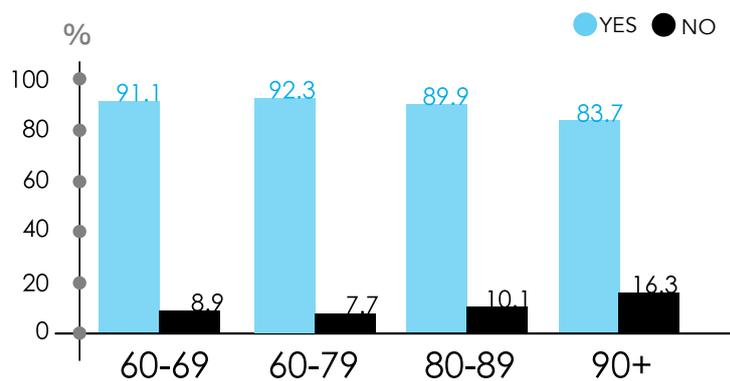
ONE-TENTH OF ELDERLY WITH A CHRONIC CONDITION NOT GO FOR REGULAR TREATMENT

The Survey of the Elderly in 2011 asked respondents who reported having one or more of the 15 chronic conditions the following question: “In the past six months, have you gone for treatment by a health care provider on a regular basis?” Over 80% responded that they regularly went for treatment. The proportion of elderly who did not regularly go for treatment increases with age. One-tenth of persons age 80-89 years did not go for regular treatment and this proportion increases to 16% for those age 90 years or more.

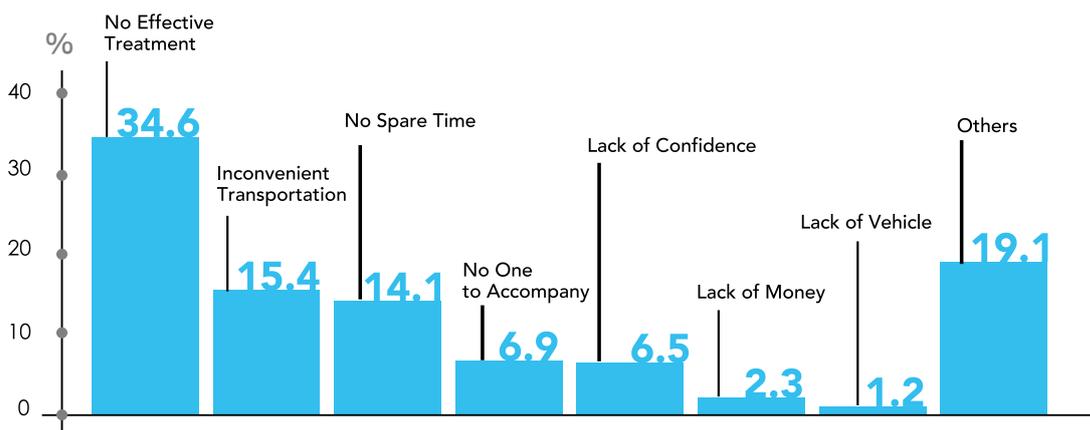
The reasons cited for not going for treatment include the belief that there is no effective treatment or cure for their condition (35%), inconvenient transportation (15%), no spare time to go (14%), no one to accompany them (7%), lack of confidence in the service provider/facility (7%), lack of money to pay for treatment (2%), lack of a vehicle to travel by (1%), and other reasons (19%).

Percent of Elderly who Reported Having a Chronic Condition and Regularly Went for Treatment: 2011

Source:
Survey of the Elderly in Thailand:
2011, NSO



Percent Distribution of Reasons for Not Regularly Going for Treatment: 2011



Source:
Survey of the Elderly in Thailand: 2011, NSO

1.10

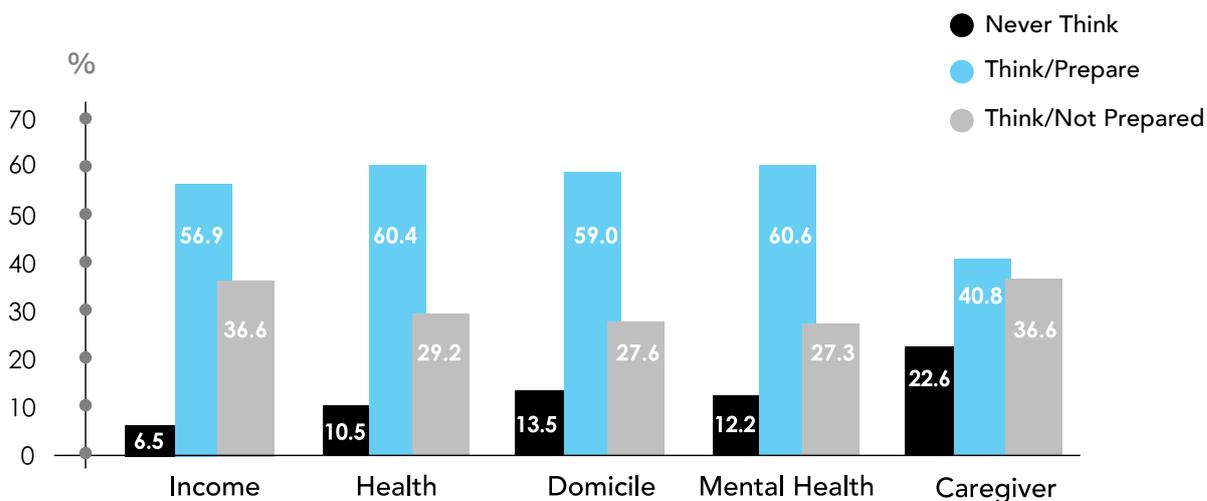
NOT ALL OF THE PRE-ELDERLY POPULATION IS CONCERNED ABOUT PREPARING FOR LIFE AS AN ELDERLY PERSON

Preparing for retirement and older age living is an important life skill. This preparation has implications for the individual and the country as a whole. Even though many related agencies are urgently trying to implement the policies of the 2nd National Plan on the Aging (2002-2021), there remain important challenges to achieving the targets across the five strategies of the plan to ensure quality aging and meeting the needs and aspirations for the population in their final stage of life.

The 2011 Survey of the Elderly in Thailand asked the population age 50-59 years about their preparations for retirement and older living. About two-thirds (67%) said that preparation was important.

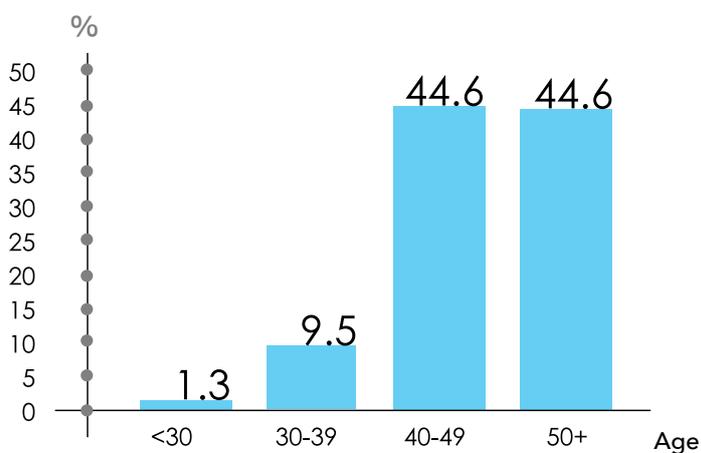
Of these, most felt that it was important to be prepared in terms of income, health, domicile, mental health, and having a caregiver. Additionally, 55% felt that preparations for elderly living should begin before reaching the age of 50 years.

Percent Opinion of Pre-Elderly about Preparing for Elderly Living: 2011



Source: Survey of the Elderly in Thailand: 2011, NSO

Percent of Pre-Elderly by the Age They Think One Should Begin Preparing for Elderly Living: 2011



Source: Survey of the Elderly in Thailand: 2011, NSO

67%
Said "should prepare for retirement and older living"

“At present, it is generally accepted that Thailand is becoming an aged society. However, a large segment of the population still underestimates the size of the challenge. The pace of aging of the population is very rapid. The huge wave of the ‘million birth cohort’ can be considered a demographic tsunami which will “hit land” in the coming 10 to 20 years. At that time, the number and proportion of the population that is elderly will increase dramatically.

AT PRESENT (2013) THAI ELDERLY (AGE 60 YEARS OR MORE) COMPRISE 9.6 MILLION PEOPLE. TWENTY YEARS FROM NOW (2033) IT IS PROJECTED THAT THE ELDERLY POPULATION WILL RISE TO 14 MILLION, OR ONE IN FOUR OF THE TOTAL POPULATION.

The rapid aging of the population will have significant impacts on the society and economy, both at the individual, family, community, and government levels.”

