



The Policy Application and Policy Implications of NTA in Thailand

Office of the National Economic and Social Development Board
Workshop on Effective Use of Data for Policy Making on Ageing
5-6 December 2017, Chiang Mai, Thailand

1

Thai NTA: Background

2

Uses of NTA in Thailand

3

Policy application of NTA in Thailand



Background of NTA in Thailand

NTA Regional Project supported by UNFPA and IDRC

2002-03

NTA for 06 & 09 by TDR

- Assoc. Prof. Mattana Pananiramai
- Assist. Prof. Nongnuch Soonthornchavakarn

2007-11

NESDB compiled NTA 2011 with supports from UNFPA

2013

2006

- NTA of Thailand was compiled for the first time by
- Assoc. Prof. Mattana Pananiramai
 - Dr. Amonthep Chawala
 - Mr. Santichai In-orn

2012

Sub-committee on Implementation of Population Policy and Plan agreed that NTA should be compiled continuously & sustainably

social nesdb.go.th.

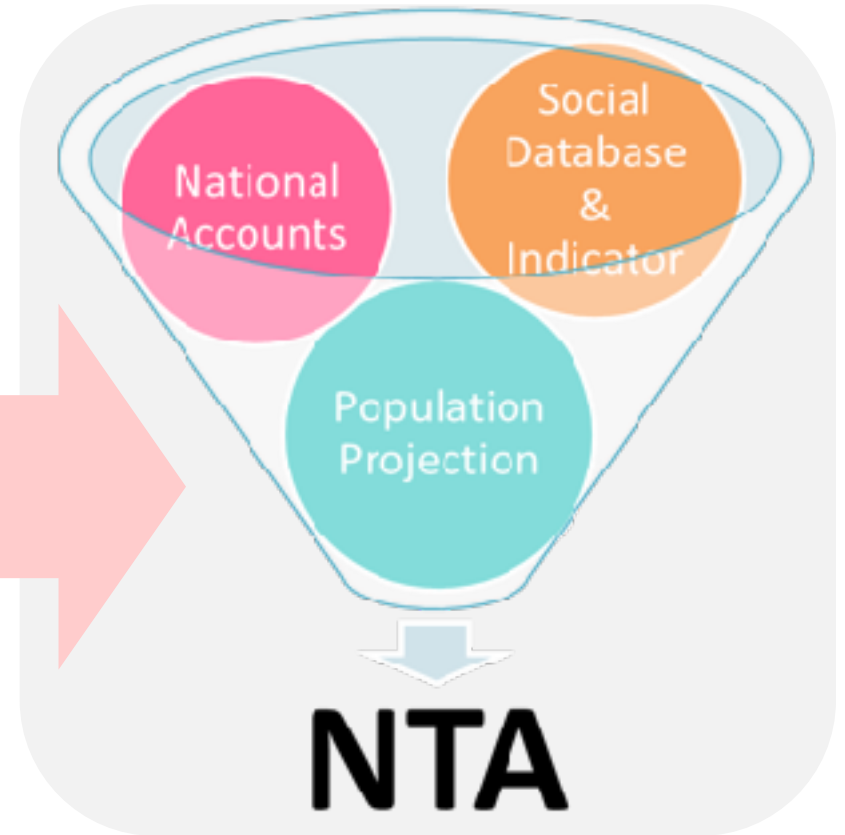
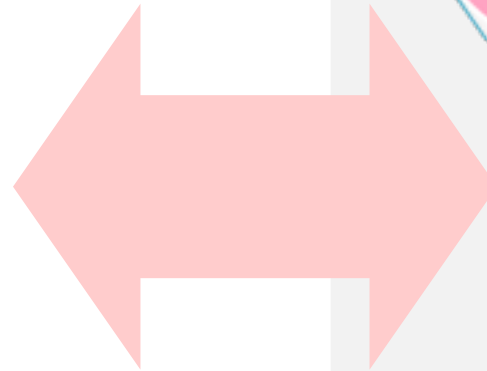
Problems - High turnover of researchers, which caused inconsistencies between series

NESDB

Formulating a 5-year economic and social development plan

Giving policy recommendations and advice to the cabinet

Monitoring and evaluating National Plans and other related policies



Demographic situation

Thailand will enter the aged society in 2021 which compose of 20% elderly persons. This proportion will go up to 30% in 2036.



