



# **Rural-Urban Poverty Linkage in Thailand**

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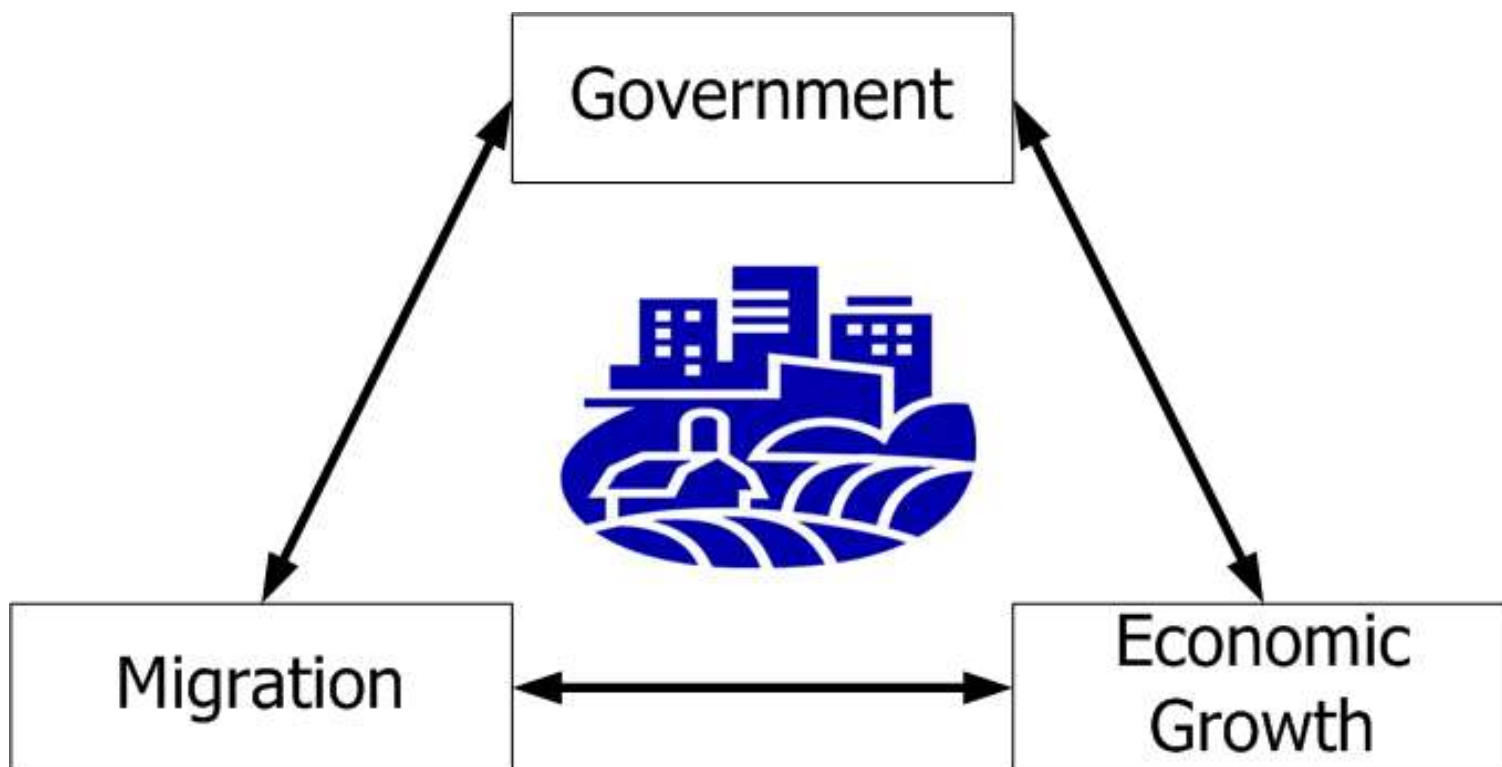
# Outlines

- Structure of Rural-Urban in Thailand
- Rural-Urban Migration Situation in Thailand
- Rural-Urban Poverty in Thailand
- The Current Government Policy on Poverty Alleviation
- Poverty Alleviation Through the Social Assistances
- Suggested Policy to reduce Rural-urban Poverty



# Linkage of Rural-Urban in Thailand

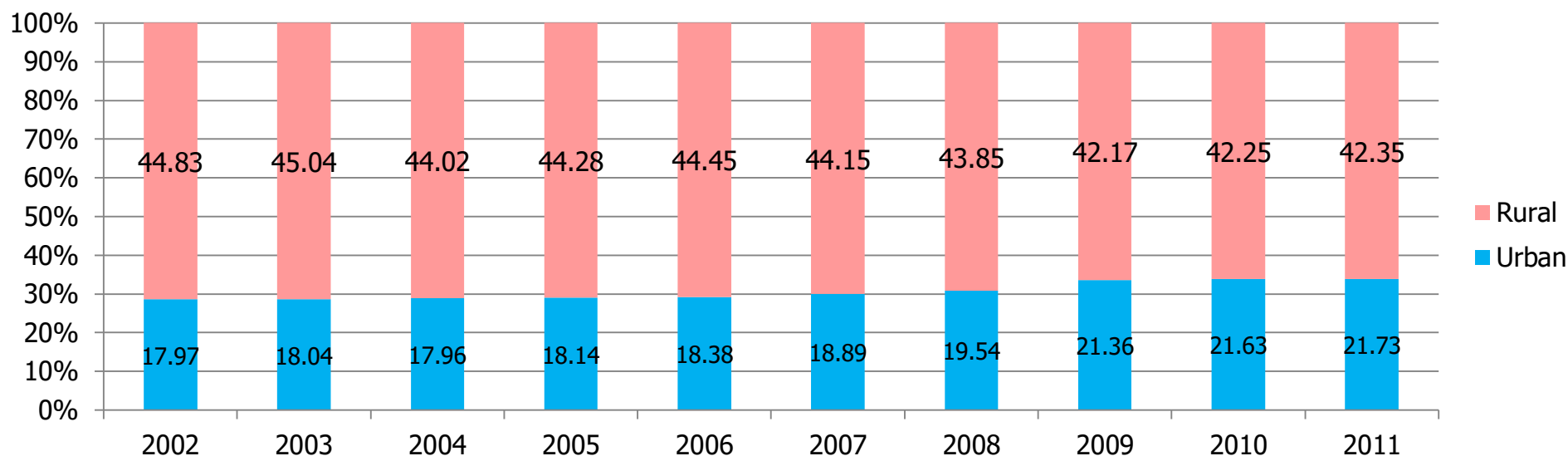
- By using the topic from **"Rural-Urban Linkage; International Institute for Environment and Development"**, the linkage can be divided into 3 modules



**Linkage of Rural - Urban**



# Structure of Rural-Urban in Thailand

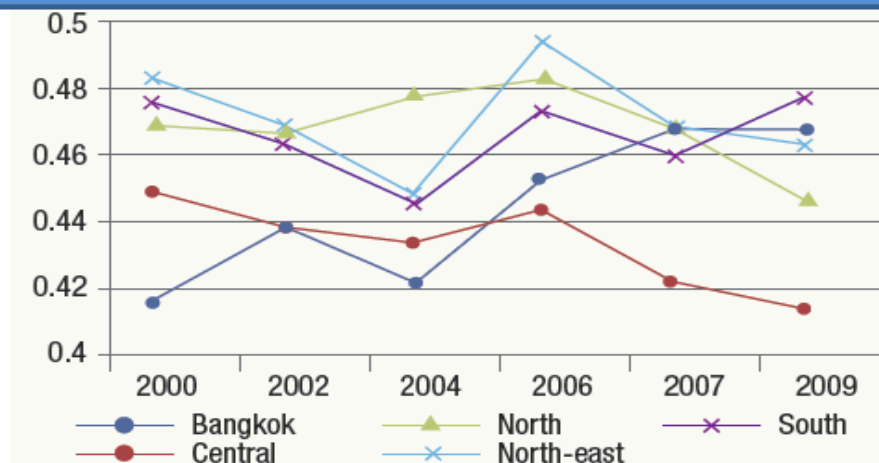
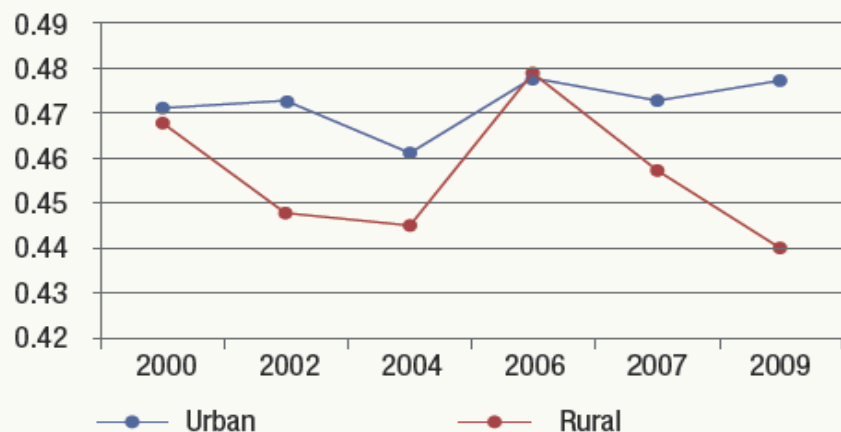