**INCOME SECURITY
OF THE THAI ELDERLY**

2

2.1

SITUATION OF INCOME SECURITY FOR THE ELDERLY

At present, issues of the elderly are increasingly being addressed given Thailand's inevitable transition to an aged society, and speed at which the population is aging. One key issue is income security of the elderly.

In the past, the primary source of elderly income came from their children and/or grandchildren. However, with the rapid decrease in Thai fertility, out-migration of the working age population, and changing social norms, the likelihood of the elderly to depend on their children and/or grandchildren for financial support is declining accordingly. If the elderly do not have a retirement pension, savings, or employment opportunity, then they are at high risk of income insecurity and descending into poverty.

Thus, it is important for Thai society to find ways of providing income security for the elderly through comprehensive consideration of a number of factors including the structure of the population, the economy, society, culture, politics, laws, and various social mechanisms. These dimensions need to be examined for how they contribute to or inhibit income security for the elderly.

The most important factor for support of elderly income security is the need for a change in how society views "elderly" status, so that the elderly are seen as a "positive force" for the country and not a "burden" awaiting welfare handouts. Society needs to recognize the potential capacity of the elderly to help advance Thai development efforts in the years ahead.

2.2

EMPLOYMENT OPPORTUNITIES FOR THE ELDERLY

Providing income security for the elderly beings with providing employment opportunities for elderly who are still strong enough and motivated to work. This promotes greater self-reliance over the long term. Society needs to provide fair and equal employment opportunity for the elderly and eliminate agism.

Keeping the elderly in the active labor force for a longer period of time will require addressing issues related to the social and demographic structure of the population, the labor force market, laws, and social norms to see how these inhibit employment of the elderly, and what mechanisms exists to efficiently reduce barriers.

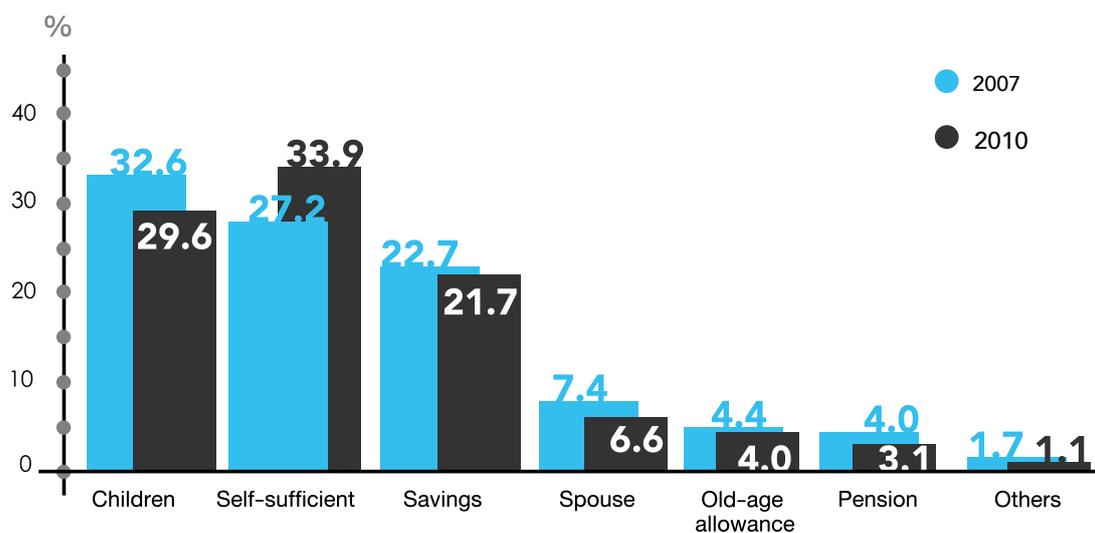
2.2.1

STRUCTURE OF THE POPULATION AND DECLINE IN THE NUMBER OF YOUNGER FAMILY MEMBERS

Historically, Thai elderly could rely on financial support from their children and/or grandchildren. However, at present, the very low fertility of the Thai population means that this source of support may no longer be available for many elderly. Up to the decade of 1950-60's, Thai couples had six children on average. Thus, when the parents reached older age, there was a good chance that there would be at least one child who could provide income security for them if other children could not. By contrast, at present, the average number of children of Thai couples during their reproductive life has declined to 1.6 persons, leaving them at risk of having no child or grandchildren to help support them. Indeed, other elderly may not have any children at all. Thus, it is clear that in the years ahead, elderly reliance on their younger relatives for financial support will decline.

The results from a 2011 survey about opinions of the working age population toward the elderly reflect an emerging realism about this group about the diminishing likelihood of relying on a child or younger relative for financial support in retirement. An increasing proportion expect to rely more on their own employment income when reaching older age. As recently as 2007, one-third (32.6%) of the working age population felt that their child(ren) would be the primary source of income when they became elderly. By 2011, this began to change as one-third (33.9%) now hope to be financially self-sufficient in retirement.

Anticipated Sources of Income in the Elderly Period of Life 2007 and 2010



Source:
Survey of Knowledge and Attitudes toward the Elderly: 2011, NSO

This change in population structure will unavoidably affect income security patterns of Thai elderly. Relying on financial support from their children and/or grandchildren may no longer be the main source of income for elderly in the future, and other alternatives may play a more important role in ensuring the well-being of Thai elderly.

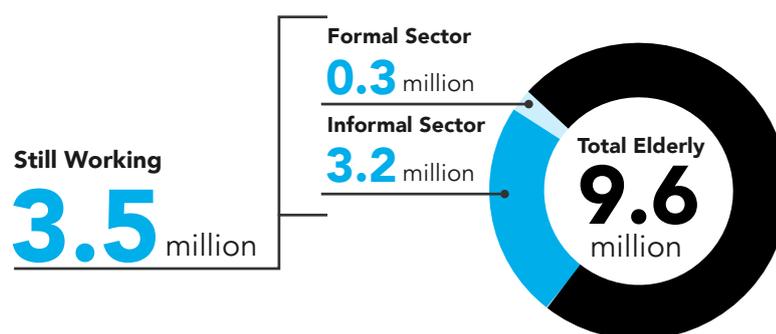
2.2.2

THE LABOR MARKET IS NOT WELCOMING TO THE ELDERLY

As of 2013, 3.5 million of the 9.6 million Thai elderly are still working (or 36%). Most of the work is in the informal sector such as agriculture, fisheries, services, sales, or other skilled labor. Less than 10% of the elderly work in the formal sector.

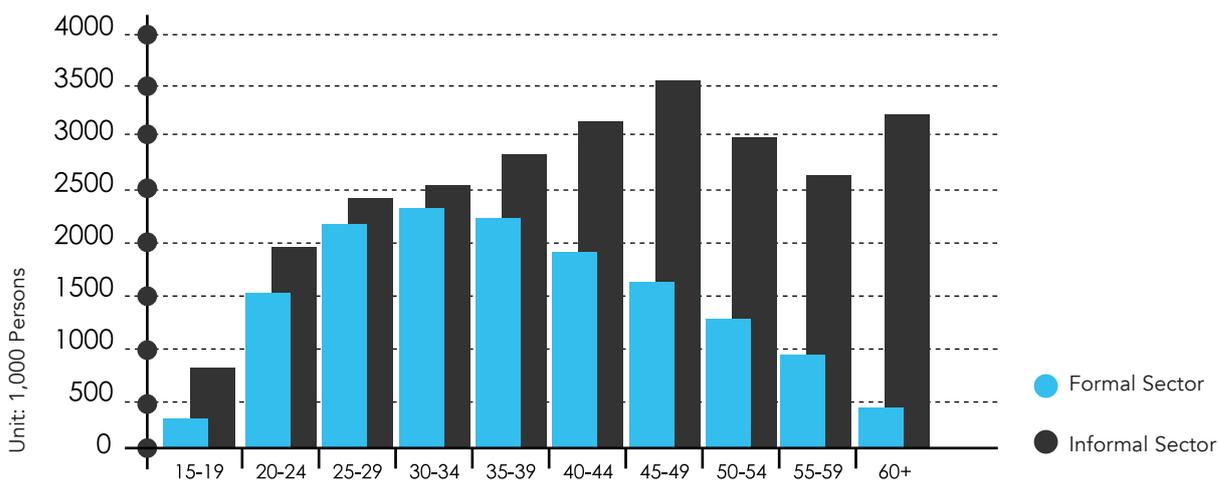
The overall view of the Thai labor market shows that there is unequal opportunity among different age groups of the population, and that all age groups have greater employment in the informal sector. Workers in the formal sector tend to be concentrated in the younger generation (e.g., 25-39 years) and, the higher the age, the fewer workers there are in this sector. Thus, the population age 60 years or over has the least prevalence of workers in the formal sector. Conversely, at higher ages (40 years or older), the proportion of the workers in the informal sector exceeds those in the formal sector.