Decreasing labour force

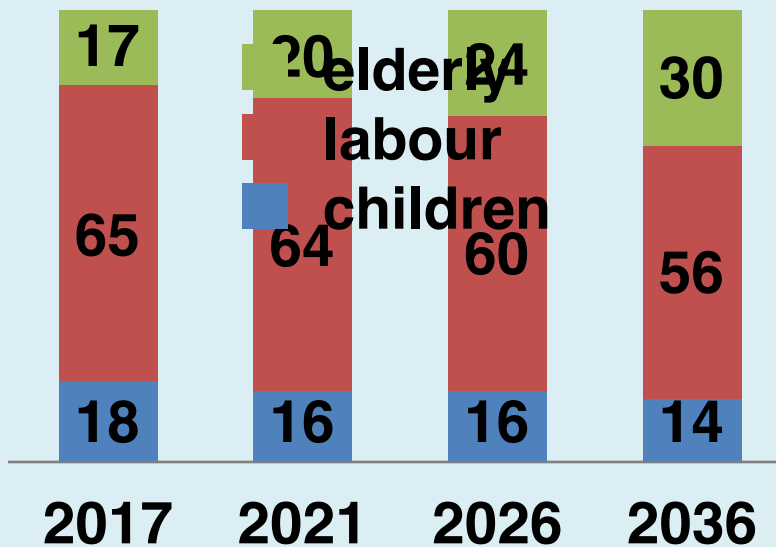


Larger fiscal burden while reducing revenue collection capacity in the public sector



