

Urban Poverty and Social Safety Nets in Thailand

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Introduction

Urbanization is a universal phenomenon and an essential process of modernization. The issue of poverty should be well addressed by all governments. But the urban poverty issue has not been considered by governments as one requiring immediate attention. Urban poverty has significant impact on the economic development of a society/country. A well-designed policy framework is required to address the problem. It should be treated as a socio-economic and political issue. Urbanization is closely linked to the process of economic development. It will speed up in developing economies. Urban poverty becomes an emerging problem for such economies. The nature of urbanization is structural transformation of the economy and society. Poverty is not a natural result of economic growth, but is a common phenomenon.

Urban poverty is caused by globalization, liberalization, restructuring, unemployment and rising cost. While newly urbanized population is faced with changed environment and failed adjustment, the result will be urban poverty. Mobile population, unstable job, higher cost of living, children education are other problems encountered by new settlers in urban areas. Social safety net (SSN) has been discussed intensively as a comprehensive package for solving poverty at present times. It is also considered as a remedy for urban poverty. The nature of the net is different from the conventional poor relief or social supporting measures. It rather emphasizes the government role. However, the government role alone would not be enough.

I. Growth, Inequality and Poverty in Thailand

1. Growth and Poverty

The economic crisis Thailand has been facing since 1997 put the country into a position of reviewing its poverty profiles. A report on poverty by National Economic and Social Development Board (NESDB, 1998) showed that until 1996 the incidence of poverty in Thailand had been rapidly decreasing. However, the 1997 economic crisis has raised the incidence of poverty. The NESDB Report, based on the August 1998 NSO (National Statistical Office) Round 3 survey, indicated that 1,134,200 persons were unemployed (23 percent in municipal and 77 percent in non-municipal areas).

A study of poor villages in different parts of the country offers a regional perspective on the issue based on income distribution. From the villagers' point of view, through the

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four decades of national development, the number of extremely poor villages increased in all parts of the country. In contrast, the number of average-income villagers decreased, and the number of rich and well-to-do villagers slightly increased, or even remained unchanged in some areas. From this, it can easily be seen that the number of middle or average income people dramatically turned down, while poor people quickly soared (Table 1). In other words, the economic disparity has been seriously widened in the past forty years

Table 1. Ratio of Villagers Categorized by Economic Condition

Region	Poorest	Average	Well-to-do
	1957-1967	1991	2001
Northeast	10 : 90 : 0	70 : 15 : 5	70 : 15 : 5
North	10 : 85 : 5	40 : 40 : 20	60 : 30 : 10
Central	25 : 60 : 15	50 : 40 : 10	50 : 40 : 10
South	10 : 80 : 10	40 : 45 : 15	50 : 35 : 10

Source: Based on Poverty Reduction Strategies: *Villagers' Point of Views and Thoughts*, 2001.

2. Growth and Inequality

Inequality measures in Thailand vary considerably by region. Meesok (1975) cited in NESDB found that in 1968/9 the Gini was lower in rural than urban areas, and lower in the South and the North than in other regions of the country, but by 1988 Krongkaew (2003) cited in NESDB reported a much lower Gini in Bangkok and surrounding areas than in other parts of the country, with the highest Gini found in the South. In 2002, regional variation in inequality was less marked, but the highest inequality was found in the north, northeast and south. The main lessons from the data appear to be that inequality indicators for particular regions have not always moved in the same direction as national figure, and that differences in inequality between regions and between urban and rural areas have varied over time.

Growth alone is not sufficient to bring about reduction in poverty. It should be accompanied by improvement in income distribution in order to bring about more satisfactory and sustainable poverty reduction. Growth that helps income distribution is called pro-poor growth, that is it helps increase the average income of the poor relatively more than that of the non-poor.