Number of Employed Elderly by Sector: 2013



Source:
Key Findings: Work Status of the Elderly in Thailand: 2013, NSO

Number of Workers in the Formal and Informal Sectors by Age Group, 2013



Source:
The Informal Employment Survey 2013, NSO

2.2.3

THAI LAW PRESENTS BARRIERS TO EMPLOYMENT OF THE ELDERLY

At present, almost all elderly persons who wish to work only have the option of the informal sector. Government and state enterprise organizations have mandatory retirement at age 60 years. Even though the private, formal sector is not bound by this law, most companies have terms of employment which include a ceiling for employment, regardless of a person's ability to continue to function effectively and add value.

Retirement Age and Age of Eligibility for Pension at Retirement by Labor Force Sector

Sector	Formal		Informal
Official Retirement Age (as per law)	Government State Enterprise	Private Sector	e.g. Agriculture, Self-employed
	60 completed years of age	No legally mandated age but is usually stipulated in the employment contract	No legal mandatory age
Age of eligibility for pension after retirement	Between 50 and 60 completed years of age	From age 55 years (Social Security Fund)	No specification (or not covered by the Social Security Fund)

Thai law on retirement pension (1951) Article 19 stipulates age 60 as the age of mandatory retirement:

“Government civil servants who have reached sixty complete years of age are to retire at the end of the fiscal year during which they reach that age.”

In addition, Article 13 under this law specifies the following regarding pensions:

“Government Civil Servants who reach sixty complete years of age are eligible to receive retirement pensions”

Despite the regulation to retire at age 60, ability to perform some professions does not decline abruptly at that age, e.g., judiciary officials. Thus, the government has recognized that professions which require extensive experience and skill can have an extended retirement age. Accordingly, the retirement age for the judiciary officers was increased to 65 years as per Article 19 (1999), Retirement Act (No. 17) 1999, as follows:

“Article 19 Public judiciary officials working as senior judges and have reached the age of sixty may continue to work in their official capacity until completing age sixty-five years, with the exception that those judiciary officials deemed to be capable, may continue in their official capacity until the age of seventy complete years.”

2.2.4

SOCIETY'S CONCEPT OF THE ELDERLY IS NOT CONDUCTIVE TO LABOR FORCE PARTICIPATION

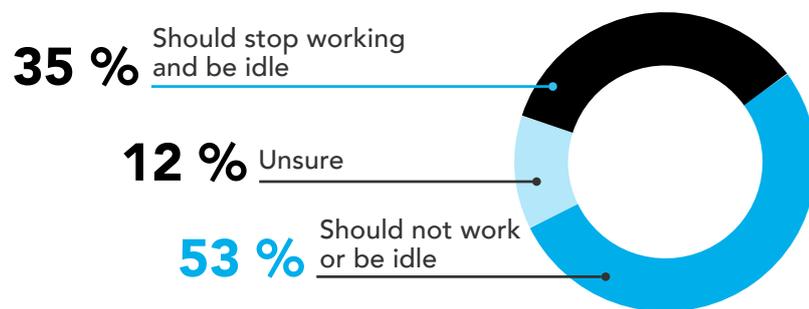
“The elderly are like a mature tree which provides shade for its offspring.”

This saying is well-known among Thais and is related to historical veneration of the elderly in society for their experience, traditional wisdom and as a unifying force for the extended family. At the same time however, this view of the elderly in repose contradicts the notion that they should be active members of the labor force, and instead should be relaxing in their home under the care of their children and grandchildren.

In fact, many Thai elderly may not wish to be inactive at home, and prefer to be involved in productive enterprise, but their children or younger relatives discourage them because of the tradition of letting the elderly rest. The younger generation may also fear negative gossip about their ability to take care of their parents if a parent goes to work in a job that is not befitting of their social status. There is the view in society that if an older person continues to work it is out of borderline poverty status or inability of their relatives to care for them.

The Survey of Knowledge and Attitudes toward the Elderly in 2011 found that one-third of respondents believed that “when a person gets old they should stop working, and be idle.” The feeling is that it is now the turn of the children to repay the parent for the care they received. This is a subtle form of “agism” that perpetuates a stereotype of what ‘elderly’ means, and imposes cultural norms and standards which can restrict an elderly person’s options.

**“Should the elderly
stop working
and/or be idle?”**



Source: Survey of Knowledge and Attitudes toward the Elderly, 2011, NSO

This age bias permeates the society and means that a significant portion of the Thai population does not think that the elderly should work, and this represents a substantial loss to the nation's economy and society.

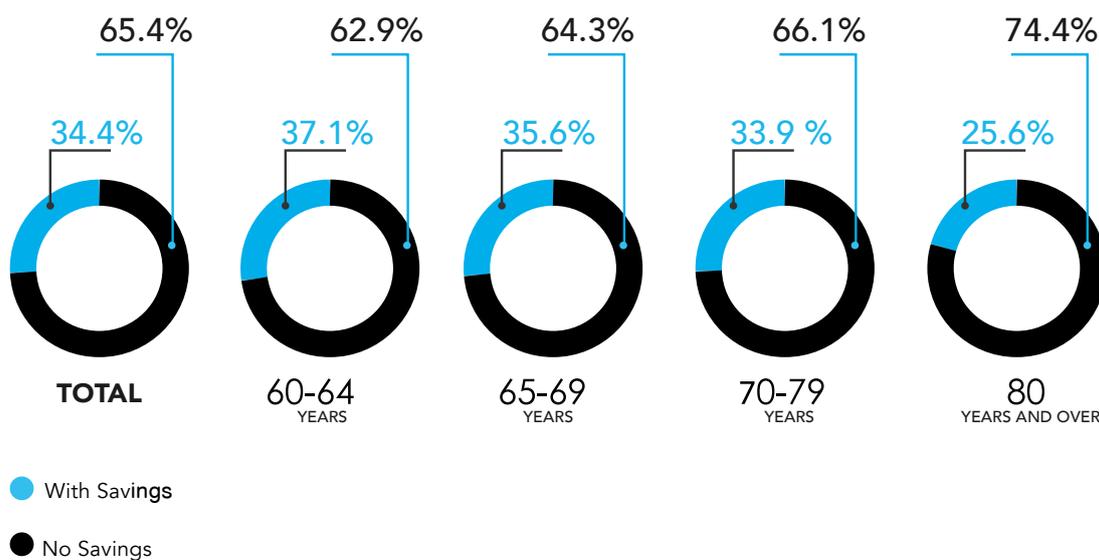
In sum, Thai society still is not providing adequate opportunity for the elderly to work, either because of the labor force market structure, the laws or the social prejudices. If, however, the elderly are allowed to engage in gainful employment, this will be an important source of income security as well as meeting the demands of the job market for skilled labor. The society needs to urgently dismantle the obstacles to elderly participation in the labor force.

2.3

MECHANISMS FOR PROMOTING INCOME SECURITY OF THE ELDERLY

As a general principle, those elderly in good health and motivated to work should have equal opportunity for employment. However, in the case of those elderly who are not able to continue working, society should have mechanisms to promote income security for this group, whether in the form of individual retirement accounts, public welfare assistance, or cost of living subsidy.

Percent of Elderly by Possession of Savings Accounts by Age Group, 2011



Source: Key Findings of the Survey of the Elderly in Thailand, 2011, NSO

2.3.1

PROMOTION OF SAVINGS

Interest from savings is a potentially important source of income for those elderly unable to continue to work who do not have a source of welfare or support from their children or younger relatives. Thus, the government should support efforts to help elderly establish and grow these savings accounts.

That said, in the 2011 Survey of the Elderly, the proportion of the elderly with savings accounts was still quite low as two-thirds of elderly had no such accounts. This was especially the case for the late elderly (age 80 or over) among whom nearly three-fourths (74%) had no such savings account.

The National Savings Fund Act of 2011 is one government mechanism that can help Thais improve their income security. This fund is under management of a board of directors and is targeted to the working-age population in the informal sector who are not covered by Social Security. The government makes matching contributions (not above 100 baht per month per account). Even though this scheme is not yet fully operational, it is being supported by many sectors of society as an important way to improve income security of the elderly.

Another mechanism for those with potential for long-term savings include the Retirement Mutual Fund : RMF , Long Term Equity Fund : LTF, and life insurance policies. These income security tools

allow anyone to establish individual retirement accounts (IRA) and are especially appropriate for those working in the informal sector. Those in the formal sector can use these accounts to supplement their job-related pensions. Data from the Office of Insurance Commission show that there are 25 life insurance companies which offer a variety of savings plans to the consumer.

For communities without easy access to these plans or with inadequate resources to start a significant savings account, there are community-based funds which are managed locally such as the Community Welfare Fund, which is an informal mechanism to promote and enable savings for those working in the informal sector (TDRI, 2008). These community funds have management boards, and receive government support and matching contributions from such groups as the Institute for Community Organization Development. The success of these local savings funds depends on the strength of the community and leadership. At present, there are a total of 1,007,583 members of these funds around the country (Institute for Community Organization Development, 2014).