More dependency

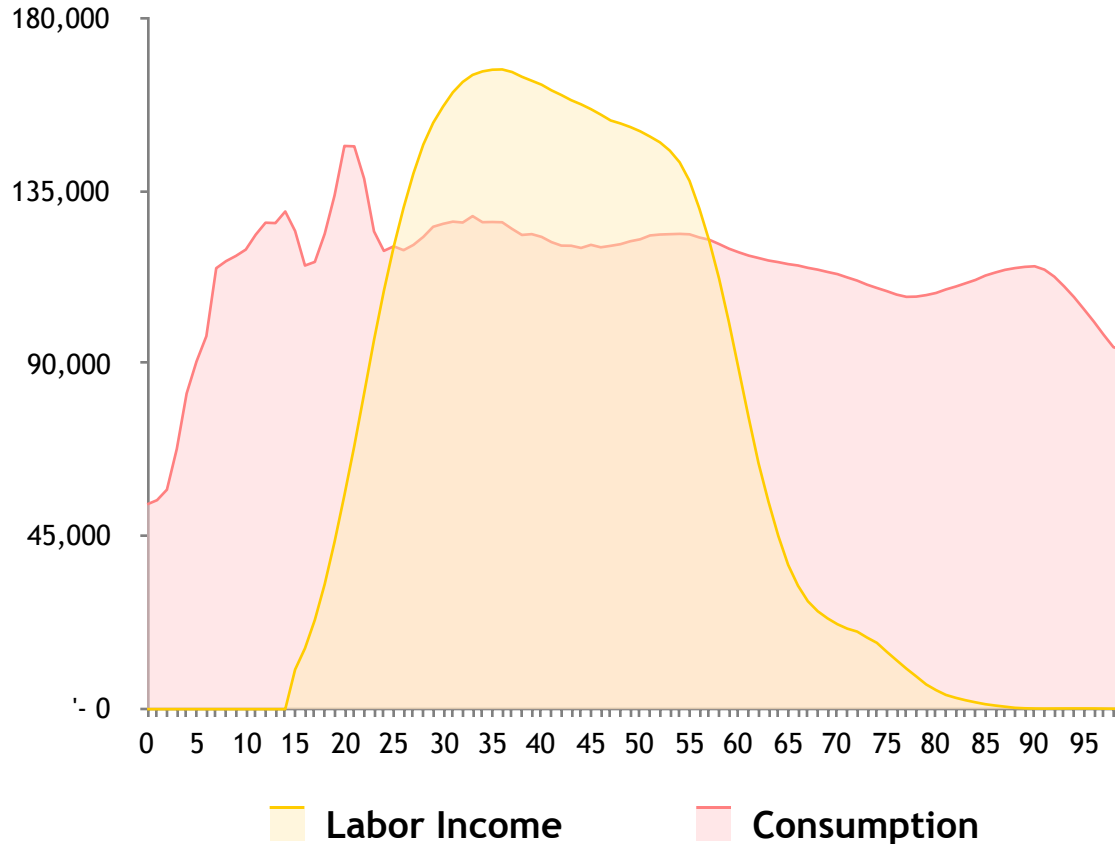
Thai population structure, 2017 - 2036



Source: NESDB

Results: Life Cycle Deficit

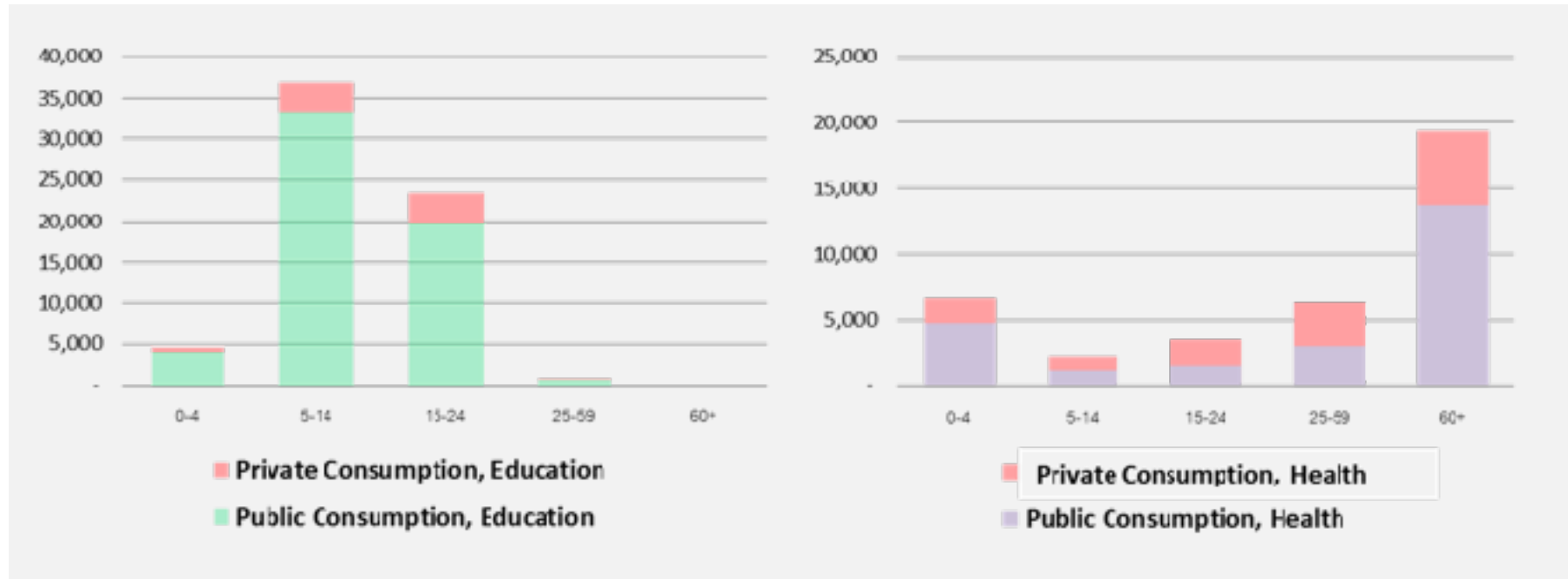
Consumption and Labour Income, per capita value (THB), year 2013



