Social Exclusion and Welfare Policy in Thailand

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Concept and Use of Social Exclusion

One may have some difficulties in using the term “social exclusion” in Thai society. The traditional Thai society hardly allows its members to be excluded from sharing social benefits, even though Thai social structure is well established upon unequal and hierarchical relationships among its members. Thai social class structure is often characterized by its patron-client relationships (Rabibhadana, 1969, pp. 77-96; Hanks, 1975, pp. 197-218). The superior-inferior relationship in Thai social class structure demands that the inferior (Phunoi) depend on the superior (Phuyai) to care for and assist him. In return the inferior should respect and obey the superior. This form of relationship is further enforced by the cultural ideal that is deep in the Buddhist doctrines of Metta and Karuna - that the superior should act benevolently to the inferior. Metta is defined as kindness and sympathy, and Karuna is the compassion to help and do a favor in difficulties. O’Connor (O’Connor, 1986, p. 62-82) perceived the patron-client relationships in Thai society under the connotation of “a benevolence-respect exchange” - that is while the gestures, work and offering of respect from the inferior are clearly defined, the particulars of benevolence through Metta and Karuna are left open to the superiors’ wishes. According to O’Connor, the connotation of the benevolence-respect exchange is common to the whole of Thai society. It underlies the patriarchal and hierarchical rule that reigns every-where from the family to the nation.

Social relations in Thai society, as demonstrated above, are based on the interdependence of superior and inferior members, and one should not be excluded from the relationship. Thus, if the exclusion happens to exist within this kind of relationship it means that one who is excluded would lose his security in life. Many Thais would explain this exclusive situation in terms of various kinds of spiritual belief. One of these spiritual beliefs is “Karma” - a spiritual belief of one’s own destiny that influences one’s life due to his or her previous actions. Karma plays a very important role in one’s life as, for example, he or she becomes rich or poor at any point in his or her lifetime largely dependent on “Karma”. The spiritual belief is also used to compare the opportunity in life one gets as better or worse than another. One who gets bad luck in life many blame nothing except his or her own “Karma”. Many Thais believe that their present socio-economic status as well as their physical well-being are very much determined and one can do very little to control the course of change.

These basic values and beliefs may lead one to conceptualize the term “social exclusion” in Thai society based on metaphorical explanation, as the course of life chances for Thais is very much attributed to and explained by various spiritual beliefs. The metaphorical concept of social exclusion in Thai society may get validation to some extent as one may apply metaphorical analysis to Thai socio-cultural factors. And in so far as Thai popular culture is concerned, the use of exclusion leans toward a metaphoric term as a specific set of

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broken linkages among a defined set of persons. The property that characterizes these broken linkages used to interpret the social behavior of the person involved largely derives from the spiritual values and beliefs in Thai society. The metaphorical use of the image of the broken linkages and lack of interconnections of social relationships has not been used beyond the specific properties of this lack of interconnections which could be analyzed to interpret social actions at a higher level of Thai social structure.

There is nothing wrong with the metaphorical explanation of social exclusion in Thai social structure. However, the metaphorical usage should not prevent one from appreciating that it is possible to expand the metaphorical concept into an analytical concept and use the concept of social exclusion in more precise and restricted ways. In searching for an alternative way of interpreting social disadvantage, social inequality and poverty in a Thai context, I will argue in this paper that the term social exclusion in Thai society is more applicable and useful as its metaphorical concept is transformed into an analytical concept and used in an analytical rather than metaphorical sense. One of the ways in which a metaphorical concept of social exclusion may be transformed into an analytical concept is to identify the process and then to define its characteristics in term of general phenomena in Thai society.