To take full advantage of these mechanisms, Thais (especially youth) need to be educated in the importance of planning their financial future and income security.

2.3.2

INCOME SECURITY MOSTLY COVERS WORKERS IN THE FORMAL LABOR SECTOR

The most important sources of income security for those in the formal sector are the government civil servant's pension, and the Social Security Fund. Of the 39.1 million members of the Thai labor force as of 2013, 13.7 million had guaranteed income security after retirement (or one-third of the total labor force). By contrast, of the 25.1 million in the informal sector (64.2%), only 1.6 million are covered by the Social Security Fund (Article 40 of the Social Security Act of 1990). Thus, there is a pressing need to expand coverage of this fund.

Income security from the Government Pension Fund (GPF) and Social Security covered all those in the formal labor sector in 2013, but only 8.4% elderly were covered by one of these two sources of income security in that year, and this represents a serious gap in coverage that must be addressed urgently.

Number of the Labor Force Population with Income Security in 2013

All Sectors	39.1 million¹
Civil Servants, Government Pension Fund (GPF)	1.2 million ²
Formal sector, covered by Social Security System	10.9 million
Informal sector, covered by Social Security System	1.6 million
Total covered by GPF and/or Social Security System	13.7 million

Sources: ¹ Labor Force Survey: Informal Sector. 2013, NSO

² Government Pension Fund. Data on membership of GPF January, 2014

Number of Elderly with Income Security from Government Pension Fund (GPF) and/or Social Security in 2013

Number of elderly in 2013	9.6 million
GPF	628,021 ¹
Social Security	175,228 ²
Total	803,249

Source: ¹Government Pension Fund (GPF). Data on membership of GPF January, 2014

²Social Security Office, Ministry of Labor, 2014

Given that one in three Thai workers expects to have income security from one of the above mechanisms, the questions arises as to the sustainability of these funds to support the anticipated rapid increase in number of retirees in coming decades. In other words, will there be enough contributions to the funds when the elderly grow in size while the labor force population shrinks as a proportion. A study of the “replacement rate” shows that retirees will need about 50 to 60% of their last income level to maintain a quality standard of living¹. In other words, the elderly will need to establish supplemental sources of income security in addition to government pensions to cover themselves, especially in the later stages of retirement.

¹ Supanee Jantamas and Nawaporn Wiriyanupong, no date.

Monthly Benefit from the Social Security Fund

Duration of Contributions	Pension %	Baht per month
180 months (15 years)	20.0	3,000
240 months (20 years)	27.5	4,125
300 months (25 years)	35.0	5,250
360 months (30 years)	42.0	6,375
420 months (35 years)	50.0	7,500

Source: Office of Social Security, Ministry of Labor, 2014

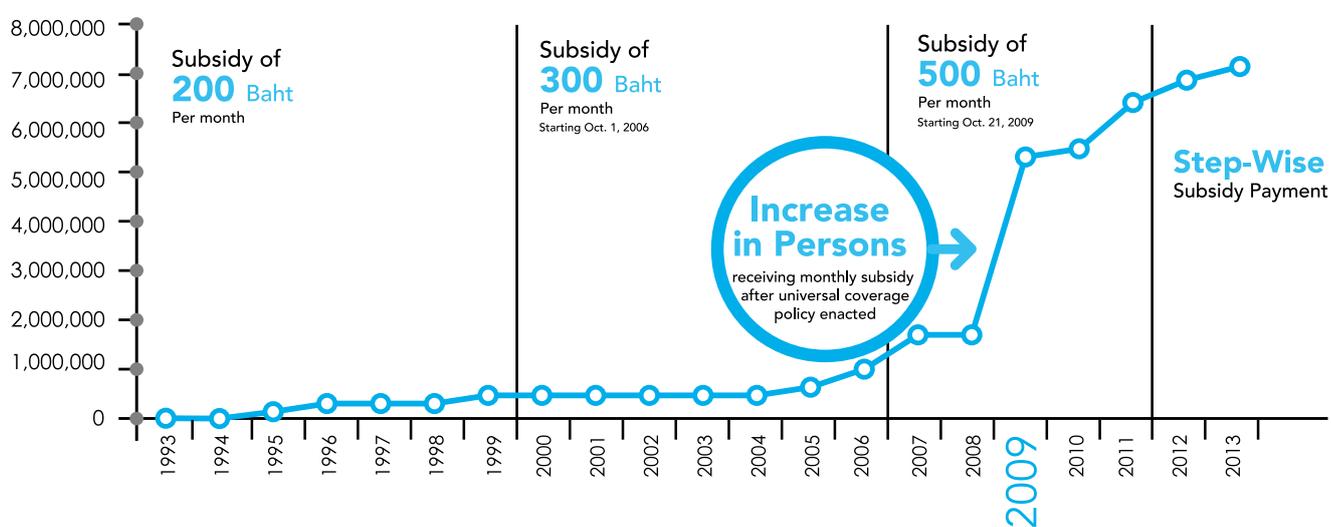
Workers in state enterprise organizations receive Social Security in addition to their cost of living benefit for retirement (or period of unemployment). Contributions to this latter fund are elective. Many state enterprises and private companies are setting up these benefits programs such as the Bang Jak Petroleum Co., Krung Thai Bank, ThipPrakanPhai, WithayuKan Bin, Thai Airways, PTT, AOT, NHA Bank, EGAT, NHA, and the Office of the Rubber Replanting Aid Fund. The government is encouraging all companies in the private sector to establish income security plans for their work force for use in retirement.

2.3.3

INCOME SECURITY FOR ALL: UNIVERSAL ELDERLY WELFARE SUBSIDY

Starting in 1993, the Department of Public Welfare began administering elderly welfare subsidies in the amount of 200 baht per month for persons age 60 years or older who were classified as “poor”. This stipend was increased to 300 baht in 2009 and was made available to all elderly not covered by other income security schemes. This resulted in an increase of elderly receiving the cost of living stipend from 1.8 million in 2007 to 7.3 million in 2013. Approximately 800,000 elderly did not receive the stipend since they were covered by other pension schemes. This left 1.5 million elderly who did not receive the government stipend or government pension in 2013, yet the number receiving the monthly stipend has increased yearly (see Figure below) and the amount of the individual stipend has increased in value as well.

Number of Elderly Receiving the Monthly Cost of Living Subsidy: 1993 - 2013



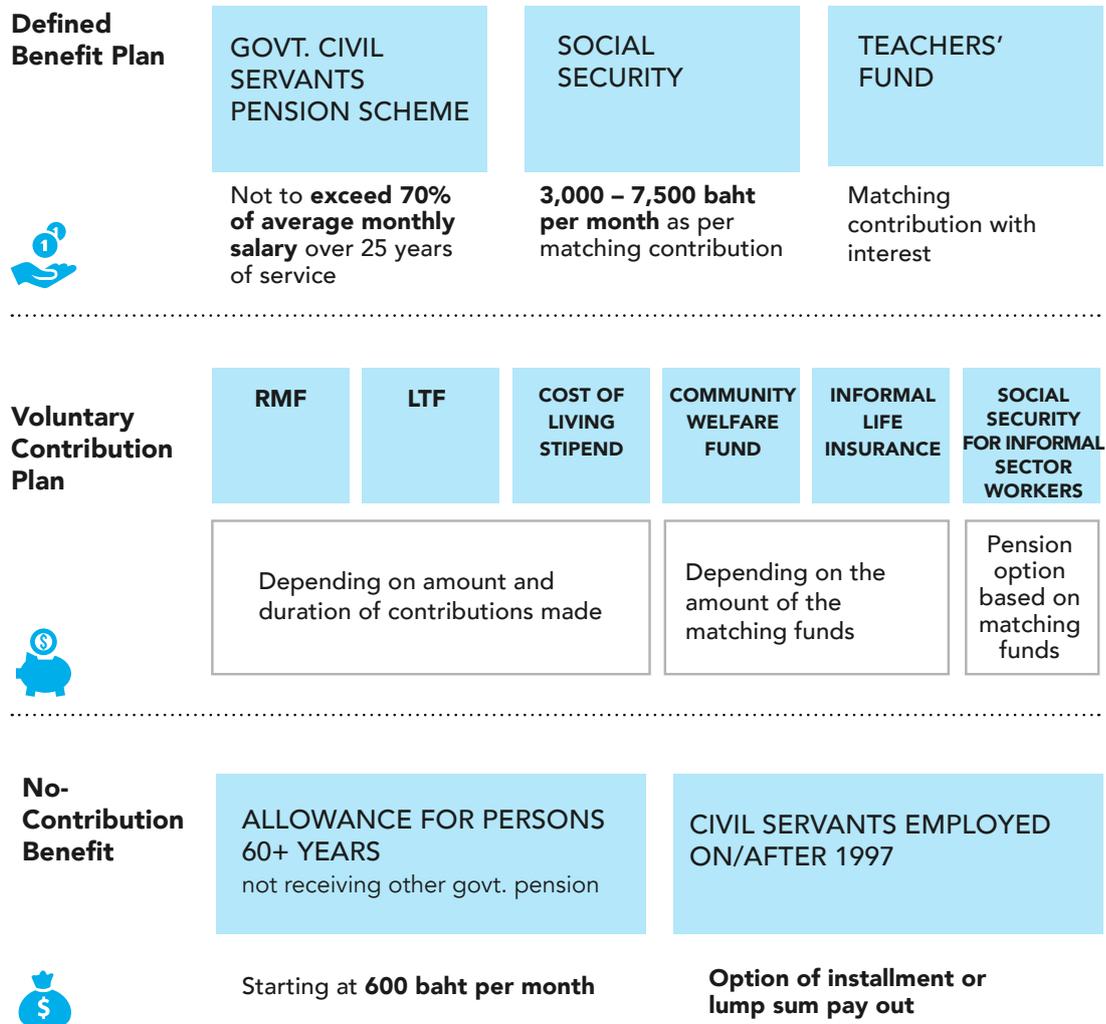
Source: Department of Local Administration, Bangkok Metropolitan Administration, and Pattaya City Hall, 2014