- Thai population had an income surplus during the ages of 25-59.
- The rest age groups (0-24 and 60+), on the other hand, had consumption expenditure higher than their labor income and incurred a deficit.

Health and Education Consumption, 2013

Annual Per-capita Education Expenditure (THB) Annual Per-capita Health Expenditure (THB)

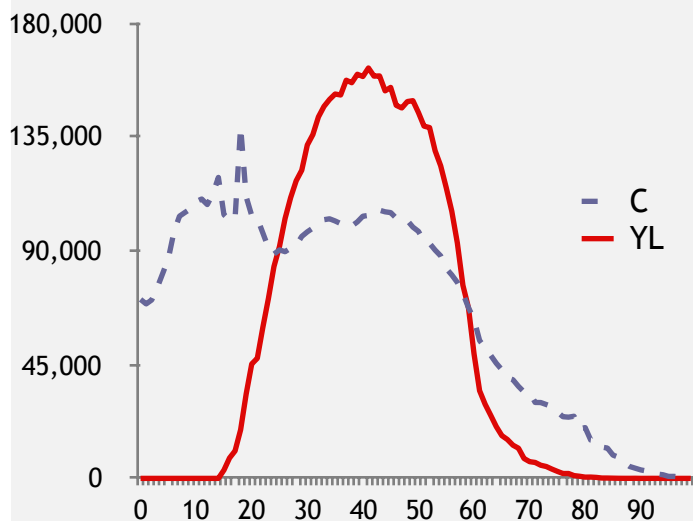


- Average education consumption is high in the compulsory education ages while health consumption increases with ages.
- Education in Thailand is mainly financed by public sector, particularly the compulsory education.

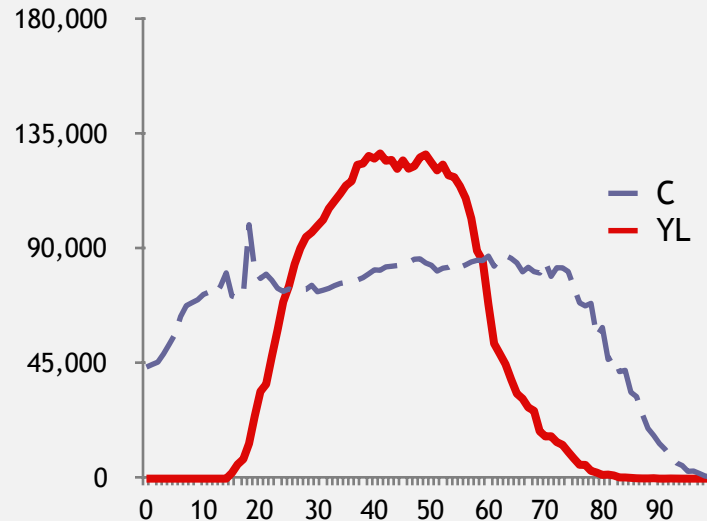
Uses of NTA in Thai Policy Matters

- Results of NTA and the simulation on how changes in population structure would affect patterns of income and consumption in the future were incorporated in the drafting of 5 Years National Plan and the Long - term Population Plan