- Percentage of urban living tend to be slightly increased in Thailand. This is because
  - Land and availability of labor market cannot absorb number of people in rural area.
  - The attitude of the Gen-Y who likely to turn back agricultural sector which concern as the main sector in rural area.
  - Agricultural sector tend not to generate high income for family members



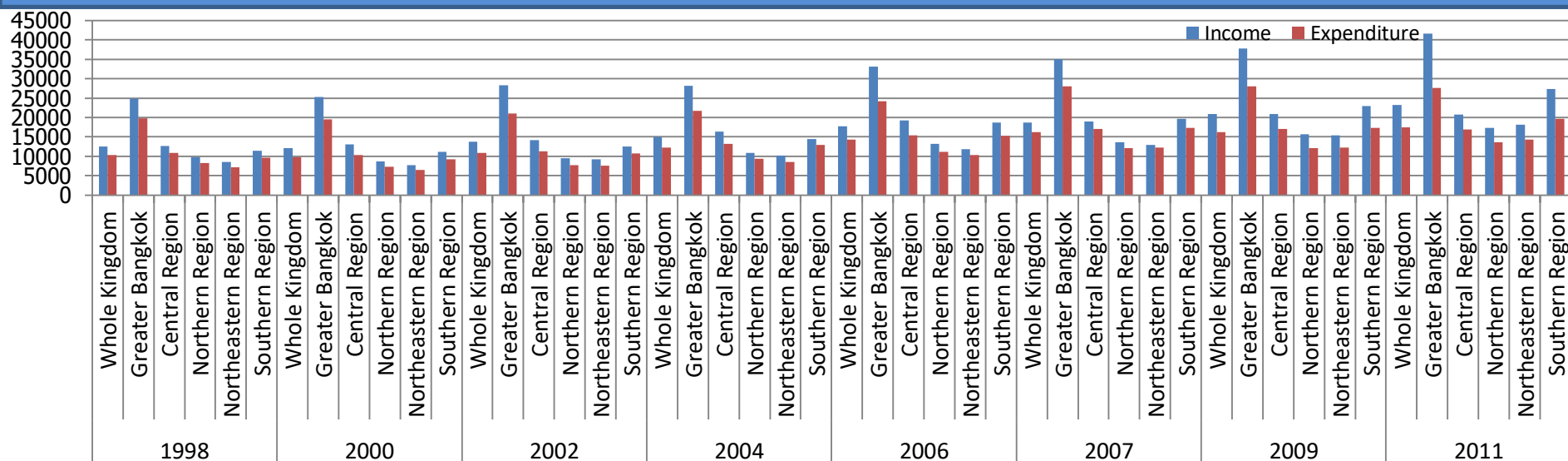
# Structure of Household Income

## Gini Index (Income based)



Source : NESDB, referring in Thailand-A labor market profile – ILO (2013)

## Average Monthly Income and Expenditure Per Household





# Rural-Urban Migration Situation in Thailand

- **To search for better opportunity** is the main reason for migration between rural and urban. Problem between rural-urban in Thailand tend to be the same as other developing countries around the world
- Bangkok remain the main destination for migrants, and the city tend to be a good example for urban-rural migration
  - During 1975 – 1980, there was the massive migration to Bangkok, since Thailand economic policy became “Exported-oriented Industrialize”. Number of immigration remained high until 1997 when the country faced an Asian Financial Crisis.
  - After the Asian Financial Crisis, number of immigration tended to be decreased due to the closure of business. However, the study found that those who move out seem not go back to rural area, but they move to Bangkok Metropolitan Region (BMR) and becoming a latent population.
- National policy in regional development, and Foreign Direct Investment (FDI) attract people to move to near by province (Bangkok Outer Ring)



# Rural-Urban Migration Situation in Thailand



Because of the expansion in urban area, Bangkok and its bordering city tend to expand to the surrounding areas;

1. BMR Sub-region:

- financial activity
- Education
- business center

2. Central Sub-region :

- Agricultural Industry
- Manufacturing Industry
- The center of construction material

3. East Sub-region

- Heavy Industry
- Port
- Potential in R&D, Data center, HRD

4. West Sub-region :

- Eco-tourism and recreation
- Hi-tech and software industry



# Rural-Urban Migration Push and Pull Factor

## 1. Income Differences

	Population Proportion (%)		Income (Baht/person/month)	
	Urban	Rural	Urban	Rural
Agricultural	4.9	30.3	5,214	4,082
- Land owner	3.9	25.1	5,186	3,968
- Land rent	1.0	5.2	5,317	4,638
Forestry, Fishery and other agricultural services	0.8	2.5	3,610	2,510
Non-agricultural business	28.8	14.9	9,628	5,991
Academic and Executive	17.5	6.6	17,307	10,815
Agricultural worker	1.2	4.7	3,518	3,022
General workers	1.0	0.8	4,056	3,014
Clerk	24.6	13.2	7,187	4,850
manufacturing worker	10.0	12.2	5,709	3,789
Non-economic active workers	11.2	14.9	9,479	3,806
Total	100.0	100.0	9,577	4,736

## 2. Land Use

- In 2006, 39.70% of employed person are in agricultural sectors. However 40% of those do not own the land or own less than 10 rai (less than 6 hectares)
- Total 120 million rai of land is owned by private person, however 80% of land owners have more than 4 Rai





# Rural-Urban Migration Push and Pull Factor

## 3. Education Attainment

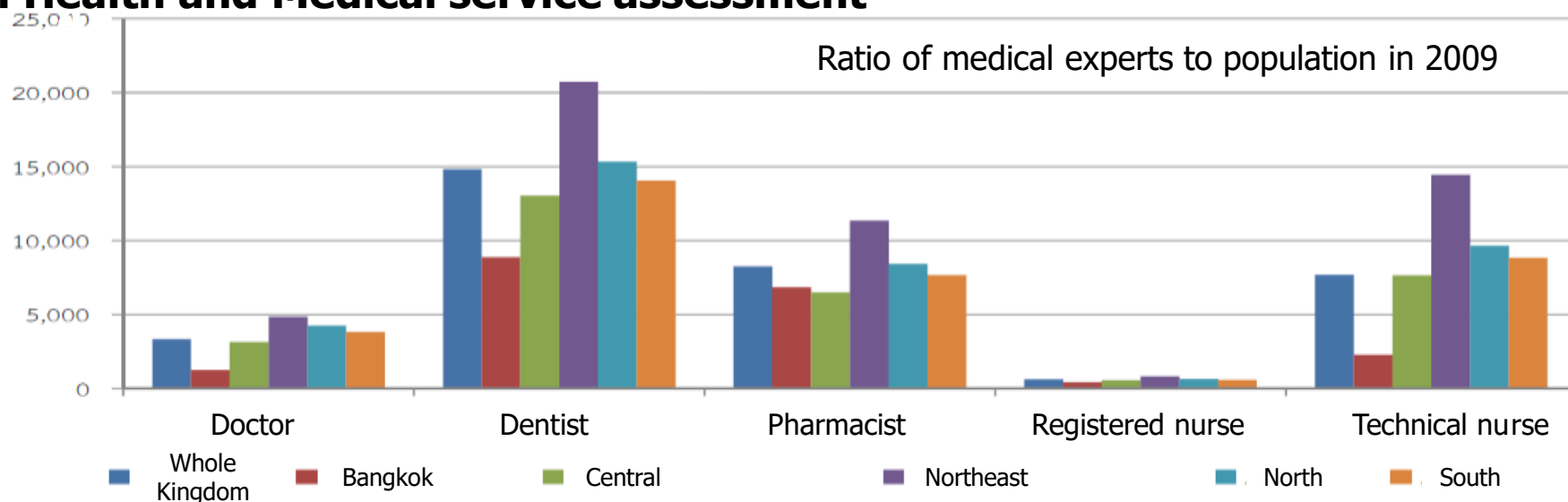
Average Year of Schooling in 2009

	Year
BMR	10.4
Central	8.1
Northern	7.5
Northeastern	7.9
Southern	8.1
Urban	9
Rural	6.7

Potential in Reading and Mathematic in 2009

	Reading Literacy		Mathematic	
	2000	2006	2000	2006
Urban	445.28	437.23	444.84	434.5
Rural	414.58	393.64	418.4	397.41