Cost of Living Stipend by Age

Age	Monthly Stipend
60 – 69 years	600 baht
70 – 79 years	700 baht
80 – 89 years	800 baht
90 years or more	1,000 baht

Source: Cabinet Resolution on October 18, 2011

In sum, there are three types of mechanism to promote income security for the Thai elderly: Income guarantees, voluntary IRAs, and no-contribution income security.



Income Security Mechanisms in Thailand

Sources: 1) Comptroller's Office for FY 2013; 2) Office of Matching Contributions, Social Security Office, 2013; 3) Office of Informal Labor Security, Social Security Office 4) Number of elderly recipients of the allowance during FY 2013; 5) Community Welfare Fund data as of January 2014; 6) Asset Management Co.; 7) FETCO, December 2013

Type	Source	Members	Number of Members	Responsible agency
Government Pension Fund (GPF)	1951 Retirement Act <hr/> 1996 Retirement Act	Govt. Civil Servants enrolling on or after 1997	628,021 persons have drawn pensions ¹	Comptroller's Office, Ministry of Finance <hr/> Civil Servants Pension board
Social Security Fund²	1990 Social Security Act <hr/> Definition of criteria and rate of matching contribution, types of benefits, and conditions of benefits (Document 2) 2013	Formal and informal sector employees	Article 33: 9,781,101 persons Article 39: 1,074,223 persons Article 40: 1,578,088 persons ³	Social Security Office, Ministry of Labor
Cost of Living Allowance (COLA) Fund⁶	1987 COLA Act	State Enterprise employees and employees of companies participating in the fund	426 funds 13,620 employers 2,609,638 members	Securities Commission and Stock Exchange of Thailand
Teachers' Fund	Private Schools Act (No. 2) 1975	Teachers and administrators		Ministry of Education
Elderly Stipend	Started in 1993 for the low-income; expanded to all elderly in 2009	All persons age 60 or over	7,342,028 members ⁴	Local administrative organizations under the Ministry of Interior
RMF⁷	2001	Eligible taxpayers	492,446 accounts	Asset Management Co.
LTF⁷	Cabinet Resolution of April 27, 2004	Eligible taxpayers	960,248 accounts	Asset Management Co.
Community Welfare Funds		Anyone	Elderly members: 1,007,583 ⁵	

2.4

IMPLEMENTATION BY THE GOVERNMENT IN 2013

In recent years, the government has become more active in preparing for Thailand's aged society, especially in the area of promoting income security for the elderly. Measures and policies have been put forward that are consistent with the 2nd National Plan for the Elderly (2002-2021) (amended 2009), with the following examples of achievements to-date:

The government has set up quality of life development centers and has supported occupational development for the elderly as part of its comprehensive program for the elderly. These centers are intended to be holistic one-stop facilities for capacity building of the elderly for supplement occupations and greater community involvement. These centers are under the management of the Ministry of Social Development and Human Security, the Ministry of Interior, and the Thai Association Council of Elderly People. The initial target was to establish 7,853 centers in each local administrative organizations throughout the country. As of 2013, 99 pilot centers have been set up.

The Occupational Development Department of the Ministry of Labor has supported income-generating activities for the elderly through training programs for occupational support groups, skills building, supplemental occupation training in such areas as traditional Thai massage, handicrafts production, traditional herbs production for massage therapy, etc. In 2013, the program has a target of 298 elderly to be trained in supplemental occupations.

In addition, the Department of Employment of the Ministry of Labor has launched a project to promote appreciation of the traditional wisdom of the elderly. In 2013, a total of 1,654 elderly have been supported by this program.

In terms of promoting economic security through integrated pensions, the Office of Social Security reports providing coverage for 10.9 million beneficiaries, and protections for 1.6 million workers in the informal sector. There are on-going efforts to increase registration of work sites to maximize coverage of the program.

2.5

The Path to Income Security for the Elderly

As noted, the size of the Thai elderly population is increasing rapidly, at the same time that there is a reduced number in the younger generations to provide financial support to their elderly relatives. Thus, ways need to be found urgently on how to establish sustainable income security for this increasingly vulnerable population.

An important strategy will be finding ways to keep the elderly gainfully employed, consistent with the philosophy of active aging. In this vision, the elderly are actively involved with society, the community, the economy, the culture, politics, administration, and labor. Society needs to support active aging through extending employment opportunity for the elderly and eliminating barriers to elderly participation in the labor force.

At present, the context of Thai society is still not very supportive of the elderly to pursue their own income security, and there is unequal access to unemployment for this age group compared to others, either by law, custom, or labor market demand.

In addition to supporting employment of the elderly, another important measure is to improve saving for older age. The National Savings Act of 2011 is one such measure. Though in the early stages, this program is being supported and advocated across multiple sectors. In addition to the government efforts, there are other programs such as the RMF and LTF, and life insurance plans to promote savings.

The government itself has pension programs for the Civil Servants and Social Security. However these programs mostly cover only those workers in the formal sector. The elderly welfare stipend is another government mechanism to augment income security for the elderly.

A full variety of measures will need to be put in place to ensure income security for the increasing population of elderly in the coming decades which cut across socio-cultural contexts, savings behavior, and public-private partnerships to promote quality of life, aging with honor, and recognizing the strength and potential contribution of Thailand's elderly.

“The elderly are not disadvantaged or a burden on society. They can be productive participants to advance social development.

Thus, there should be more support from family members, the community and government to help the elderly to live quality, honorable lives for as long as possible.”

- Philosophy of the 2nd National Plan for the Elderly (2002-2021)

**KEY FEATURES OF
THE SITUATION IN 2013**

3

“If the elderly are still allowed to work, they will be less dependent on their children and society, and they will not become depressed by being idle.”

“Everyone can contribute back to society in various ways. Just try your best and when it is all combined together, there will be a beautiful outcome.”

Professor Prasert Na Nagara

Ever since 2007, the National Committee for the Elderly has presented the "National Elderly Award." Each year, the Committee identifies an elderly individual who has made exceptional contributions to society over a long period, is well-equipped, and embodies the morals and ethics of the nation.



**PROFESSOR
PRASERT NA NAGARA**
NATIONAL ELDERLY AWARD IN 2013





COMMENDATION TO

PROFESSOR PRASERT NA NAGARA NATIONAL ELDERLY AWARD WINNER FOR 2013

Professor Prasert Na Nagara was born on March 21, 1918 in Prae Province. He is the second of eight children of Mr. Bunreuang and Mrs. Kimlai Na Nagara, and married Ms. Yaowalak Lilachat, and together they have a son Piayaporn Na Nagara, and later married Ms. Somsong Hotradit and together they have a daughter Samerjai Bunwirat (Na Nagara).