2011 LCD projection for the year 2040

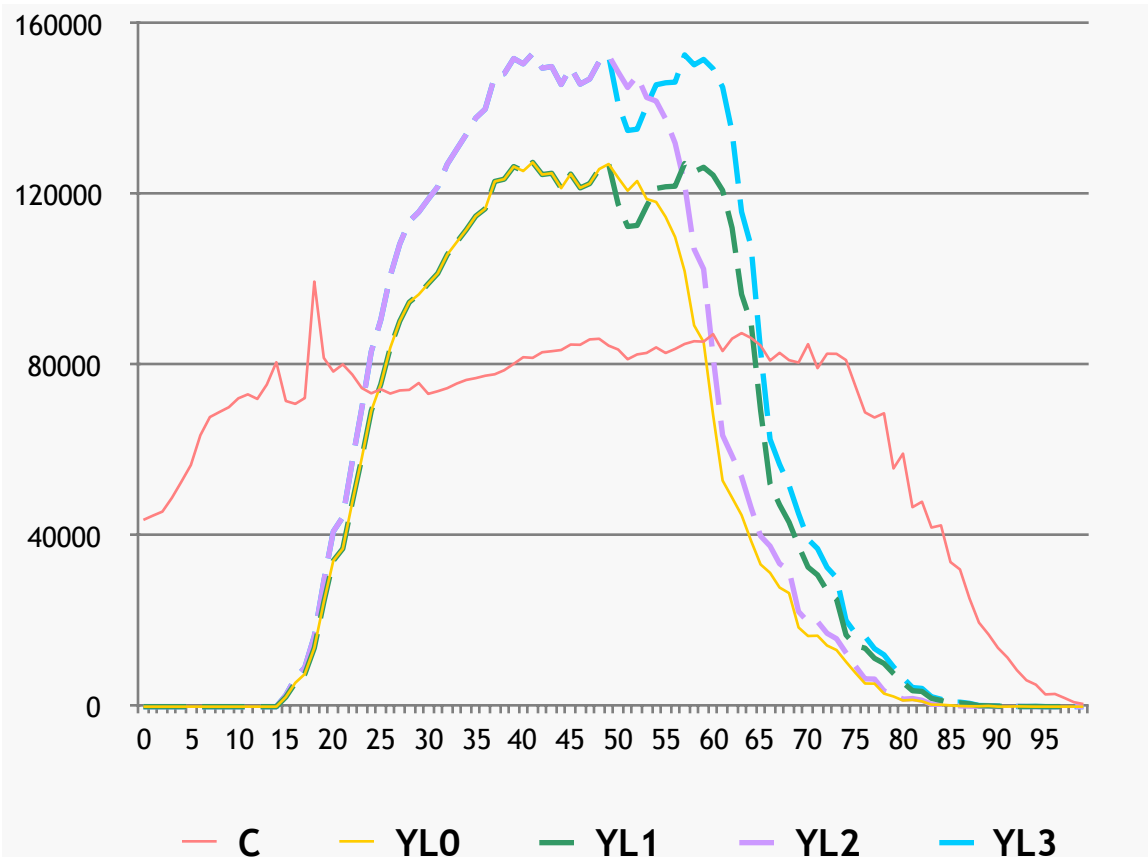


2040



Uses of NTA in Thai Policy Matters

Aggregate Labour Income & Consumption (Mil. Baht)