## 4. Health and Medical service assessment



Source : NESDB



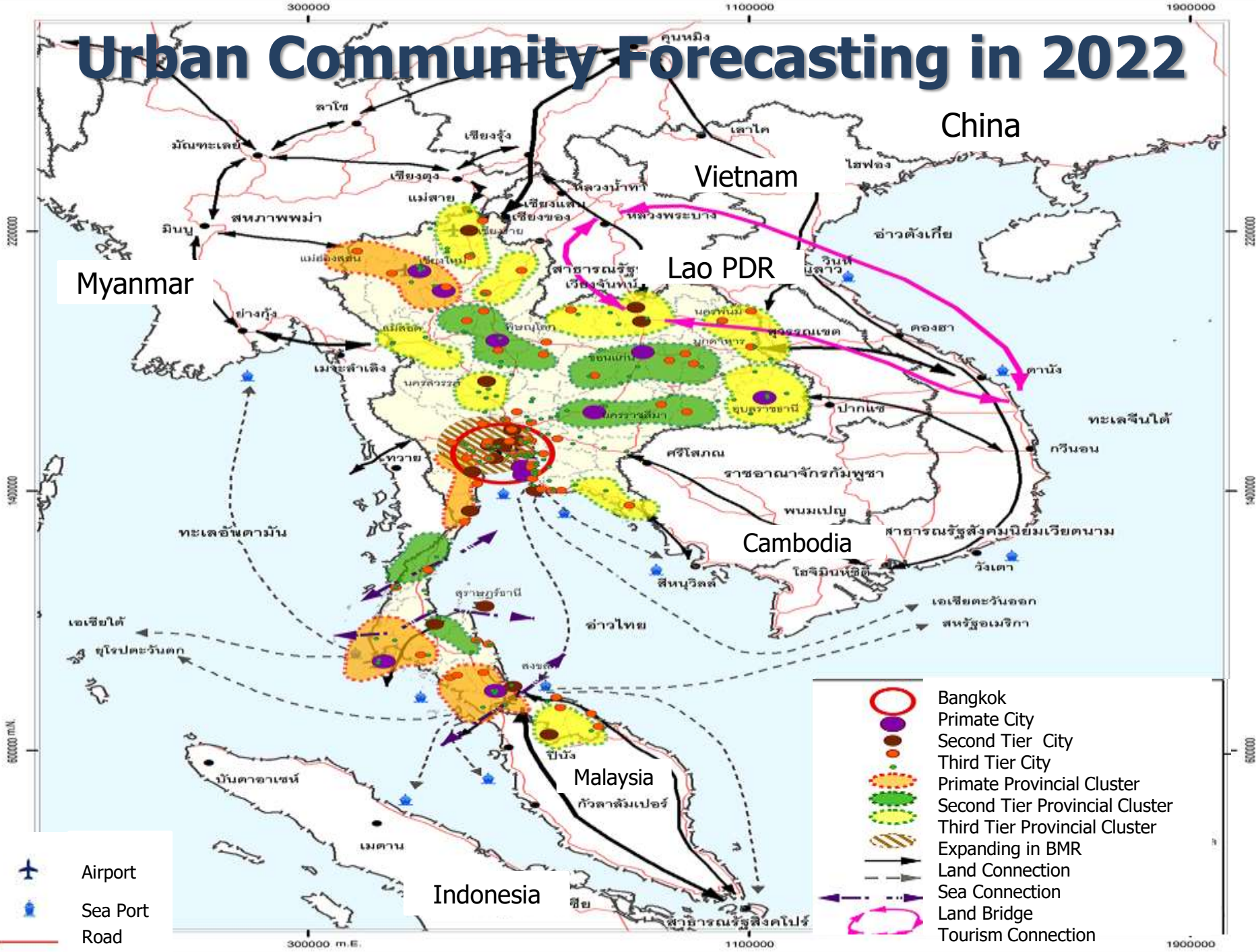
# Rural-Urban Migration Push and Pull Factor

## 5. Infrastructure assessment

Percentage of infrastructure assessment in 2010

	Total Household		Urban Household		Rural Household	
	Yes	No	Yes	No	Yes	No
	Household Electricity					
Non-Poor	0.18	99.82	0.07	99.93	0.25	99.75
Poor	1.91	98.09	1.08	98.92	2.03	97.97
Total	0.3	99.7	0.1	99.9	0.42	99.58
	Water					
Non-Poor	26.09	73.91	12.96	87.04	34.15	65.85
Poor	39.8	60.2	27.39	72.61	41.57	58.43
Total	27.02	72.98	13.3	86.7	34.84	65.16
	Home Telephone					
Non-Poor	79.84	20.16	64.96	35.04	88.97	11.03
Poor	98.9	1.1	97.38	2.62	99.11	0.89
Total	81.14	18.86	65.72	34.28	89.92	10.08
	Cellular Phone					
Non-Poor	7.7	92.3	5.74	94.26	8.91	91.09
Poor	34.91	65.09	35.42	64.58	34.83	65.17
Total	9.55	90.45	6.43	93.57	11.33	88.67

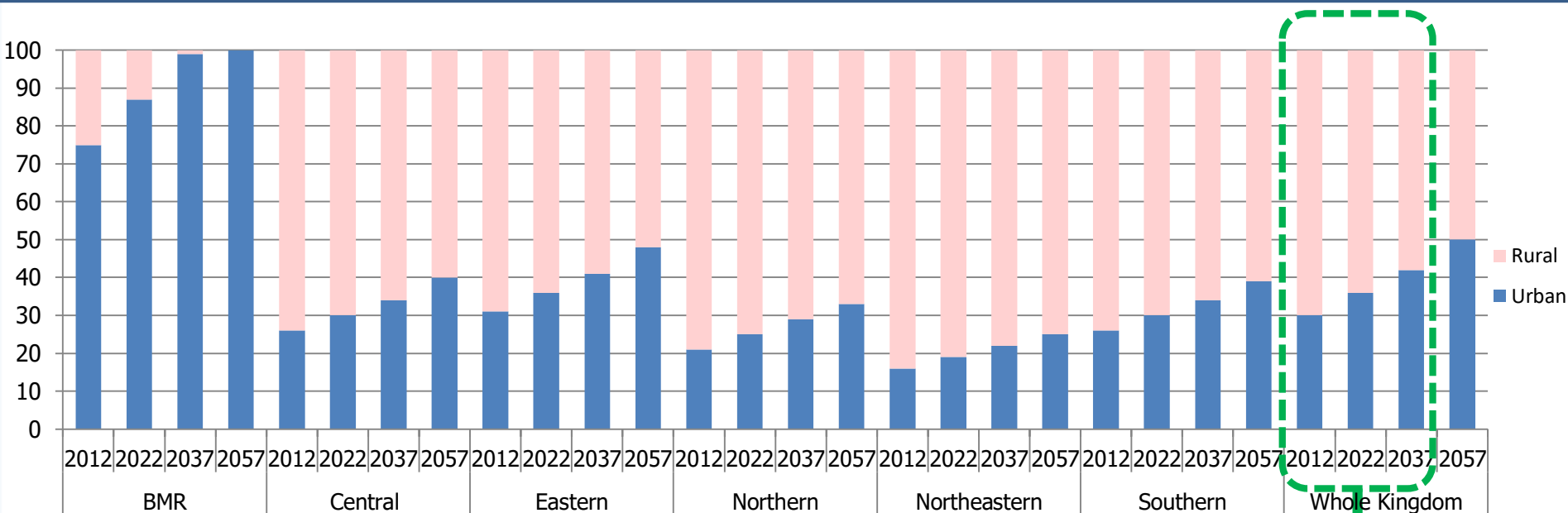
# Urban Community Forecasting in 2022





# Forecasting Rural-Urban Population in Thailand

## Target Proportion of Thai Population



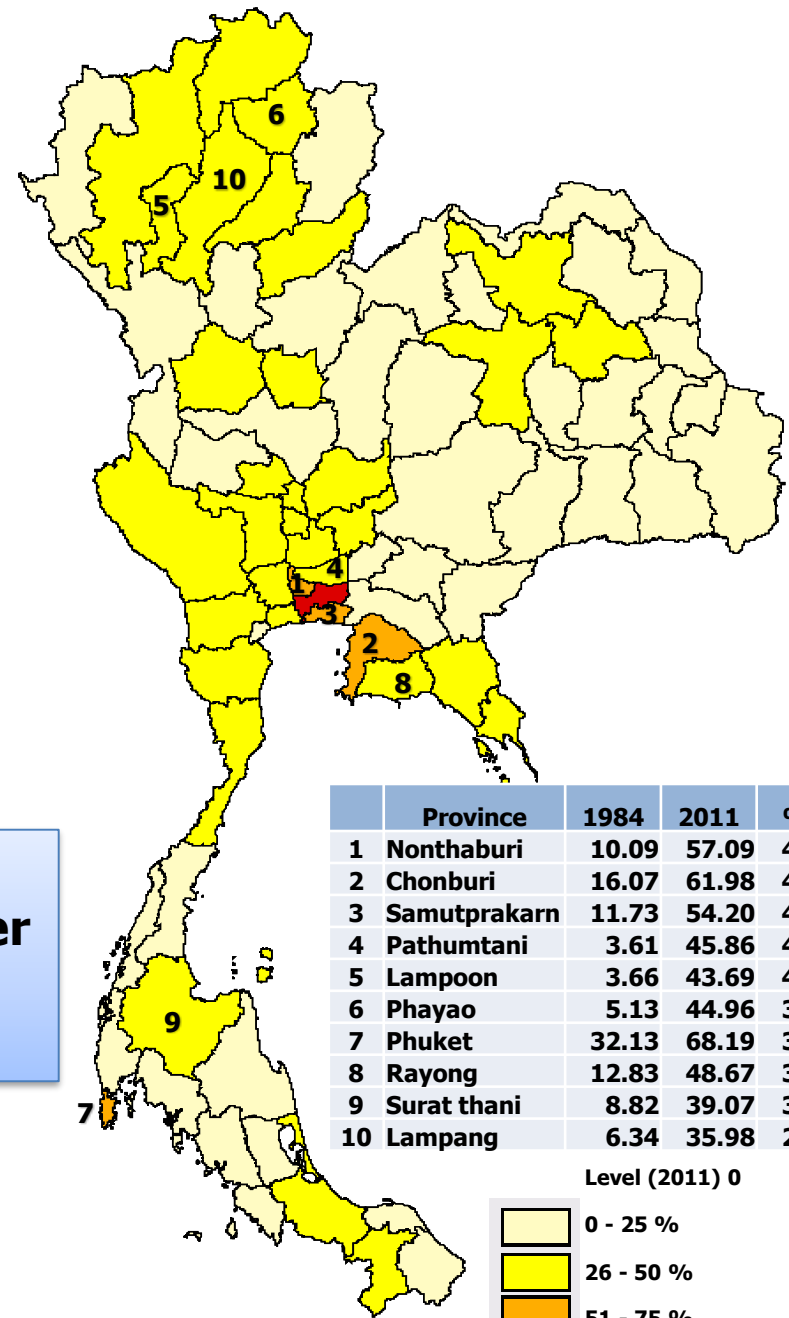
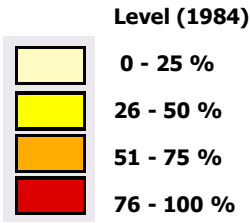
## Expected number of population in the Kingdom