Analytical Concept of Social Exclusion

According to the spiritual belief in Thai society, the courses of life among Thais are believed to change over time. The changing between good luck and bad luck is a common life event for many Thais. One can always maintain the hope that things in his or her life will get better sooner or later as they are now in the course of difficulties. Thus, difficulties in life at the present moment sometimes does little to bother Thais’ mentality. There is faith that difficulty is another phenomenon that is not so permanent and would eventually turn its course to a positive way. However, the belief that one has little control over his or her own course of life and the difficulties in life now seems permanent and more valid for some particular groups more than others in Thai society. Lives of members of particular groups are now controlled not only by the spiritual belief of “Karma” but also by socio-economic and political mechanisms that are recently created within Thai social structure. The socio-economic and political mechanisms that have emerged in Thai social structure have excluded particular groups and placed them into disadvantageous and less fortunate positions. These new socio-economic and political mechanisms have been formed within Thai social structure as a part of the socio-economic and political development processes. These developmental processes have gradually laid out their strong bases in Thai social structure for at least the past three decades. The concept of social exclusion upon particular members of Thai society can be analytically explained by the following diagram.
Analytical concept of social exclusion
Split-level institutional structure in Thai society

**Emergence of basic rights level**

Global change and national development policy

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Development of social, economic and political institutions

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Emergence of civil, political and social rights

↓

Entitlement of basic rights to property, education, economic social welfare and social services provisions

**Deprivation of rights and needs level**

Economic growth oriented development policy and planning

↓

Expansion of capital market economy

↓

Unequal economic status among members of particular groups who are deprived of basic rights and needs and therefore placed to take disadvantageous choices

- permanent poverty
- low wage employment
- child labor
- crime and drugs
- underground economic activities

Inadequacy of etc.

Conventional → ↓ ← kin and community networks

Welfare system

Into the process of collapsing opportunity and thus socially excluded
Emergence of Basic Rights in Thai Society

The expansion of rights among Thai people has been developed in many respects. At this stage my analysis of social exclusion has been designed to capture the entitlement of basic rights and opportunities among Thais in the sense of dealing with the development of political and economic institutions.

The political system in the country was changed in 1932 from an absolute monarchy, to a constitutional monarchy. The constitutional monarchy provides for a parliamentary form of government where the king reigns but does not rule the country. Under the constitutional monarchy the king is politically neutral and considered to be above the politics. The prime minister who is constitutionally elected and then appointed on the advice of the parliament is responsible for all legislative, executive, and judicial functions in the king’s name: signing into law bills passed by the parliament; appointing the cabinet members on the advice of the parliament of the state leaders; appointing the cabinet members on the advice of the parliament of the state leaders; appointing high-ranking government officials and judges, the supreme patriarch, and other high-ranking Buddhist monks.

The bicameral parliament system is operated through the National Assembly where two chambers, the House of Representatives, whose members are elected for a four-year term, and the Senate, whose members are appointed and serve a term of six years, conduct their responsibilities separately. The members of the House of Representatives are elected by direct suffrage and secret ballot representing each province at the ratio of one to each 150,000 inhabitants. The Senate, whose members are nominated by the prime minister for pro forma appointment by the king, are generally acceptable to both the military and civilian bureaucratic elites. Each house has its own president or speaker and the president of the Senate, under the current constitution, is automatically the speaker of the National Assembly.

Along with the development of the democratic system, political rights among Thai people had also been developed and expanded. Large numbers of Thai citizens are entitled to the right to participate in the conventional democratic process. More Thai people have experience of voting for their representatives who are expected to speak for their political constituencies. Political rights among Thai people have been gradually developed simultaneously with the development of a democratic system which has been adopted as the ultimate goal of the political system. Thai people do not have long experience in a democratic system and free elections as most of the time since the political change of 1932 the country has been ruled under the martial law of military governments. Political rights empower citizens to participate in government and enjoy many public aspects of civil rights, such as the freedoms of speech, press, and assembly. To some extent, the wage workers in Thailand enjoy their rights to assemble and associate even though the right to organize and to bargain collectively is not yet fully developed. The majority of Thai citizens are now enjoying their rights to free elections, particularly under the civilian government.

The Thai economy is now undergoing a rapid transformation from a primarily agriculturally based economy to an economy encompassing manufacturing and service industries. In recent decades, agriculture, which has long been regarded as the core sector of the Thai economy, has steadily declined in its share of gross domestic product (GDP) from an average of 40 percent in the 1960s to an average of 25 percent in 1986 (Komin 1989, p.4). In the late 1970s agriculture was still the leading sector, producing 24.5 percent of GDP, while manufacturing produced 20.0 percent. Manufacturing replaced agriculture as the largest sector in 1981, and by the late 1980s the share of manufacturing had increased to 24.4 percent, while that of agriculture had declined to 16.9 percent. The industrial sector has resulted from the government industrial policy which since the late 1950s aimed at promoting such growth. The service sector has immensely increased in size during the 1970s and the 1980s as the economy has become more exported. Exports of manufactured goods and non-factor services have increased from 17 percent of GDP to 34.5 percent. The share of manufactured exports in total value exports has increased about 100 percent over the past decade. The expansion and the good performance of all sectors, particularly industrial and service, in the 1970s through the 1980s contributed to the country’s
economic growth records for the last two decades. The real GDP growth rate accelerated from 4.5 percent in 1986 to 8.6 percent in 1987 (The World Bank 1990, pp.513-5).