EDUCATION

- Primary: Nareerat Elementary School, Prae Province
- Secondary: Piriyalai High School, Prae Province; Yuparat College, Chiang Mai Province; and Suan Kularp College, Bangkok
- Bachelor's Degree: Agricultural Engineering. University of the Philippines. Civil Service Commission Scholarship Awardee (1938)
- Bachelor's Degree: Thammasart Bandit Thammasart University (1943)
- Master's Degree and Ph.D.: Statistics. Cornell University, USA. Civil Service Commission Scholarship Awardee (1957)
- Diploma. National Defence College. Class # 11 (1969)

CURRENT POSITIONS

After retirement, Dr. Prasert Na Nagara continued his research and contribution for the public good through his various positions as follows:

- Academy of Historical Studies in Archaeology, The Royal Institute
- Chairman of the National Heritage Registration Committee
- Chairman of the Sub-Committee for the Dictionary of Thai Literature
- Chairman of the Sub-Committee for the Dictionary of Isaan Folk Literature
- Chairman of the Sub-Committee for the Encyclopedia of Thai History
- Committee Member of the Phumalobhikku Foundation for Research and Spread of Buddhism



IMPORTANT ACHIEVEMENTS

Dr. Prasert Na Nagara has been praised widely as a guru of Thai studies across a range of disciplines:

History, language, culture and archaeology

Dr. Prasert is an expert in history, regional Thai dialects, interpretation of Sukothai and Lanna Era inscriptions and artifacts, studies of Hill People ethnic minorities, and has published over 100 articles in domestic and international journals, and whose work is referenced widely. Dr. Prasert has promoted the teaching of Thai in various localities along with the languages of Thai ethnic minorities to better understand the dynamics and history of Thai language evolution and understanding of vocabulary in the arts and literature, especially for interpreting inscriptions from the Ayuthaya Era such as the Lai Seur Thai, and study of ancient Thai language in tales and fables, and the origins of Tai in China.

Mathematics and Statistics

Dr. Prasert applied astrological computation to help interpret significant inscriptions in ancient artifacts from the Sukothai Era. Dr. Prasert helped found the National Statistical Society and was one of the first professors of statistics in public universities such as Kasetsart, Chulalongkorn, Tammasart, and Mahidol Universities.



Music

Dr. Prasert has made significant contributions to Thai music, and has helped develop and advance national music by applying his knowledge, ability, and devotion to the composition of songs which have received wide praise. This effort culminated in the highest privilege of being assigned by His Majesty the King to compose five songs. Dr. Prasert also composed the lyrics for the song "Fak Rak" in collaboration with Phra Chaoworawongtheu Phraong Chao Chakraphanpensri which achieved Royal gold record status.



HONORS

- Dr. Prasert was assigned the Royal task by His Majesty the King of composing the lyrics for five commemorative songs (Klai Rung, Chata Chewit, Nai Duang Jai Niran, Waew, and Kasetsart)
- Royal Honorary Doctorate Degree from many Thai state universities
- Appointed as kitthimethi of the Arts for Sukothai Tammatrap University (1988-90)
- Awarded the 1988 National Researcher Award for Excellence in History and Archaeology from the National Research Council
- Recipient of the Royal Medallion in recognition of the promotion of the Thai language by Chulalongkorn University (1989)
- Recognized as a key supporter of Thai National Heritage Preservation (1992)
- Recognized for Excellence in Culture (Humanities) for 1992 from the Department of Cultural Promotion
- Recipient of the 1993 ASEAN Award (Literature)
- Outstanding Government Fellowship Awardee commemorating 100 years of the government fellowship program (1994)
- Recognition for excellence in social development (history and literature) for 1997 by the National Identity Office
- Honorary Award as a Venerable Person (Thai Language) in 2007 by the Ministry of Culture



PHILOSOPHY OF LIFE

Dr. Prasert Na Nagara has dedicated himself to the national good for many decades. Even though he is now of advanced age, Dr. Prasert still works tirelessly in his many areas of expertise and interest, and as a form of repayment to society for supporting his education in his formative years. In this way, Dr. Prasert has dedicated himself to make the most of his life in service to Thais and Thailand.

“

My education was supported by the tax payments of villagers, from primary school through graduate degrees. I only spent 63 baht of personal money for my education. Thus, I have dedicated my life to repay this kindness.



I am lucky in the His Majesty the King assigned me the task of composing five Royal songs including Klai Rung, Chata Chewit, Nai Duagjai Niran, Waew and Kasetart.

In the past, if I found an important inscription in a historical artifact, I would send a copy to Professor Saday in Paris who was one of the remaining scholars who could help interpret these. I was concerned that if he died, there would be no one to pass on this knowledge. So I decided to educate myself in this area as a part of Thai heritage that must be preserved.



These days (at age 90) I still like to apply numbers and computations, such as counting the number of steps when I walk to estimate distance travelled. Three of my steps covers one meter.

”





The elderly have the right to protections and support for conveniences and safety in buildings, transportation vehicles, or public services, through creation of an appropriate environment for the elderly to interact with the family and community.

The Act on the Elderly 2003, Article 11 (5)

APPRECIATION OF ARCHITECTURE AND UNIVERSAL DESIGN

As people age, their body undergoes changes and, eventually decline. The weight of the elderly will decline, the spinal disks thin out, the spaces between vertebrae narrow, the bones shrink and cause stooping posture, the head is pulled back, vision becomes impaired, there is far sightedness, blurred vision, hearing is impaired, walking requires shorter and slower steps, the arms become limp at one's sides, and there less flexibility of hip movement. These are some of the symptoms of aging and make it more difficult for the elderly in their daily life. Thus, a beneficent aged society will create an environment, domicile, buildings and public conveniences which make it easier for the elderly.

Research on appropriate environments for the elderly provide useful recommendations for housing. A home doesn't need to be completely remodeled to accommodate the elderly because only a few rooms are used repeatedly such as the kitchen, bedroom, porch, etc. Thus, only those areas of frequent use need to be modified to accommodate the elderly in the household.

Research conducted by the Faculty of Architecture of Chulalongkorn University has explored alternative construction models to better match the environment, with conveniences that are appropriate and safe for the elderly. This research needs to be applied and extended into such areas as hand rails, walkers, bathroom fixtures, seats in the shower, back rests, toilets for the disabled and elderly, all of which are inexpensive and available locally.

In addition to this research, there is print media and TV programs such as the Muang Jaidee show which selects houses where the elderly live, and makes simple modifications to improve convenience based on the advice of members of the Siam Architects Association and help from the Muang Jaidee team.

These modifications can be easily applied by viewers to accommodate today's or tomorrow's elderly.

UNIVERSAL DESIGN

At present, there is talk in the media of a 'Universal Design' which can be applied by anyone in society to improve adaptability and conveniences for all members of the household. This design has the following seven features:

- Equitable use
- Flexibility in use
- Simple and intuitive use
- Perceptible information
- Tolerance for error
- Low physical effort
- Size and space for approach and use

TOYAMA, JAPAN: ELDERLY-FRIENDLY CITY OF THE FUTURE¹

Japan has an aged society, and many of their elderly are over 100 years old. Japan has laws on constructing buildings to accommodate the disabled and infirm, including movie theaters, department stores, etc. Later, laws were expanded to include schools, the workplace, condominiums and, in 2006, the law was further expanded to include equipment and work space.²

Toyoma City is on the western coast of Japan and was developed as a “compact city” under the concept of easy living, walking, and elderly-friendly. The goal is to promote happiness for retirees, and emphasizes the use of public transportation rather than private vehicles.

¹ Nannaree Panichakul. 2014. Toyoma: Compact City of the future which is elderly-friendly. In the Kit Khon Magazine, August 5, 2014, accessed on the Internet at:http://issuu.com/creativethailand/docs/ctmag_apr_2014.all

² Universal Design: Design for everyone in society. Accessed on August 20, 2014 at http://www.webmaster.or.th/webaward/download/universal_design.pdf



“In this era of declining and aging population we cannot be idle or non-responsive. We must be prepared for the increased cost of care, transportation, treatment, public utilities, and insurance. Thus, I wanted to build a city for the coming generation even though the present status may not please everyone.”

Masaki Mori, Mayor of Toyoma

Pictures: <http://visit-toyama.com>

Initially, Toyoma faced management difficulties including declining population, low municipal income, high cost of administration, high use of private cars, and lack of preference for public transportation. To address these problems, in 2002 the mayor launched a new public transport system using Light Rail Transit, and this was completed in 2009.

This project stimulated the elderly to be more active outside their homes. There were more newcomers, consumers and commuters. Urban participation increase by 15% in a relatively short time period.

THINK NEW, DESIGN NEW, FOR EVERYONE

The LRT system is holistic by increasing frequency of trains, low height of the platform (30 cm high and 1.2 meters wide) to improve convenience for the elderly, slower speed of the trains, uncluttered walkways to and from the platform, with handrails and ample seating, overhead protection and connections to others forms of transit.

PATTAYA CITY AND NONTHABURI CITY ELDERLY-FRIENDLY CITIES

Thai society is rapidly becoming an aged society and, in 2013, there were new efforts to design appropriate urban environments for elderly living, and the Department of Health of the Ministry of Public Health launched the Age-Friendly Cities Program with a Memorandum of Understanding (MOU) negotiated with Pattaya and Nonthaburi Cities as pilot sites to create model towns.