Changes in poverty can be decomposed into two parts, one caused by growth and the other caused by income inequality. The growth component (increase in growth) always brings about reduction in poverty, whereas the inequality component (increase in income inequality) always brings about an increase in poverty. When the growth component exceeds the inequality component, that is called trickle down growth, where the non-poor benefit more from growth than the poor, but overall poverty is still reduced. When growth component and inequality component move in the same direction, this is pro-poor

growth and both poverty and income inequality are reduced. But if the inequality component overwhelms the growth component, such growth is called immiserising growth and both poverty and income inequality will increase. From 1960 to 2000, economic growth in Thailand was of the trickle down variety, with only two periods between 1992 to 1994, and 1994 to 1996 that can be called the periods of pro-poor growth. However, during 2000 and 2002, the pro-poor growth period has returned. Inequality problems are more critical to economic welfare and poverty than what have been previously thought. Future economic development is not sustainable without satisfactory improvement in income distribution.

In Thailand economic growth over the last four decades increased inequality, particularly in rural areas (even though it may have reduced poverty). This was a result of both from the growing importance of market economy and the growing intrusion of the state into rural communities. According to Siamwalla, three factors - increased inequality, the growing roles of the market, and the growing intrusion of the state contributed to lessen social capital. (In cooperative activities, to the extent individuals invest in the relationship among the group members by not acting opportunistically in the short run, they gain future benefits in the long run. The term social capital refers to this sort of behavior of individuals, which is similar to other forms of capital.) Increasing stratification also led to the exclusion of the poor from benefiting from the collective activities of their communities. In many cases, the transformation of communal relationship into patron-client relationship may have to some extent ameliorated the pain of exclusion, but may have laid to a higher degree of social inequality, and reinforcement of the stratification.

According to Adis (2003) the lack of equal economic opportunity or an ill economic opportunity is a major cause of income inequality in Thailand. Creating an equal economic opportunity is, therefore, considered vital to any sound public policy on income inequality. Suggestions have been made to make correction in five areas presently prevalent, which may lead to an ill income opportunity in the country--lack of re-distributive taxes, disparities in rural-urban development, lack of competition, unequal educational opportunity among rural-urban children, and imperfect capital markets. The unfair subsidy of higher education financing is given as an example of how government policy could lead to greater rather than less inequality.

II. Urban Dynamics and Urban Problems

1. Urbanization and Poverty

Rural-urban migration is inevitable in the process of development. Current urbanization level in Thailand is 40% that is higher than the one in 1995 (37%). Due to the economic crisis in 1997, the urban population declined by 1.2 million in 2001 as a result of its return to rural areas where it originally had come from. By the end of the ninth plan (2006) urban population is forecast to increase up to 42-43%. Urban Areas account for 85% of economic output with 15.2% poverty incidence rate

Urban growth in Thailand has taken place ceaselessly. The urban areas has been the center of attraction for local labor migration because of such facilities as transportation, public health and other infrastructure for better living and earning. People from the rural areas migrate to urban areas in search of better employment

opportunities and higher incomes, no matter permanently or temporary (particularly before the harvest season). Unfortunately, fundamental services are not accessible to them due to their habitation in illegal areas occupied by invasion. Their existence, therefore, has not been recognized by the state.

Following the economic development model urban industrial sector requires skilled labor. Therefore, unskilled urban poor people have turned into efficient labor forces becoming essential part of labor force in response to the needs of domestic and overseas labor markets where competition is crucial. In that sense, the role of urban areas has been shifted from mere source of job in the past to the educational and skill training place.

It is important to promote working skill of urban poor people. The modern economic growth has been associated with the modern production technology. Consequently, difficulty has been experienced in the adaptation process, because most poor people are not well educated. In 2003, the government allocated the budget of 2,441.88 million Baht to support vocational training, about 1.83 % of total poverty alleviation budget.

On the whole, urban poverty has been a minor problem in the government's view. The urban poor people have a greater opportunity of employment and better living compared to those in the villages. Their income is above the poverty line officially identified, which is 886 Baht per month. Following the constant increase in the number of migrant laborers, these people have been encountering the labor and habitation competitions. The higher cost of urban living creates problems for many more poor people. At the same time, the physical environment becomes more deteriorated and polluted as a result of the growth of slum areas to accommodate for low-income people. The number of urban poor people has increased much more in the second and third generations of migrants. The last generation comprises those who have decided to live in the city permanently.