	2012	2022	2037
Urban	19,305,644	23,696,881	26,681,309
Rural	45,046,504	42,127,788	36,845,617
Total	64,352,148	65,824,668	63,526,925

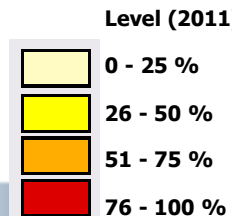
Source : Thailand Country Planning in 2057, Department of Public Work and Town and Country Planning, Ministry of Interior



**The top-ten province that rank the highest in number of population between 1984 and 2011**

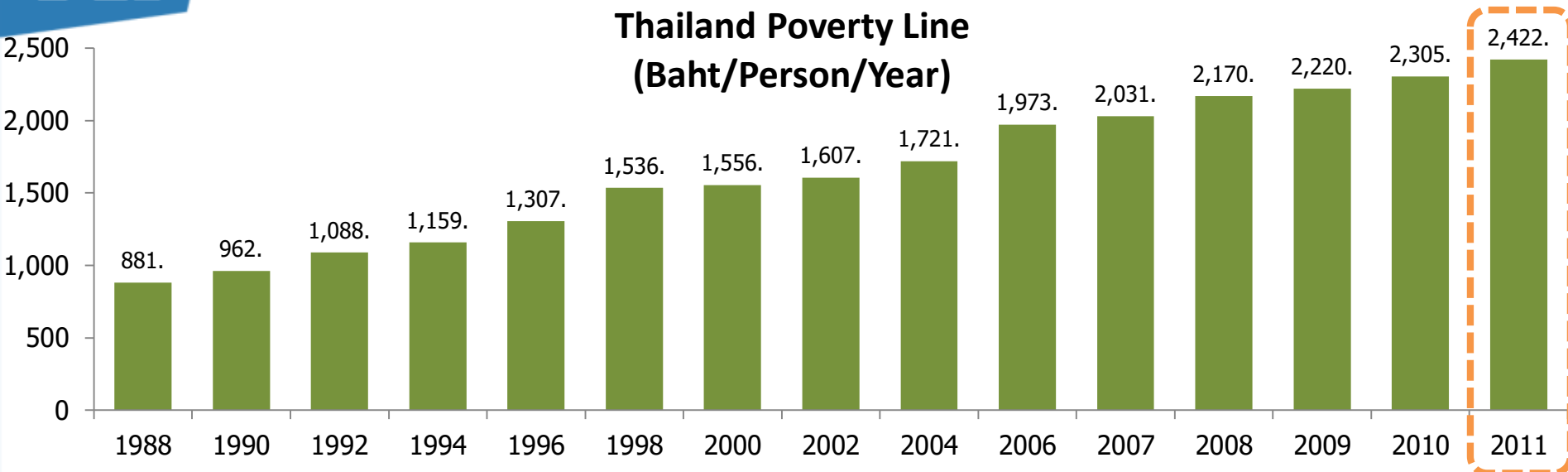


	Province	1984	2011	%Δ
1	Nonthaburi	10.09	57.09	47.01
2	Chonburi	16.07	61.98	45.91
3	Samutprakarn	11.73	54.20	42.47
4	Pathumtani	3.61	45.86	42.25
5	Lampoon	3.66	43.69	40.03
6	Phayao	5.13	44.96	39.83
7	Phuket	32.13	68.19	36.06
8	Rayong	12.83	48.67	35.84
9	Surat thani	8.82	39.07	30.25
10	Lampang	6.34	35.98	29.64