Due to development of economic institutions, Thai people are now enjoying rights to social and economic provisions more ever than before. The social and economic provisions have been distributed through various government agencies. Thai people are entitled to improve their well-being. Among these rights includes the right to social security, right to work, right to free choice of employment, right to equal pay, right to rest and leisure, and right to a standard of living adequate for the health and well-being of the individual and his family. However many of these rights are not fully developed. For instance, the right and freedom to join trade unions among the wage workers in many periods of labor history have been seriously hindered by the authoritarian governments. But overall, Thai people enjoy more these basic rights that they are entitled to as the result of the economic development policy of the country.

The Right to education among Thai people has also been expanded more than ever before. Education that used to be open for particular groups in Thai society is now open for all groups and social classes. Education at the elementary level is provided for free by public agencies and now is more equally accessible to all on a compulsory basis. The number of years in primary school has also been extended from the fourth grade to the sixth grade. And now the plan to move from the sixth grade to the ninth grade and the twelfth grade in certain areas is already inaugurated and is planned to cover the whole country within less than ten years.

The improvement in the level of educational attainment is also evidenced in particular groups of population. The 1970 and the 1980 census showed that school attendance has increased at all ages among the population of 10 to 20 years during the 1970s. The trend also indicated that more young school age children as well as teenagers are likely to attend school in the 1980s than previously (Le Poer 1989, pp.109-10).

Higher education used to be confined exclusively to those who were in a higher socio-economic status. As government subsidized universities expanded to regional areas, the educational attainment of the people in the regional areas also improved.

The basic rights that emerge in Thai society due to the political and economic institutions may involve voting, employment, protection of the law, basic education, health and so on. The entitlement to fundamental rights among Thai people is now widespread, although the set of rights which are regarded as fundamental may vary. The entitlement to these fundamental rights has great practical significance both in terms of the rhetoric and reality of the government policy in contemporary Thailand as well as for the perceptions and demands of Thai people’s daily life.

Exclusion due to Deprivation of Rights and Needs

Although more Thai people enjoy basic rights due to the development of economic and political institutions, there are certain groups of Thai citizens and other minorities who do not fully enjoy such rights as the other groups do. For some reason these disadvantaged groups are deprived of the basic rights and needs mainly due to unequal economic status. Unequal economic status has existed in most societies as well as in Thai society. However, the discussion of the unequal economic status among Thais would focus on the role of the distributive function of economic growth that has happened in the Thai economic system since the beginning of the industrialization period in the recent past. Much evidence in both large scale surveys and empirical studies of the distribution of wealth among income groups has shown that there is a widening gap among higher and lower income groups. There is much empirical evidence to support this income disparity among the rich and poor Thais. The income disparity has inevitably impacted on the incidence of poverty among the lower income brackets. Moreover the unequal share of the economic growth in the Thai economy would gradually exclude the lower income groups from the basic rights that have emerged in Thai society. The process of exclusion may be further exacerbated when economically disadvantaged poor are forced to produce adaptive strategies, both legal and illegal, to cope with poverty. The poor and uneducated
have to take low-paying employment, seasonal and temporary jobs. Numbers of them end up with illegal activities such as involvement with illegal drugs or drug abuse and in underground economic activities. The economically disadvantaged groups are primarily deprived of the right to education; therefore, they are also deprived of better employment opportunities. They would have less choice in the labor market due to less skill and inferior educational background.

The lower income groups are primarily excluded from better and sufficient health care services provided in the market. Members of these groups could only afford to use the inefficient and inadequate health care services provided for them by public agencies.