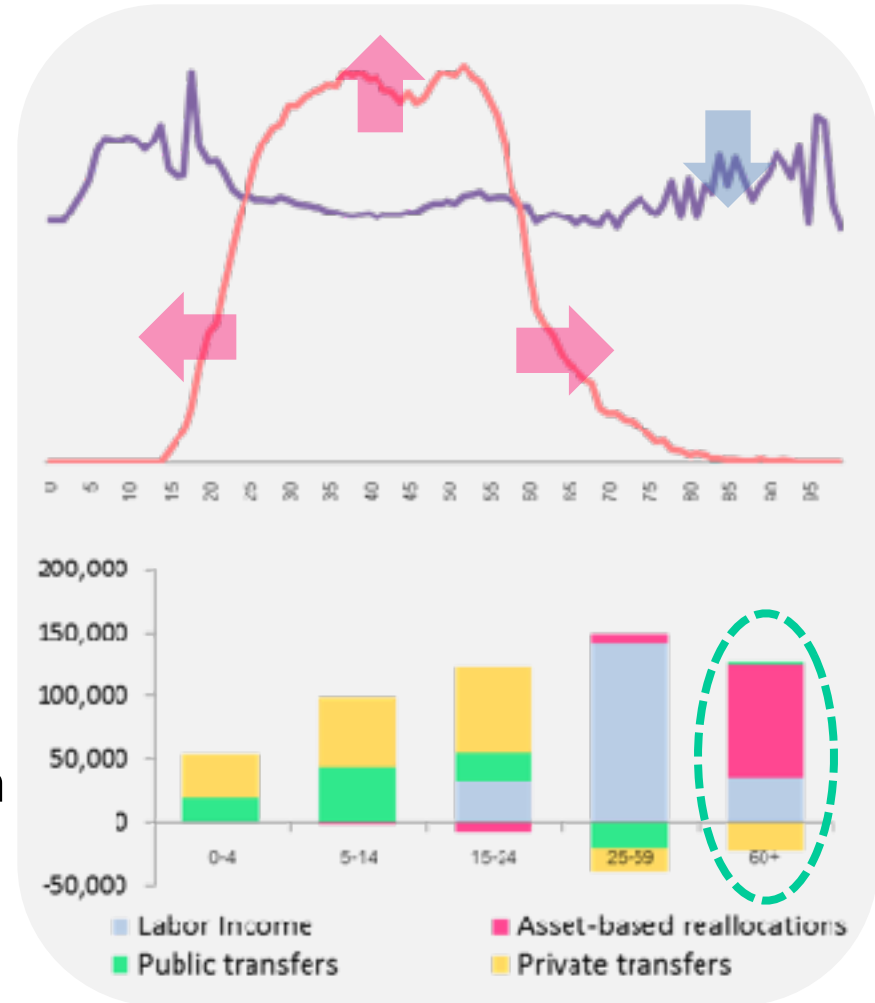


Both extending retirement age and increasing productivity will likely help raise aggregate labour income of the Thailand.