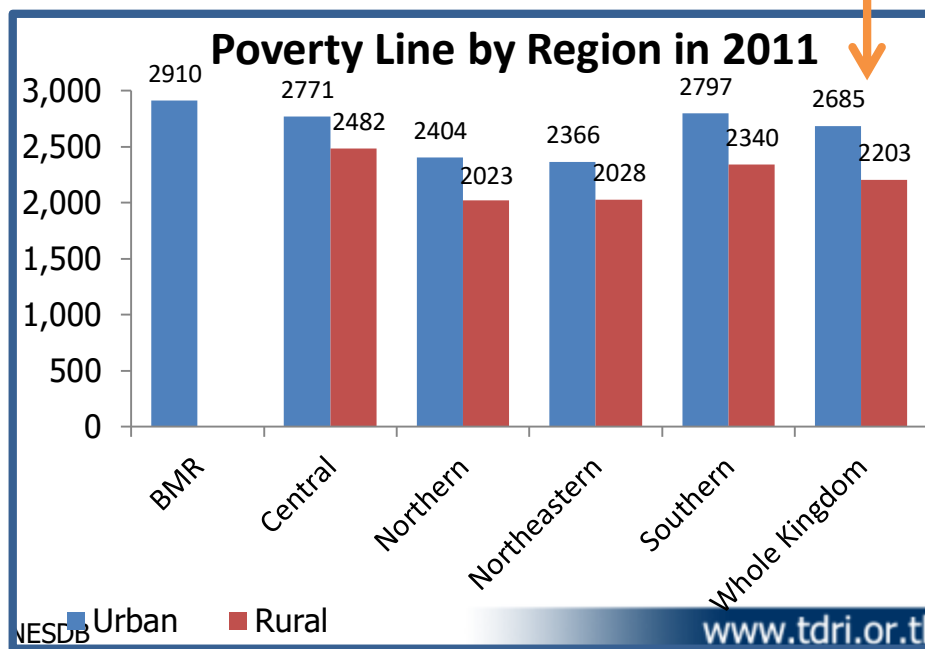




# The Overview of Poverty in Thailand



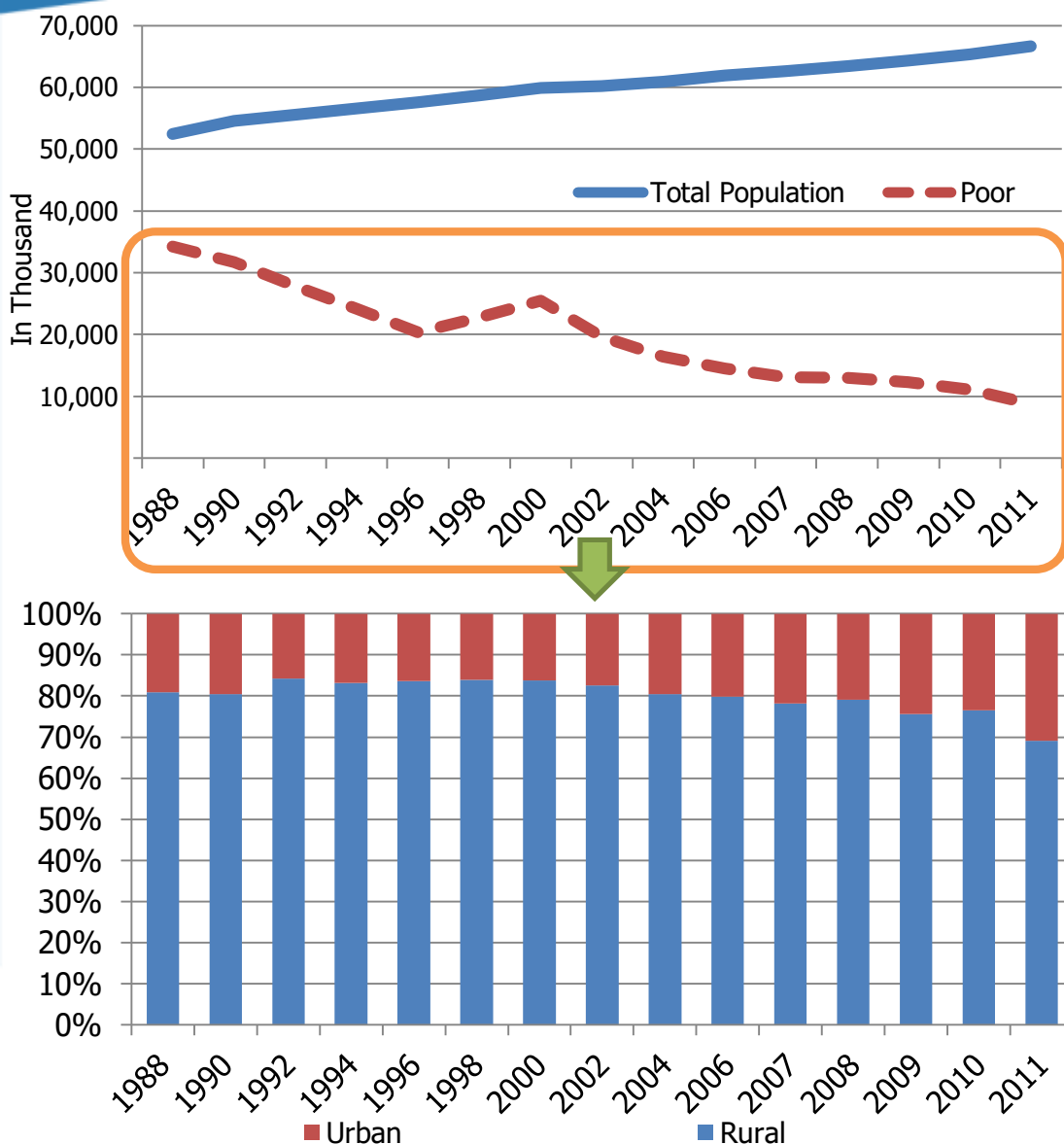
- The poverty in Thailand is multidimension. The characteristics of poverty can be shown in many forms including landless, wanderer, illegal occupations, students taking improper jobs, deception, indebtedness, homeless.







# The Overview of Poverty in Thailand

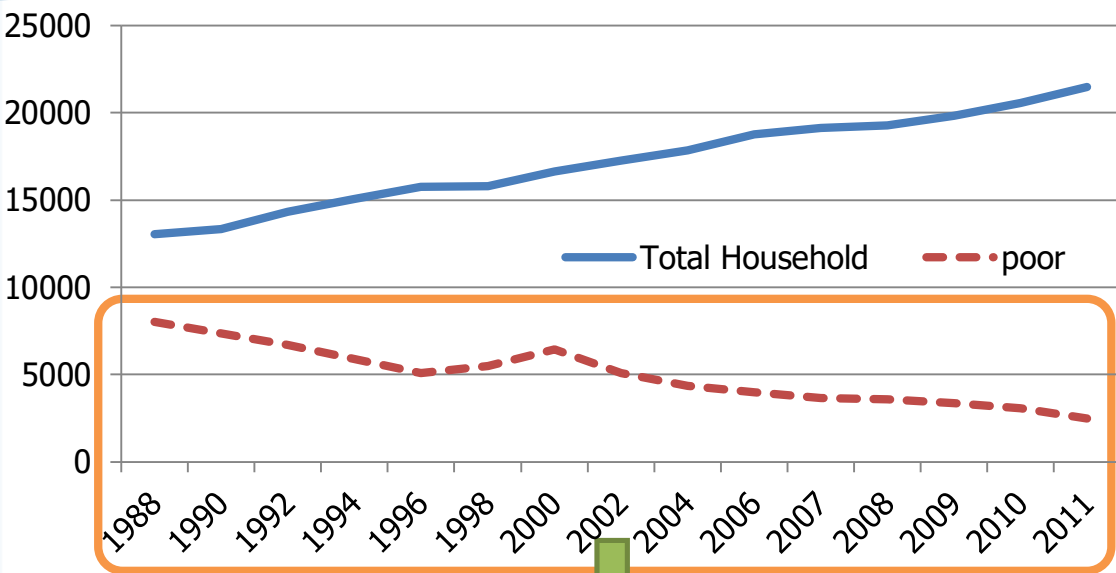


## Thailand Population

- Thailand population trend is slightly increased. In 2011, number of Thai population reach was reached to 66.64 million, where 34% lives in urban area and 66% lives in rural area.
- In the past five years, the trend of the poor in Thailand continually decrease. It has fallen from 20.94% in 2007 to 13.15% in 2011
- Interestingly, since Asian Economic Crisis (1997) rural-poor tend to be decrease while urban-poor has increased.

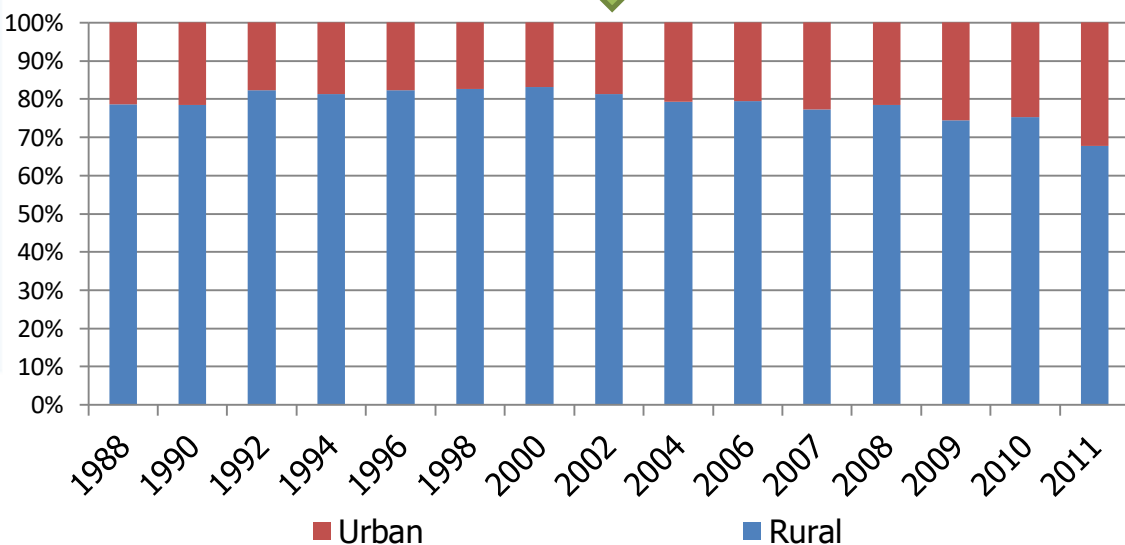


# The Overview of Poverty in Thailand



## Thailand Household

- As of 2011, the Household Basic Minimum Needs (BMN) data disclosed that there estimated around 2.49 million households identified to have lived under poverty line.







# Problem of the Poor in Thailand

Poor population can be divided into 2 categories

## 1. **Non-Workforce Population**

- Younger Age :
  - Unable to access to formal school system
  - Leave school before appropriate age because of economic condition
- Senior Citizen