Exclusion due to Market Failure, Collapsing Opportunity and Crumbling of the Traditional Supporting Networks

The market economy has been intensified through the current world economy. The end of the cold war in the early 1990s assured the national economic development policy towards the capital market economy. The level of international investment in Thailand has increased considerably as the country is still attractive for both capital and labor intensive industries. Human resources usage in the capital market is based largely on competition. Only certain groups with larger resources and endowment can compete and keep up with the capital labor market. The rest fall from competition. The members of the disadvantaged in competition always include children and youth of low income families, women who live under economic constraints, poor elderly who lost family care, the physically and mentally handicapped, criminal offenders, drug addicts, victims of HIV and AIDS, members of ethnic minorities, illegal aliens and so on. These groups predominantly live under poverty and have less chance to live up to general living standards as most of their opportunities tend to collapse. The young members of these groups leave school earlier than more socially advantaged children. Numbers of them have to enter into the unskilled labor market for supplemental income for their families. These groups tend to have few chances to develop their working skills as they grow older, and end up as unskilled and low paid workers in the informal sector.

Life for the less fortunate groups in Thailand would not be so difficult as it has long been recognized that Thai society is communal where networks of family, kin and community play important roles in the welfare function of their members. As the capital market becomes widespread in Thai society, the family, kin and community networks come to provide less for their members’ needs and therefore cannot maintain their allegiance. The Thai rural community is no longer isolated and self-sufficient due to the commercialization of agriculture. The family, kin and community networks lose their significance and cohesion. The urban community also loses its coherence due to the increasing scale and specialization of economic activities. To this end, the welfare function of traditional supporting systems have been greatly impacted as their major networks are crumbling. The most vulnerable are those who are solely dependent on these traditional networks. For instance, the ability of families to care for the elderly has diminished as extended families become more nuclear; as young people migrate from rural to urban areas leaving their parents behind, as fewer children are born due to the success of family planning; as housing becomes more restrictive, leaving no room for parents and grand parents; and as women who once were caretakers become employed, leaving the elderly without daily in-home support.

Existing Welfare Programs

The major governmental agency providing social services for disadvantaged Thai people is the Department of Public Welfare, established in 1940 and now under the administration of the Ministry of Labor and Social Welfare. The department’s headquarters is located in Bangkok with a network of provincial offices throughout the country. The department primarily deals with particular welfare target groups for unemployed persons, children and youth, needy families, the disabled and handicapped, the aged, the sick and injured, and minorities.

In recent years, job creation, job placement, and vocational training programs have been created for the urban unemployed. The department also operates a small loan program for the self-employed and ex-prisoners.
Programs for children and youth include family support services, foster home care, adoption services, institutional care, and supporting programs for children of low-income families. The assistance programs to the disabled and handicapped include residential care, vocational training, sheltered workshops, mental health services, permanent disability pensions, survivors’ pensions and funeral grants. The major programs created for aged populations are for institutional care. Larger numbers and types of homes for the elderly have been recently established in response to the increasing demands of an aging population. Conventional education and the vocational training programs are provided for those minorities, the hilltribers and the highlanders, who mostly are isolated from the mainstream of socioeconomic and political boundaries.

There are some other specific social security programs that were operated separately prior to the implementing of the Social Security Act of 1990. Two economic security programs, the Workmen’s Compensation Fund, established in 1972, and the Provident Funds, established in 1983, are offered mainly to wage laborers in the private sector. Another voluntary health insurance-type program primarily is for the rural population.

Among these programs, the Workmen’s Compensation Fund under the management of the Social Security Office is the most extensive. While the fund initially covered only the establishments with 20 or more employees in the Bangkok area, it was extended throughout the country in 1989 and totally covers approximately 1.6 million workers (Boribunbunpotket, 1992a, pp.186-193). The Workmen’s Compensation Fund basically provides work injury programs to the wage workers with the exclusion of employees in the agricultural sector who constitute the majority of the labor force for the whole country. The employees in public and domestic service, railroad, ports and harbors, telecommunications, generation and distribution of power or electricity, waterworks, fuel oil production and refinery, and private schools are also excluded. The source of funds comes from employers with the rate range from 0.2-4.5 percent of payroll depending on the risk in industry. The annual administrative budget is subsidized by the government while employees do not pay into the fund. The program provides temporary disability benefits at 60 percent of earnings with the minimum of Baht 250 (Baht 25 is approximately equal to U$ 1) per month and the maximum of Baht 3,000 per month. The permanent disability pension is also 60 percent of average monthly earnings within 10 years period of payment. The same rate of pension payment for partial disability within 3-10 years payment depends on the degree of incapacity. Both disability benefits are provided with a lump sum payment option. The medical benefits include the necessary medical, surgical, and hospital services with the maximum limit on cost a Baht 30,000. The survivor pension is at the rate of 60 percent of average monthly earnings with the minimum of Baht 250 per month and the maximum of Baht 3,000 per month payable up to 5 years or as a lump sum. The eligible survivors are an employee’s spouse, parents, and children under age 18. The funeral grant is also provided at the rate of 3 months’ average earnings with the minimum of Baht 5,000 and the maximum of Baht 10,000 (U.S. Department of Health and Human Services, 1990, p.257).