That is to say, what the city has been facing is the problem of local migration from outer to the center of development areas, which has brought about the massive need for housing beyond limit. So far, the National Housing Office has been responsible for providing housing in response to the constantly increasing need. In 2003, the two housing projects were initiated by the state as pilot projects to solve the problem. One is 'Aua Ar-thorn Housing Project'¹, undertaken by the National Housing Office, and the other is 'Munkong Housing Project'², by Community Organizations Development Institute.

Data in 2000 revealed that there have been about 5,500 communities/ 1,500,000 slum households in different cities across the country with a number of people reaching 6,750,000. In addition to that, there have emerged several scattered groups of poor people like those who live in the communal place, temple, factory workers and wandering construction workers totaling about 370,000 households or about 1,500,000 people. The

¹ Munkong Housing Project is the latest model of development that has been paid much attention by the international agencies. It has been proposed by ZUN Habitat, Nairobi), Cities Alliance (Cities Without Slums), and UN Global Task Force on Millennium Target as the model of international coordination. Local communities, with the government support, play the key role in conducting and elaborating the projects across the country. The government provides the financial support and land assurance leading to life security and good quality of lives of urban poor people.

² Community Organizations Development Institute (a Public Organization) is the central body that plays the supporting and managing roles in making systematic cooperation across the city. Its key tasks are to make link in providing education and creating working mechanism to be widely and permanently exercised. It uses the budget granted by the government to community. The Ministry of Social Development and Human security is responsible for policy making.

total number of urban poor people in the country has reached approximately 8,250,000 (or 1,870,000 households). The poor in slum areas accounts for 37% out of the total urban population.

2. Fact Finding Study on Urban Poverty

A fact-finding study on poverty in urban centers of Bangkok Metropolitan Area (BMA) was carried out in 1999 by Chulalongkorn University Social Research Institute (CUSRI). The findings indicated that even when the study areas were classified into slum and non-slum areas, the percentages of the poor living in slum areas was 20.1% compared to 16.7% in non-slum areas. Therefore, the classification of communities into slums and non-slums was not really meaningful. This is because many slums in Bangkok were upgraded during 1980s. People who live in slum areas are somewhat settled and are secured physically. In fact, there are some other poor who were not included in this study. Among these are street people or people who are mobile and have no place to live in. Future studies on the poor will have to select them more purposively.

The second issue was concerned with the comparison of poor and non-poor households in terms of their family composition and size, income, expenditure, and way of life. The study showed that income disparity between the ultra-poor, the poor and the non-poor were quite noticeable. However, all the ultra-poor, the poor and the non-poor had 3-4 persons per household (Table 2).

Table 2. Distribution of the Ultra-poor, the Poor and the Non-poor by Household Size (%)

Size (persons)	Area									Total		
	Inner BMA			Central BMA			Outer BMA					
	Ultra Poor	Poor	Non-poor	Ultra Poor	Poor	Non-poor	Ultra Poor	Poor	Non-poor	Ultra Poor	Poor	Non-poor
1-2	7.2	15.9	25.9	5.5	17.5	24.7	12.5	13.9	23.3	7.5	16.0	24.8
3-4	35.7	50.8	45.0	66.7	30.1	46.9	87.5	47.2	47.2	60.0	42.0	49.8
5-6	57.1	23.8	20.7	16.7	27.0	21.2	0.0	36.1	36.1	27.5	27.8	19.4
7-8	0.0	6.3	5.3	11.1	14.3	4.7	0.0	2.8	2.8	5.0	8.6	3.9
> 9	0.0	3.2	3.1	0.0	11.1	2.5	0.0	0.0	0.0	0.0	5.6	2.1
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

As mentioned earlier, many slums in Bangkok were upgraded during 1980s. People, who live in slums, whether poor or non-poor, had good access to electricity, roads, water supply, etc. Therefore, there were few differences among them with regard to their living conditions.