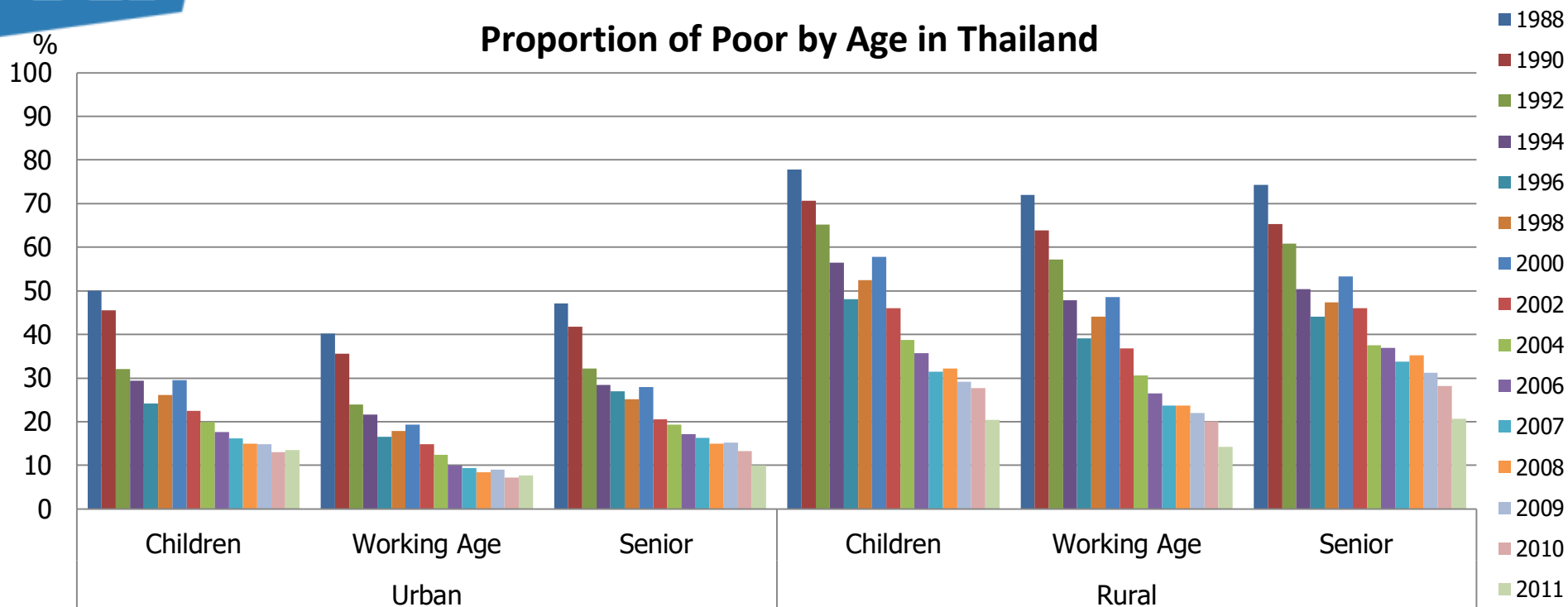
## 2. **Workforce Population**

- In 2011 the proportion of working poor is 12.07 % (4.7 million) from the total 38 million workers in the whole kingdom. The problematic structure toward working poor in Thailand are;
  1. **Population Structure turn to be Aging Society** : Dependency ratio will be decrease. SES data shows that proportion of poor household with senior citizen is 15.55 % while the proportion of poor household with no senior citizen is 9.25%
  2. **Large Informal Sector** : Most of workers in Thailand work in informal sector which do not receive any social benefit. In 2011, there are 14.95% working poor in informal sector.
  3. **Wage Mechanism in Private Sector** : In Q1-2013, There is 2.93 million workers with more than 10 years of experience receive only daily minimum wage.

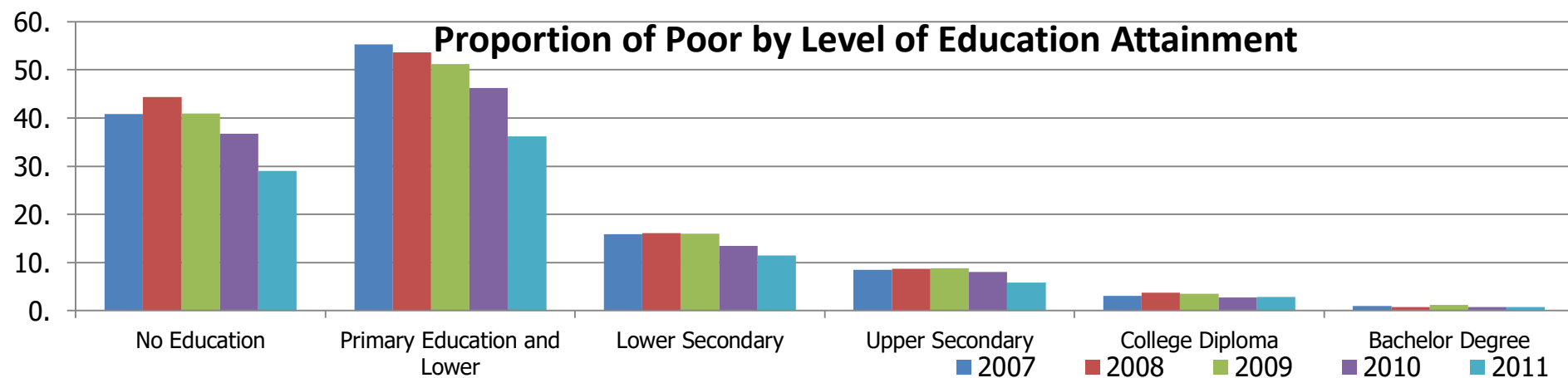


# Problem of the Poor in Thailand

## Proportion of Poor by Age in Thailand



## Proportion of Poor by Level of Education Attainment



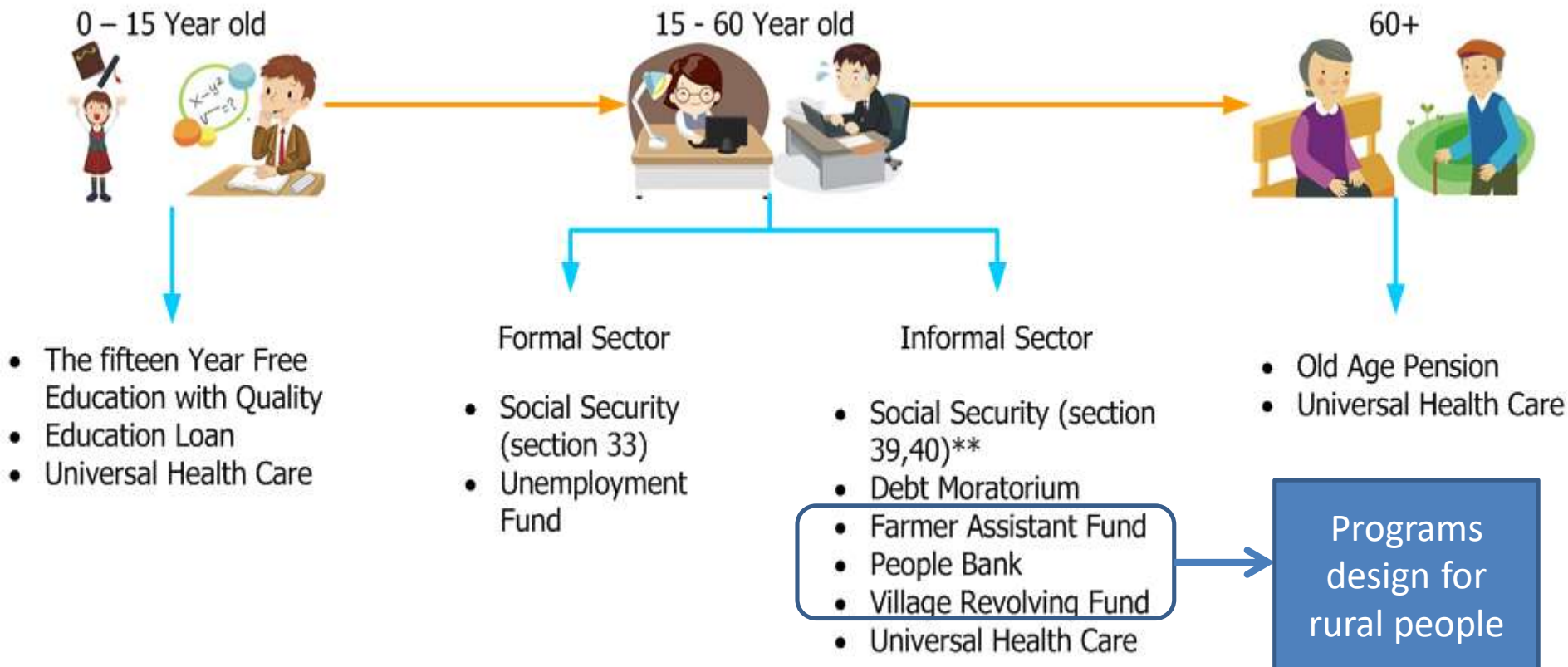


# Levels of the Poor in Thailand

The Extreme/ Chronically Poor	The Moderately Poor	The Vulnerable
No Education	Low Education	No higher than secondary education
<ul style="list-style-type: none"><li>• No Savings and Assets (both durable and non-durable)</li></ul>	<ul style="list-style-type: none"><li>• No Savings, May possess some low-valued non-durable assets</li></ul>	<ul style="list-style-type: none"><li>• Little savings</li><li>• No access to formal credits</li></ul>
<ul style="list-style-type: none"><li>• General workers with high family dependents such as children, elderly, chronically illness or disabled members</li><li>• Landless Farmers</li><li>• Child Labors</li><li>• Agricultural Temporary Worker</li><li>• Unemployed with no other income</li></ul>	<ul style="list-style-type: none"><li>• Farmers with little lands and low yields</li><li>• Peddlers</li></ul>	<ul style="list-style-type: none"><li>• Farmers with sufficient lands but locating in high risk areas</li><li>• Having jobs with high risk of accident</li><li>• Workers with sufficient income but unstable jobs</li><li>• Middle-aged workers with no modern skills</li><li>• Petty Traders with no permanent stores</li><li>• Low-income earners lacking ability to plan</li></ul>



# Government Program to Decreasing Poverty Gap





# Obstacles of the Poor in Thailand



Possible Types of Human Security Threats	
Type of Security	Examples of Main Threats
Economic security	Persistent poverty, unemployment
Food security	Hunger, famine
Health security	Deadly infectious diseases, unsafe food, malnutrition, lack of access to basic health care
Environmental security	Environmental degradation, resources depletion, natural disasters, pollution
Personal security	Physical violence, crime, terrorism, domestic violence, child labor
Community security	Inter-ethnic, religious and other identity - based tensions
Political security	Political repression, human rights abuses

Source: The United Nations Trust Fund for Human Security (UNTFHS)