PATTAYA CITY

The Age-Friendly Cities Project in Pattaya was given the slogan of “Pattaya Somdul..Soo Pattaya Yung Yeun,” and Pattaya has already implemented construction of structures, community centers and outdoor spaces, walkways, sidewalks, and sponsored social participation activities, elderly support groups, Dharma training for the elderly, Elderly Day festivals, water pouring ceremonies, promoting esteem and respect for the elderly, physical exams, health outreach to the community, volunteer minders for the elderly, home visits by multi-disciplinary teams, and other activities in accordance with the eight provisions of age-friendly cities. Pattaya has appointed a committee and task force to oversee Project activities and has the following plans for more activities:

- Establish elderly health promotion centers;
- Develop a model of care for the elderly covering the eight components, as part of the Pattaya 10-year, 5-year and 3-year master plans for sustainable development of Pattaya City

NONTHABURI

Implementation of the Age-Friendly Cities Project in Nonthaburi includes the establishment of a quality of life center for the elderly as a place for participatory activities to help the elderly make productive use of their spare time. The center is a place for comparing experience and skills building, including health promotion and counseling. The center is a model for health promotion and care for the elderly in the local community. The elderly learn and develop skills in self-health care and health maintenance. The elderly practice speaking to groups of peers to share their positive experiences, gain confidence and increase their sense of self-esteem.



Pictures:
<http://www.banglamungdistrict.go.th>
<http://www.panoramio.com>

MOU

AGE-FRIENDLY CITIES

between

Pattaya City

Department of Health

Nonthaburi Municipality

This MOU, dated December 12 2013, between three parties of Pattaya City, Nonthaburi Municipality and the Department of Health intends to conduct collaboration in technical areas to promote the health of the elderly and provide comprehensive care for quality of life of the population of all ages, with a focus on the elderly, as follows:

Item 1 Strengthen the environment to become Age-friendly Cities

- Item 1.1 Promote respect and social inclusion through recognition of the value and contribution of the elderly to society
- Item 1.2 Promote social participation of the elderly
- Item 1.3 Promote community support and health services
- Item 1.4 Provide stable housing for the elderly that is clean and safe
- Item 1.5 Improve outdoor spaces & buildings so they are convenient for the elderly
- Item 1.6 Promote communication & information for the elderly through a variety of channels for full coverage
- Item 1.7 Promote civic participation and employment of the elderly
- Item 1.8 Promote transportation that is safe and easily accessible

Item 2 Promote comprehensive health care and treatment for the elderly

Item 3 Coordinate and make technical improvements, staff capacity building, and support resources to facilitate collaborative program implementation

Three copies of this MOU are verified as accurate and effective as per the date of signing for a period of three years (December 12 2013 – December 12 2016). All three parties have examined the details of the MOU and agree to all provisions, as certified by their signature and witnesses. Amendments to this MOU may be made as appropriate if agreed to by all three parties.

Mr. Itiphol Khunpleum
Mayor of Pattaya

Dr. Pornthep Siriwanarangsarn
Director-General,
Dept. of Health

Mr. Jongkol Olarn
Deputy Mayor,
Nonthaburi Municipality

These activities are just a start in the effort to prepare for the era of a quality aged society. These efforts are not just for today's elderly in their home or community,

but are an investment in the future since it is inevitable that the Thai population will soon become a complete aged society, and this will require all elderly to become more self-reliant.

**THE PREPARATIONS FOR THAT ERA
MUST BEING TODAY.**

**RESEARCH ON
THE ELDERLY, 2013**

4

New Concept of the Elderly: Psycho-social and Health Viewpoint

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With support from

Foundation of Thai Gerontology Research and Development Institute (TGRI)
Thai Health Promotion Foundation

OBJECTIVES OF THE RESEARCH

- To explore definitions of “elderly” in the past, present and future from the psycho-social and health viewpoint, with rural and urban comparisons;
- To study the outcomes from a psycho-social and health perspective of changing definition of the elderly;
- To assess the feasibility of up-dating the definition of “elderly” and creating a consensus definition of the term.

This was a qualitative research study which collected data by focus group discussions with key informants living in urban and rural areas in Bangkok and four provinces (Chiang Mai, Khon Kaen, Songkla and Nakorn Pathom). In addition, data were collected by in-depth interviews with administrators and related academicians.

CURRENT DEFINITION OF “ELDERLY”

At present, based on the results from this research, calling someone “elderly” is based on one or more of the following criteria: (1) Chronological age, namely, persons who have completed 60 or more calendar years (in accordance with government definition); (2) External appearance, such as an age-worn face or wrinkled skin, grey hair; (3) Ill health and poor memory, requiring dependence on others; (4) Reduced capacity to work or cannot work at all; (5) Behavior and mood, such as irritability, complains often, repetitious speech or action; and (6) Change of status in becoming a grandparent or great-grandparent.

CHANGING DEFINITION OF "ELDERLY"

Most of the respondents in this study agreed with the need for an up-dated definition of "elderly" in the following direction (listed in order of most to least preferred):

1. Define elderly solely by age: This is objective, easily understood, and would be a uniform standard. Respondents agreed that the legal age of elderly should be raised above 60 years to perhaps 65 or 70 given the improving health of the Thai population and increased longevity. However, raising the legal age of elderly should not negatively affect persons who currently receive elderly welfare or pensions based on age.
2. Define elderly by age and positive attributes of age. This promotes self-esteem among the elderly and self-pride. Without the age requirement, then younger persons with the positive elderly attributes might be prematurely considered the traditionally-wise members of the community;
3. Define elderly by positive attributes: This approach would dispense with chronological age since the sense of "elderly" depends on each individual's perception, and highlighting the positive attributes of the elderly would promote self-esteem and a positive image of the elderly in society;
4. There is no need for a designation of "elderly": This view holds that elderly is a state of mind and cannot be confined to a universal standard.

RECOMMENDATIONS BASED ON THE RESEARCH

- The definition of “elderly” should be 65 years or older based on the majority opinion of the key informants and in recognition of the increased life expectancy of the Thai population. Having a numerical threshold would provide a universal standard and facilitate administration of personnel.
- In addition to raising the standard age, the image of elderly should be modernized and shifted toward a more positive perception by society.
- Adjusting the age of elderly as it relates to work status or legal retirement needs to be examined in more depth to assess the impacts of such a change.
- There needs to be an assessment of the financial burden on the government in terms of the elderly welfare stipend given the rapid aging of the population, especially if the age of eligibility for elderly benefits is not raised.
- Prior to raising the age of “elderly” there needs to be an advance public relations campaign to educate the public on the changing age structure of the population and related impacts of an aged society.
- A new concept of “elderly” should be employed to improve the image of the elderly in the eyes of society, and to promote the skillful transition into the elderly years with high value.

Project to Review Literature on Lessons Learned and Experience on Policies to Increase the Age of Employment: Cases of United Kingdom, France and Singapore

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With support from

The Plan for Knowledge Development on New Concepts of the Definition of
'Elderly' and Retirement Appropriate for the Thai Context'

Foundation of Thai Gerontology Research and Development Institute (TGRI)

Thai Health Promotion Foundation

UNITED KINGDOM

The extension of the retirement age or length of labor force participation in the UK resulted from policy reform which links the pension amount to the number of years worked with legally-allowed matching funds. This policy received the interest of both houses of parliament, policy specialists and representatives from various sectors. Each step in the policy reform process was preceded by careful public relations about the benefits of change. These messages were delivered regularly through a variety of channels to maximize exposure. This contributed to transparency and limited dispute or protests. Key conditions underpinning the justification of such a policy change include the elevated health status of the population and the level of peace and stability in society. There were objections voiced by employers about the number of elderly in the workforce, and differential life expectancy of males and females, provision of health benefits, and inability to quantify the economic contribution of the elderly members of the workforce. Despite these, the extended age of retirement/labor force participation is still being implemented in the UK.

UK RAISED THE AGE OF RETIREMENT

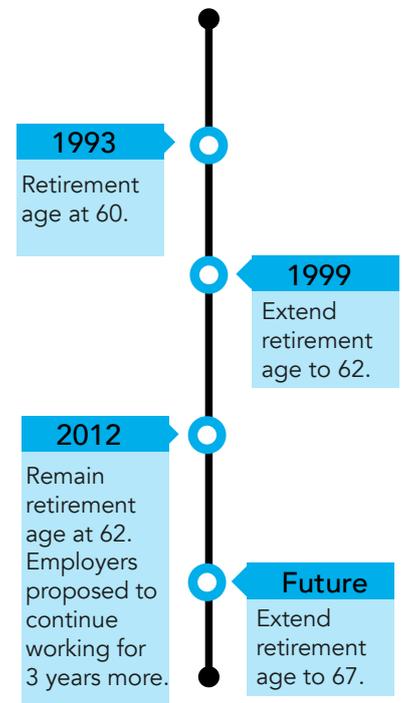
The UK raised the age of retirement for males to 65 years and has plans to raise it further to 66 in 2030, and 67 in 2040 and 68 in 2050. For females, the retirement age is 60, with plans to raise it to 65, 66, 67, and 68 in years 2020, 2030, 2040, and 2050 respectively.