In 1983, the Ministry of Finance issued Ministerial Regulation no. 162 that encourages firms and their employees to voluntarily set up a provident fund upon mutual agreement. However, both employers and employees, once they decide to are required to contribute monthly into the fund at the equal rate of at least 3.0 percent of the employees’ wages. The employers’ contributions are deductible as corporate expenses, while the employees’ contributions are deductible from personal income tax as an insurance premium. Earnings and interest from the fund are also exempt from tax (Boribunbunpotket, 1992a, pp.207-214). The fund is used to pay workers either on their retirement or employment termination.

The accumulated funds are also expected to be used for economic development as another source of investment. There were 295 provident funds by January 1986 with the total amount of Baht 1,262.4 million covering 48,276 employees (Thai Labor Chronicle, 1986 p.20). Over half of the fund is invested in government bonds while the rest is invested in promisory notes and bills of exchange, fixed deposits, and other securities. Although the government oversees the administration of all provident funds that are registered and operated, there
is no specific statutory bureau which has been set up to manage these funds. Under the ministerial regulation, the company that sets up the fund has to hire one of the financial firms that are officially authorized by the Ministry of Finance to manage the fund.

The Health Care Fund, established by the Ministry of Public Health in 1983, provides health services in the rural areas. Under this program, the participants voluntarily purchase a health card that entitles each household to a number of treatments per year. Among the existing funds, there are substantial variations in prices, coverage, number of eligible persons in the family, and the health benefits to be received.

The social security programs described above have no social insurance. Most of the programs are financed either through general revenue or the employers’ contributions. These programs are often operated under inadequate budget allocations. Applying O’Connor’s framework of “benevolence-respect exchange” in Thai society, the Thai welfare recipients, as the inferior, generally would not raise demands for more benefits as they defer to the benevolence of the state, employers, and/or donors. This situation could change considerably, however, as a result of the Social Security Act of 1990. This Act may be a major departure in the history of welfare development in Thailand in that the participants of the programs may be able to enjoy benefits without a sense of obligation to return respect to their superiors.

In September 1990 Thailand joined more than 140 countries that operate social insurance systems. Prior to the proclamation of the Social Security Act of 1990 the Thai government had tried to implement some form of social insurance plan for more than three decades. The social insurance law passed by the Parliament in 1954 had never been implemented primarily because of various factors including discouraging economic circumstances. In 1990, the stage of social and economic development in Thailand permitted the government to provide wage earners with economic security in the form of social insurance.

The social security fund would provide benefits for wage workers and the others in particular circumstances. Off-the-job accidents and sickness, physical disability, and death and survivors insurance funds would be immediately set up. Insurance programs for health and maternity, family allowances, old age, and unemployment would also be set up as the circumstances allowed.

In the initial phase, the Act provides very limited coverage both in term of populations and risks. The population coverage prescribed by the law constitutes only the wage workers in industrial firms that employ 20 or more employees, together with state enterprise employees and temporary workers of the central, provincial and local administration governments. Approximately 18,000 employers and 1.8 million workers, out of approximately 8.8 million of non-agricultural workers, are registered (International Labour Office 1991, p.6). The system will be expected to include all the industrial firms that hire ten or more employees from September 1993; and one year later, the self-employed will be allowed to join the system as voluntary insured.