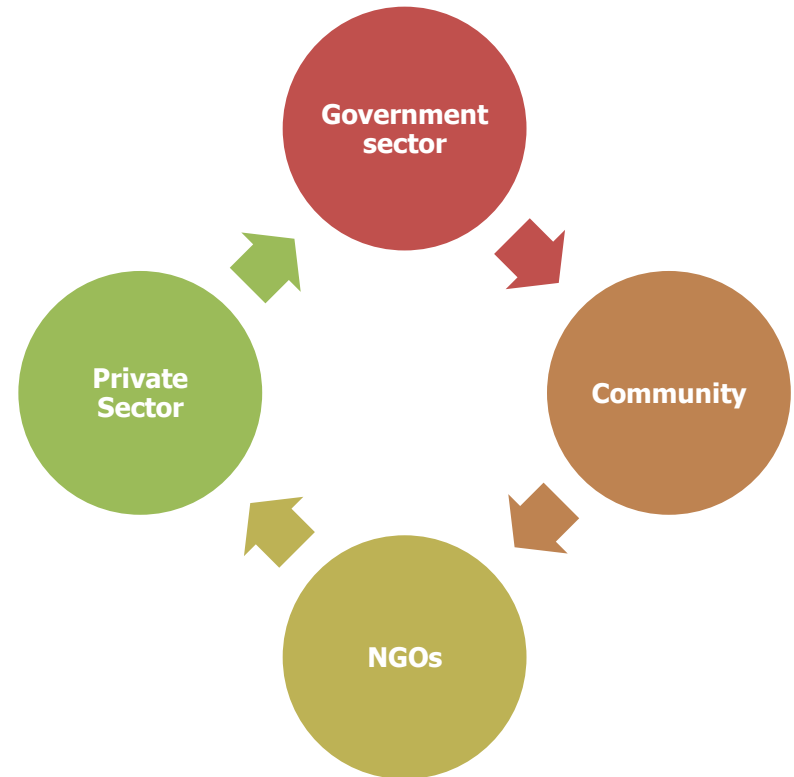


# Strategies fight against poverty

## Target Groups

- The extremely poor
- The moderate poor
- The Vulnerable Poor

## Key-Strategic Partners



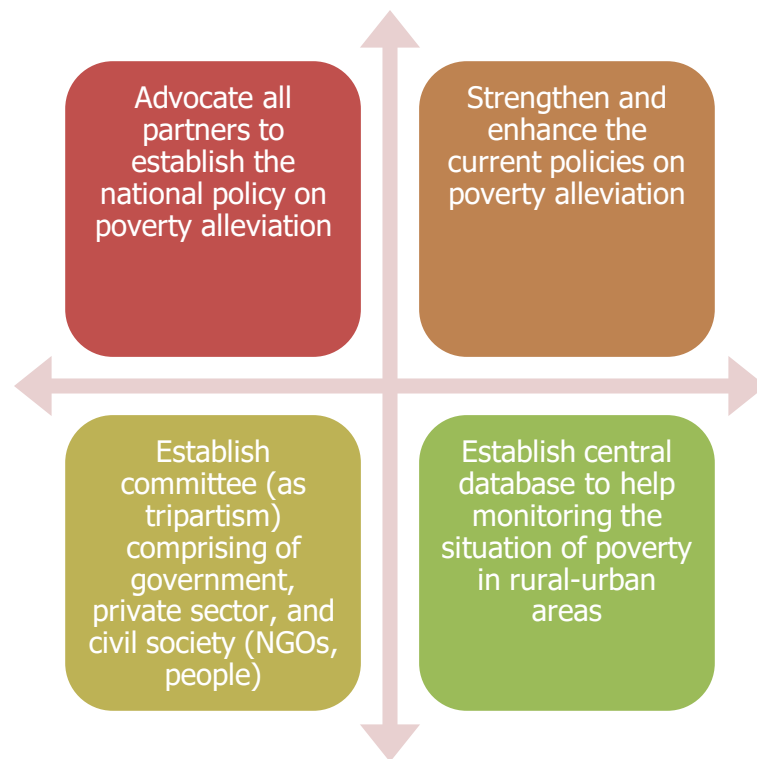


# Strategies fight against poverty

## Strategies for the target group

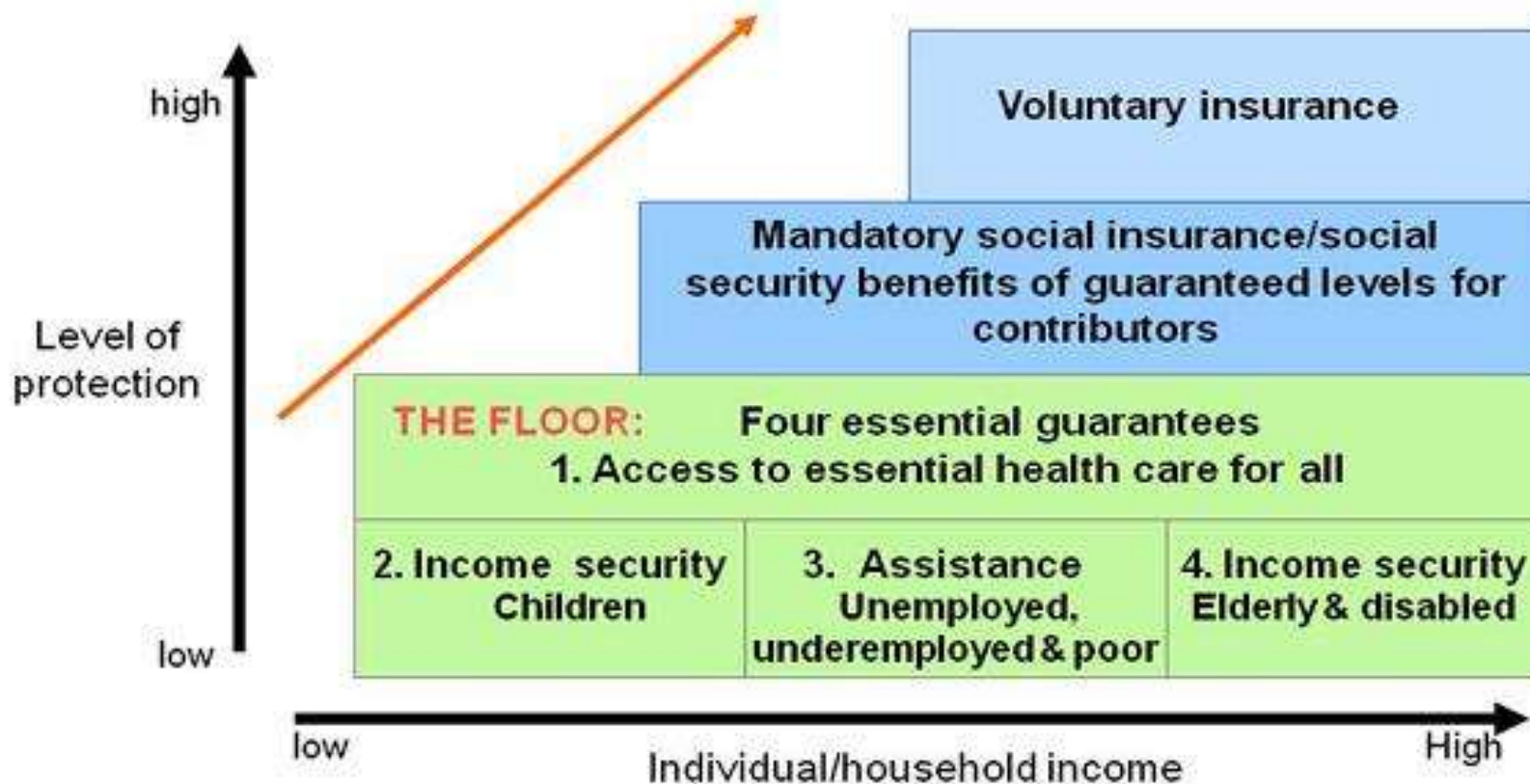


## Strategies for the strategic partners





# Concept of SPs for the Poor in Thailand



**Source:** Community Based Social Protection in Thailand: Innovation and Opportunity (National Economic and Social Development Board, 2009)