FRANCE

France has a rather extensive system of public benefits for citizens. The policy to increase or reduce the age of retirement/labor force participation has been used as tool of politicians without consideration of the impact on labor shortages and reduced state tax revenue in the future. The retirement law makes a distinction by type of employment, but this creates conflict among the different professions, unions, and representatives of employees. Thus, proposed policies to increase the age of retirement have received intense opposition, and thus, any reform efforts have been stalled until the next government takes power.

Private sector: Retirement age was reduced from 65 to 60 years in 1982; in 2012, the age was increased to 60.5 years, with plans to increase it to 61 in 2020.

Public sector: Retirement age was increased from 65 to 67 years (for regular terms of service) and from 60 to 62 (for shorter terms of service); some branches are able to extend the age of retirement to 70 while others are as low as 55 years, for example, in public transport occupations.



SINGAPORE

The extension of the age of retirement in Singapore presents an interesting case study because the government gave advance notice to the population that it expects the population to be largely self-sufficient. Singapore discourages the image of the government as a source of welfare, and the population must therefore plan for its retirement individually and ensure health insurance coverage and pension income. The government supports unrestricted labor force participation irrespective of age. Thus, this message of self-reliance means that many elderly are still active in the workforce.

Policy on Increasing the Length of Labor Force Participation: Lessons from Japan

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With support from

The Plan for Knowledge Development on New Concepts of the Definition of
'Elderly' and Retirement Appropriate for the Thai Context'
Foundation of Thai Gerontology Research and Development Institute (TGRI)
Thai Health Promotion Foundation

Japan has considerable experience with adapting to its aging population and fertility dynamics. The number of population is still declining, and this is causing concerns about a shortage in the working age population in the future. Thus, the extension of the retirement age is one mechanism to address laborforce shortages.

RAISING THE COMPULSORY AGE OF RETIREMENT FROM 60 TO 65 YEARS

At present, the maximum mandatory age of retirement for government employees is 65 based on the 2004 Retirement Law. The government is trying to encourage the private sector to hire more persons over age 60 by forewarning that, in the future, the retirement age for all sectors will be raised to 65 years. A 2007 law prohibits age discrimination in hiring, but this did not come into force until 2013.

In the government, the compulsory age of retirement as stipulated by central government and the National Personnel Authority is 60 years for general administrative positions, but may be higher depending on the type of position, for example:

- Administrative Vice-Ministers: Retirement age of 62 years
- Attorneys, embassy personnel, deputy director of research institutes, guards, patrolmen, janitors, laborers: Retirement age of 63
- Director of a research facility, physician, dentist, nursing college director, professor, associate professor: Retirement age of 65
- Civil defense workers: Retirement age depends on rank and ranges from 53 to 62 years
- Other categories, e.g., judge, may have compulsory retirement as high as 65 or 70 years depending on the type of court

LESSONS FROM JAPAN

- Adjusting the compulsory age of retirement is a long-term process, and needs to involve short-term and mid-term phases to help support the elderly in the work force (e.g., continuous employment, new employment) during the transition;
- To be successful, laws which specify age of retirement should be driven by the employees' groups, with acceptance from employers, and support by government policy;
- There should be surveys of industry/business (what type, how large, nature of activity) which have a need for continuous employment or recruitment of the elderly (post-retirement) as this will build advocacy for the extension of the mandatory retirement age;
- Specifying a legal retirement age is linked to age of eligibility for pension benefits. Thus, any changes must carefully analyze the implications for the present and future if retirement age is modified, including rules for treating existing and new retirees;
- Mandatory age of retirement for government personnel may vary by type of position.

Lessons Learned and Experience of Policy Formation and Guidelines for Accommodating an Aged Society and the Raising of the Age of Retirement for Government Personnel and Employment in South Korea

Orapin Sopchokchai and Nopawan Sriket

With support from

The Plan for Knowledge Development on New Concepts of the Definition of 'Elderly' and Retirement Appropriate for the Thai Context'

Foundation of Thai Gerontology Research and Development Institute (TGRI)

Thai Health Promotion Foundation

South Korea has also experienced rapid population aging and entered the status of an aged society in 2000 (with 7% of the population age 65 or older). South Korea will be considered a complete aged society when 14% of the population is over 65 years in 2018, and a super aged society in 2026 when it is projected that 20% of the population will be 65 or older. This transition from an aged to a super aged society will have consumed a mere 26 years, a rate faster than experienced by Japan which required 36 years to complete this transition. By contrast, Germany and Italy required 70 years for this transition to occur.

In addition to the changing age structure of the population, South Korea is confronting cultural changes from a traditional Confucian-based value system which venerates the elderly and teaches children to care for their elders, to a more self-absorbed new generation who don't value the idea of taking care of elderly relatives. Fifteen years ago, 90% of the population felt that it was their obligation to care for elderly parents, while that proportion has decreased to 37% at present (Washington Post, 2014).

Further, the government pension system is not comprehensive in coverage. Only one in three elderly are receiving a pension, and this means that the majority are in a vulnerable situation and at risk of falling into poverty. South Korea may have the distinction of being the first country in the developed world with half of its elderly population living below the poverty line.

Thus, in order to provide income security for elderly in the future, the government of South Korea sees the importance of keeping the elderly in the active labor force so that they can be more self-reliant and build up their savings. In 2006, Korea announced the "1st Basic Plan to Support Employment of the Elderly: 2007-11" which promotes retention of capable elderly in their jobs. In addition, new hires of elderly increased from 59% in 2006 to 62% in 2011. Korea then announced the "2nd Basic Plan to Support Employment of the Elderly: 2012-16" which further intensifies and expands the efforts of the 1st plan and creates a more favorable employment environment for the elderly.

These policies and programs of Korea are comprehensive and include revisions of the law, schedules of wage compensation, and increasing the motivation of business owners to hire and support the elderly.

The following are some highlights:

- Extension of the retirement age to 60 in government and 55-57 years in the private sector. A 2013 law specified an increase of retirement age in the private sector to 60 years which will become effective in 2016.
- The Wage Peak System implements a standard rate of monthly compensation for elderly workers in order to provide more incentive to employers to retain elderly at more competitive salary levels for the business. Thus, the trade-off is that the elderly can continue to be employed but at a lower rate of compensation (by about 10%) to discourage employers from replacing them with younger workers. In 2011, 200 worksites were using this system with about 3,000 elderly employees.

- There are government-set quotas set for hiring elderly for work sites with 300 or more workers. The quota varies by type of industry and sector.
- There is supplemental income support to the businesses which hire elderly and meet their quota.
- There is promotion of a more favorable environment for elderly employment. The government provides loans to businesses to remodel their worksites to make them more elderly-friendly, safe and convenient.
- The Korean Ministry of Employment and Labor assists with recruitment of elderly workers and provides counseling, training, and placement of elderly workers at no charge.

Research Study on Macro and Micro Impacts of Extending the Age of Retirement in Thailand

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The Plan for Knowledge Development on New Concepts of the Definition
of 'Elderly' and Retirement Appropriate for the Thai Context'

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This research had the objective to study and forecast the impacts of raising the age of retirement on (1) Persons at the micro level; and (2) Macro-economic factors as a basis for providing recommendations for alternative policies and appropriate models for increasing the duration of employment of the elderly. This issue is being actively debated in Thai society in view of the increased life expectancy of the population, the capacity of the elderly to continue to work, and the benefit of their productivity and creativity in the economy.

This research compared benefits to the employer and employee in the public and private sectors of changes in elderly labor force participation, and how increasing age of retirement will affect income and welfare at the micro level (i.e., individual, employer) and government funding of pensions and elderly welfare at the macro level.

If the age of retirement is raised for government workers to 65 years, the first year of this policy would require additional capital cost of 300 million baht, increasing to 923 million baht per year in Year 5, then declining and stabilizing at 763 million baht per year in Year 10.

In the private sector, if employers increase the work age ceiling from 50 to 55 years, the capital cost would be 8,979 – 10,973 million baht per year by Year 5. If the work age ceiling was further increased to 60 years, the capital cost would increase to 32,592 million baht by Year 10.

The burden on the government budget of these changes is of two kinds: (1) The increased cost of salary for government workers; and (2) The increased value of the matching fund paid into the worker's benefits package. But the net increased cost to the government is not that significant since it re-coups most of the cost through increased income tax revenue. This is especially the case for extending employment in the private sector.

The macro-level impact on the economy is that raising the retirement age helps off-set the aging population structure effect by reducing the labor shortage, with a corresponding boost to production. However, these benefits at the macro level are not enough to compensate for the continuing reduction of the Thai population in the younger working-age groups. Thus, the government needs to focus more on promoting savings among individuals and developing the use of technology and automation in production to compensate for labor shortages.



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