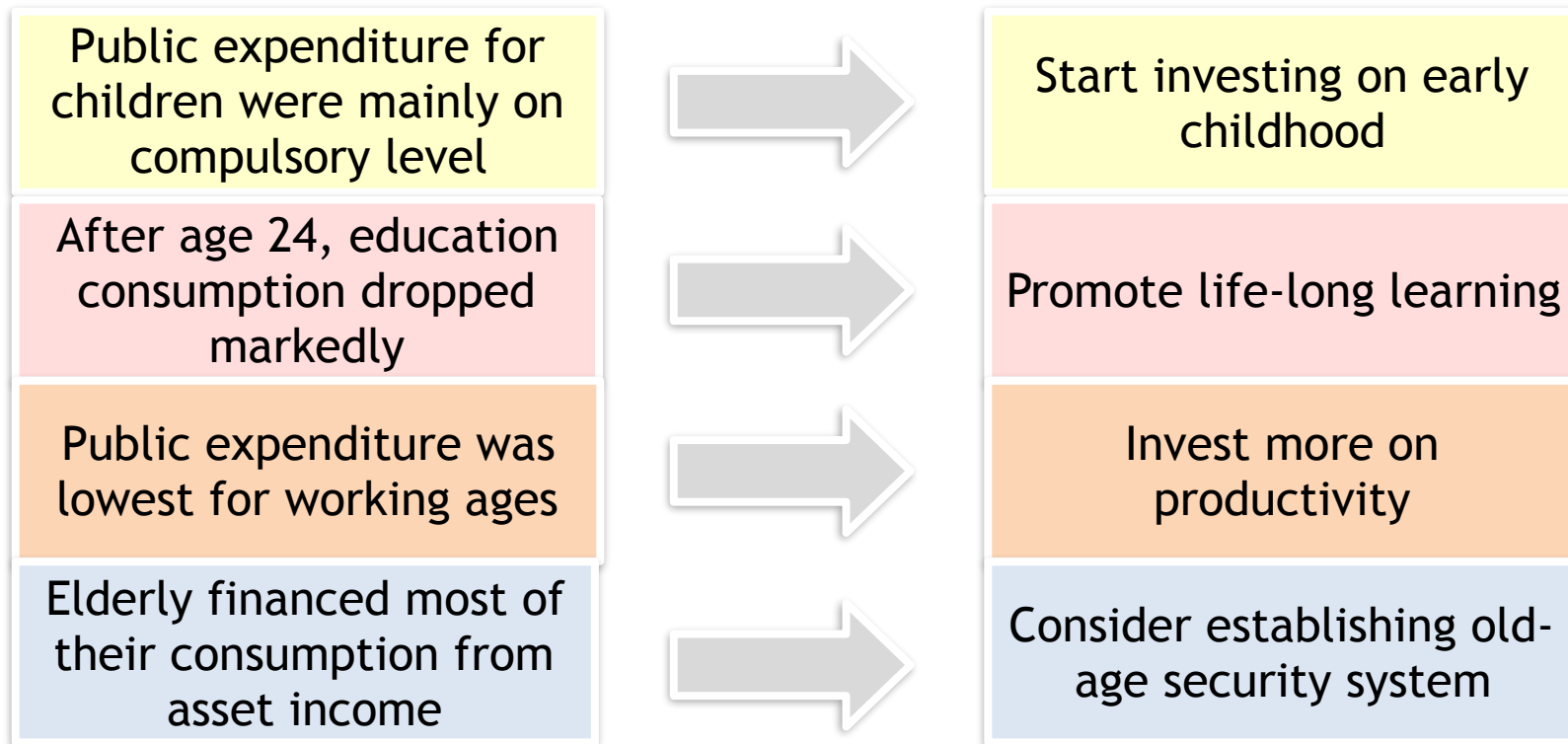
- YL0 = base case
- YL1 = raise retirement age
- YL2 = productivity increases 3% per annum
- YL3 = raise retirement age with 3% per annum productivity increase

Policy Advocacy: How can we prepare for rapid ageing process?

- **Increase the surplus of working age group** to support the higher deficit from an increasing size of dependent elderly.
 - Increase labour productivity.
 - Increase labour participation by encouraging elderly to work longer and promoting youth employment.
- **Promote healthy behaviours** to lessen health care cost especially from dependent elderly.
- **Ensure income security after retirement.**



Policy implication



The 12th National Economic and Social Development Plan



Strategy 1

Thai people of all ages will have higher levels of essential skills, knowledge, and capabilities + capacity for continuous self-learning



• Parenting education

• Childhood development



• Quality education



• labor demand and supply database + consultation

• Labour training center

• Saving encouragement



young-old elderly people's employment opportunity

Lifelong learning system





Thank you

www.nesdb.go.t

h

Aggregate Control

- NI 2013 (NESDB)



Age Profiles

- SES 2013 (NSO)
- Health and Welfare Survey 2013 (NSO)
- Education Statistics 2013 (MOE)



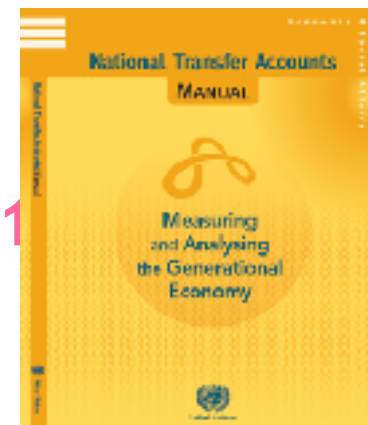
Population

- Population Projections 2010-2040 (NESDB)