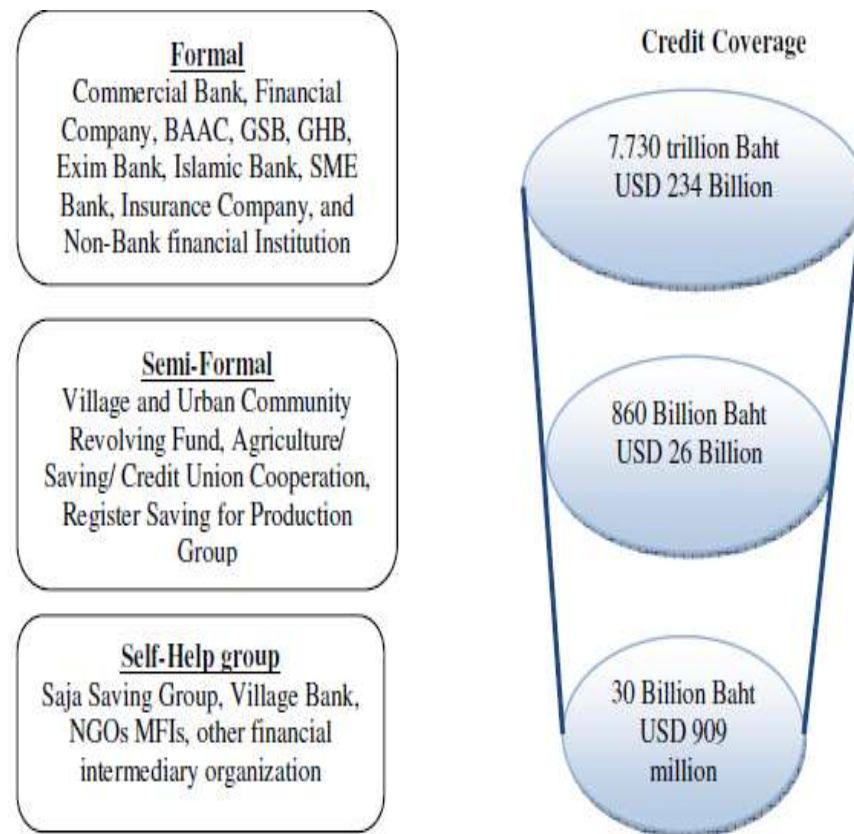


# List of Social Assistances

## Financial Terms

- **Micro-finance scheme**

As a result of the financial crisis in 1997, the government has developed the first 'National Microfinance Plan'. It is the five-year plan (2009 - 2013). In principle, it is the mechanism that the Bank of Thailand uses for increase the access to financial services of the unserved and underserved groups. The formation of the microfinance scheme in Thailand is the combination between the operation of the formal banking systems and the financial services provided for the low income people. Presently, the microfinance scheme can be subdivided into three main categories including (i) formal and large microfinance institutions; (ii) semi-formal microfinance institutions; and (iii) self-help saving and credit groups (The Foundation for Development Cooperation, 2010).





# List of Social Assistances

## Village and Urban Revolving Fund (VRF)

This fund has been started since 2001 as one of the populism policy. It was introduced as Thailand Village and Urban Revolving Fund (VRF) program. The objective of this fund was to provide a million baht to every village and urban community in Thailand as working capital for locally-run rotating credit associations (Boonperm, Haughton, & Khandker, 2009). On other word, this fund helps the people in the rural communities accessing into financial resources.

Nowadays, the fund has been implemented for more than ten years. The beneficiaries of this fund are approximately 79,255 villages that cover 12.8 million members. The budget that had been generated is estimated 160 billion Baht (Kitjakosol, 2012).

## National Saving Fund

In 2011, the government has enacted the 'National Saving Fund Act B.E.2554 (2011)'. This fund is managed and administrated by the National Saving Fund Office. The objective of the fund is to allow people without social welfare service such as people in the informal sector to save their income with the government and the benefit will be returned to them when their age at 60 years. This scheme will be available to interest persons in July 2012.



# List of Social Assistances

## Insurance schemes article 40 of the social security act

The insurance schemes article 40 of the social security act is classified into 2 schemes including 100 Baht schemes and 150 Baht schemes. Both schemes are partial subsidized by the government; the 100 Baht scheme is subsidized for 30 Baht while 150 Baht scheme is 50 Baht. The insured person of both schemes receives different benefit. According to the Social Security Office (SSO)-the organization that undertakes this schemes, there is estimation around 1.84 million informal employed persons registered for the scheme.

Scheme and contribution	Contribution	Benefits			
		Events of injury or sickness	Invalidity benefit	The events of Death	Old-age benefit
1 <sup>st</sup> scheme or 100 Baht schemes	• Insured person contributes 70 Baht	✓	✓	✓	-
	• Government subsidizes 30 Baht				
2 <sup>nd</sup> scheme or 150 Baht schemes	• Insured person contributes 100 Baht	✓	✓	✓	✓
	• Government subsidizes 50 Baht				



# List of Social Assistances

## Universal Pension Schemes

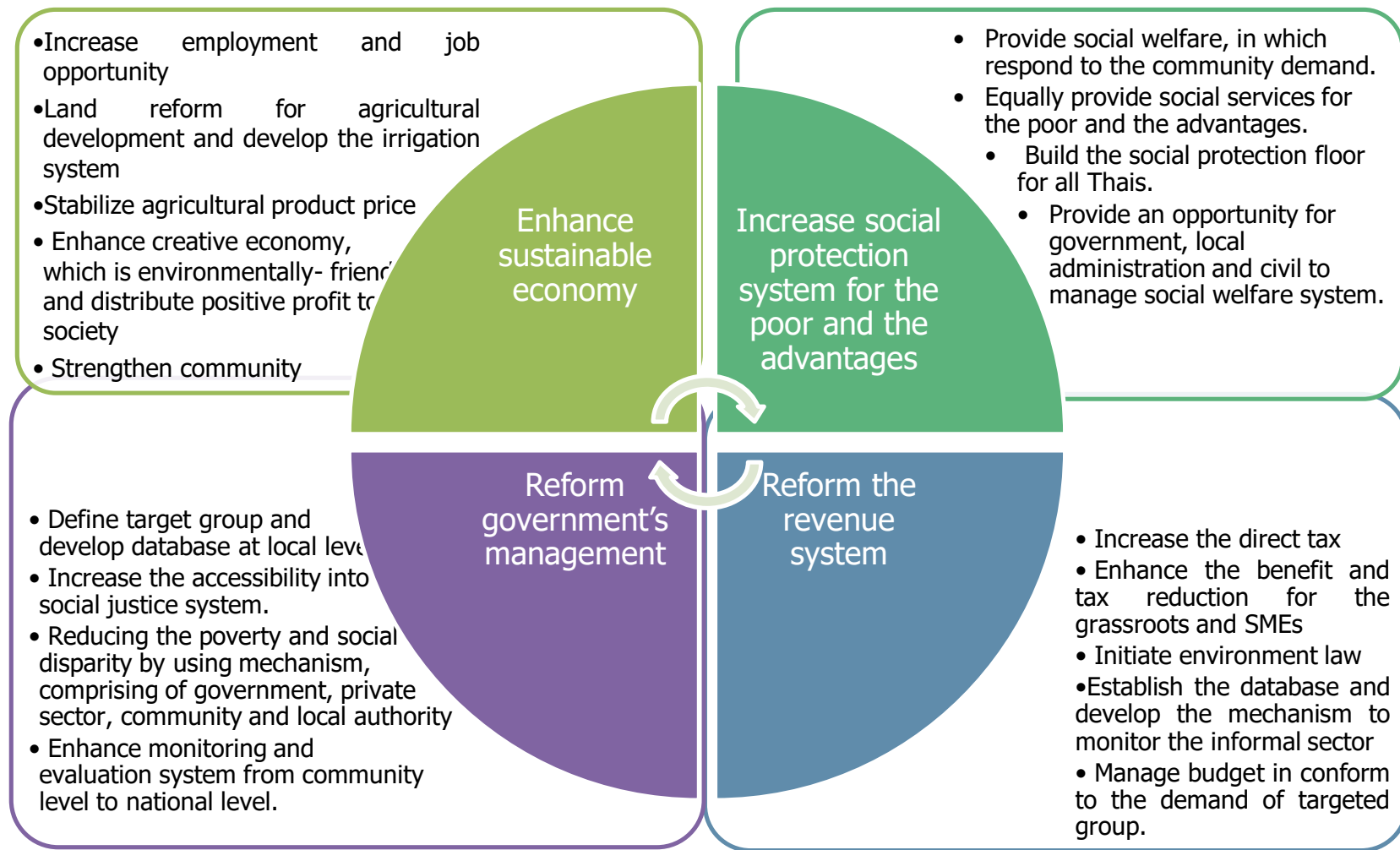
Currently, the government has announced to provide progressive the old age allowance for the elderly, above the previous flat rate of THB500. Under the income support policy, the elderly aged between 60 and 69 years old will receive a monthly allowance of 600 Baht. Those aged between 70 and 79 years old will receive THB700. The elderly aged between 80 and 89 years old will receive 800 Baht. The elderly aged 90 years old or more receive a monthly allowance 1, 000 Baht (The Government Public Relations Department, 2012).

## Universal Health Care Coverage

The scheme has consolidated all of the existing health insurance schemes belonging to the Ministry of Public Health (MOPH), such as the Health Welfare Program for the Low Income and Disadvantaged (HWPLID) and the Health Card Scheme (the 500 Baht Health Card for Families). The UC's goal is to provide full health care coverage for all Thai citizens who do not belong to the Social Security Health Insurance Scheme (SSO) or the Civil Servants' Medical Benefit Scheme (CSMBS). Eligible persons have to register with the networks in order to obtain a free insurance card and pay a flat rate copayment of 30 Baht for each out-patient visit or hospital admission but the co-payment was exempted in 2006. The UC is financed from government revenue.



# Suggested Policy to Reduce Poverty





# Thank You