These provisions will enlarge the population coverage as the system expands. However, it is important to distinguish the legal coverage form what actually occurs. As is true in the case of minimum wage law in Thailand, legal coverage of the population could far exceed actual coverage. For example, it is estimated 30 per cent of the 300,000 unskilled workers in small and medium size industries in the Bangkok area are paid less than the minimum wage, and the situation is considerably worse in the provinces (U.S. Department of Labor, 1990-1991).

The Social Security Act of 1990 excludes all those government employees who receive security benefits under other insurance systems. State enterprises that provide inferior benefits to their employees will be included into the system while those that provide superior benefits will be excluded. It is anticipated that at the initial stage only a few state enterprises will join the system, as most of them already have better employment benefits for their employees than those in the private sector.

The Social Security Act of 1990’s risk coverage involves seven insurance categories including off-the-job accidents and sickness insurance, physical disability insurance, maternity insurance, death and survivors insurance, family allowances, retirement insurance, and
unemployment insurance. Occupational risk benefits in the workplace are already covered by the Workmen’s Compensation Fund as described above.

Apart from state welfare agencies and institutions there are also over four hundred private run welfare organizations in Thailand. Most of these private organizations have registered as members of the National Council of Social Welfare of Thailand, the royal patronage society founded in 1960. The council operates as the co-ordinating body for its members located in both Bangkok and provincial areas. The council organization is chaired by a president who is elected from among member agencies. There are four main standing committees: space organizing, program-planning, budget and finance, and the community-chest. The council has been criticized as being an over-structured organization whose personnel belong only to a high socioeconomic group and which gives an appearance of offering charity instead of actually providing welfare services.

The social welfare policies and programs in Thailand often have been the results of unique political and socio-cultural factors within Thai society. The policies and programs helping the poor and socially disadvantaged are always misconceived as counter to the goals of the national development plan, economic growth as well as the market economy. This misconception is the major factor that prevents the government from adopting an adequate budget and creating a comprehensive social welfare system in Thailand. These social welfare policies and programs have also been misconceived by the paternalistic attitude towards welfare recipients and the disadvantaged. The paternalistic manner of the government officials, the ruling class, as well as employers towards welfare recipients and wage laborers partly derived from the traditional social relation system within Thai society. The system held that welfare recipients and wage laborers were inferiors who needed to be helped and protected. At the same time, the inferiors were expected to return respect and obedience to the ruling class, the government officials and the employers. In summary, at the present stage, the social welfare policies and programs providing services for the needy in Thailand are not yet based on basic rights that they should be entitled to.

Conclusion

The basic rights that recently emerged in Thai society have not been equally accessible to all Thai people. The unequal share of growth put certain groups of the population in a disadvantaged position while competition in the capital market is widespread. Members of disadvantaged groups are excluded in the capital market as their opportunities in economic advancement are collapsing. The excluded groups are further deprived of rights and needs due to the inefficiency and inadequacy of the social and economic provisions provided for them by the government agencies. The process of exclusion has simultaneously advanced its course in the midst of the declining in function and crumbling of family, kin and community networks.

Social welfare policy needs to be reformed in its approach. The institutional social welfare policy that embraces certain social institutions, agencies, as well as certain professional bodies should be widely introduced. Institutional social welfare should be involved with central government departments, associated departments and ministries as well as parliamentary committees. The local government agencies and local commissions are also part of the model. The institutional model of social welfare includes the activities of those professional bodies whose members are centrally involved in social services such as medicine, nursing, social work, teaching and research. The institutional social welfare policy for the socially excluded and other target groups should be implemented under the awareness of the impact of the capital market where the outcomes are often unsatisfactory, unjust and far from perfect. Thus in these circumstances, the government should attempt to introduce mechanisms for the redistribution of income, wealth, or assets through taxes and transfers.

The social assistance scheme which provides benefits to socially excluded persons and groups should be based on rights and needs. This means that the benefits provided by the scheme to be considered “as of right”, not as of charity, and the amount of benefits should be set at the level high enough to meet the minimum standards of need for the excluded persons and groups.
Some of the social assistance programs should be concrete and directly tied to work such as employment-generating programs. These kinds of programs should be built around the concepts of work incentive, work experience as well as work requirement. For some socially excluded groups such as the frail elderly, the severely disabled, the totally and severely mentally retarded, a direct income transfer program should be provided for and included in the public assistance scheme.

References