Method



Simply follows the **NTA Manual (2011)**



Labour Income

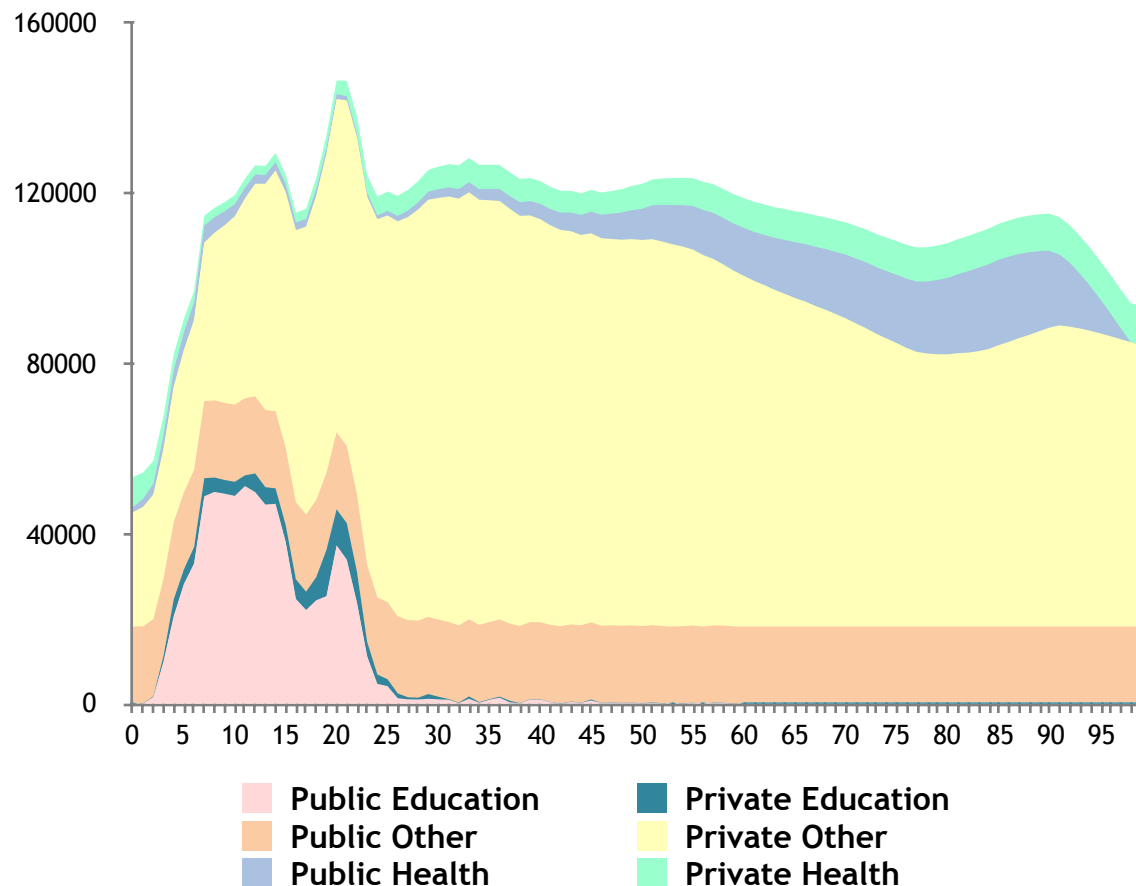
Annual Per-capita Labour Income (THB), year 2013



- Labor income is highest at age 35, with average income of THB 166,401 per person per year.
- Then, the labor income gradually decline until reaching zero at the age of 90
- Compensation of employees accounts for larger share of labor income when population is in early working ages.
- However, self-employed labor income has increasingly become the main source of labor income when population gets older

Consumption

Consumption by type, per capita value (THB), year 2013



- Most of the consumption expenses are paid by private sectors.
- Public consumption is large on education for children and health services for elderly.
- Similarly, out of pocket education expense is made during childhood and out of pocket health care expense increases after retirement.