On the other hand, the study showed that there were distinctive difference in ownership of household consumer durables between the non-poor and the poor. For example, poor families had less access to radios and refrigerators. Apart from this, the poor had a lower level of education than the non-poor. On top of this, the ultra-poor and the poor have negative savings. This meant that they could not have a secure future.

The third issue dealt with the impact of the economic crisis on poor and non-poor households of in Bangkok. According to NESDB, 1999, the economic crisis contributed

to the increase in the number of poor by 1.5 million persons. The impact of the crisis was most severe among the ultra-poor. The number of the ultra-poor increased by 0.9 million as a consequence of the economic crisis. This is supported by (CUSRI, 1999). The survey results showed that the proportion people changing job as a consequence of the crisis was the highest among the ultra-poor families (CUSRI, 1999). The ultra-poor had suffered reduction in their real income to the highest degree because of their being excluded from the labor market. Many of them may were pushed into severe poverty.

Obviously, the economic crisis affected almost all sectors of the economy but the impact was highly uneven. Some people suffer more than others. Macroeconomic policies alone are not sufficient to reduce the sufferings of those who have been severely affected. CUSRI (1999) provided a poverty profile to identify the poor who need to be helped and also identified important measures required to help alleviate the social impact of the economic crisis on the poor that are as follows:

- Identify and prioritize the target groups
- Increase the efficiency of resource allocation to the needy, especially in regard to social welfare and health services
- Monitor and evaluate the success or failure of policies that help alleviate the social impact of the crisis on the poor
- With specific reference to accelerating the progress to attain the goal of poverty alleviation, the government should give particular attention to prioritizing programs to empower the “hard core” poor through access to necessary resources such as credit, technology, training to improve leadership and entrepreneurial capacities, and legislative support to promote their full participation and livelihood
- With regard to programs for social integration, particular attention should be given to addressing the needs of vulnerable groups who tend to be excluded such as women, disabled persons, elderly people, ethnic minorities, victims of HIV/AIDS and other socially stigmatizing diseases, and migrant workers.
- With specific reference to programs for employment, particular attention should be given to improving human resource development through skills upgrading to cater to the changing labor demand in the context of the emerging technology and to reduce the mismatch between employment, and education and training. Identification of programs to respond to the needs of the vulnerable groups in specific locations should be made with care in order to avoid wastage. Diverse programs need to be initiated to respond to diverse needs.

III. National Development Plan and Poverty Reduction

The poverty reduction was not significantly highlighted in the early stage of the national development plan with no concrete contour. The government gave priority only to the economic growth. It was considered that the growth would lead to more employment, better income, and eventually, poor people somehow would gain some benefit. Only later on it was realized that this kind of strategy increased the gap between urban and rural communities. A greater poverty level in the countryside pushed the government to pay more attention to this aspect for both economic and political reasons.

A number of local improvement plans and other measures were initiated in order to reduce poverty among the country's villagers, the majority of the population.

In the fifth and sixth national development plans from 1982-1991, the government emphasized poverty reduction in problematic areas by setting up policy for local development. The fundamental village data were elaborated as management tools. Similarly, during 1992-1996 (seventh plan), the local development plan specified planning and distributing budget, and expanding the economic growth. As a result, the national poverty tended to be lower with percentage reduction of poor people from 57% in 1962 to 11.4 % in 1999.

Following the economic crisis, the constant decrease in the poverty problem has been put on hold. The percentage of poor people increased from 11.4 % in 1996 to 15.9 % in 1999. A number of poor people rose from 6.8 million in 1996 to 9.9 million in 1999. There were 6.8 million poor people in rural community, 2.6 million in urban communities, 0.5 million in others. The government then, in the eighth national development plan, allocated special budget to undertake the following initiatives for poverty alleviation:

- District development fund (fund for district managerial office as well as district council)
- Fund for increasing production and employment in the upcountry
- Village fund
- Efficiency enhancement in managing village and community funds
- Thirty Baht medical scheme

A number of poverty relief projects were also launched:

- Poverty relief programme (under the Department of Social Welfare and relief center of each village)
- Aid to poor or abandoned HIV infected people
- Donation of essential stuffs
- Vocational/skill training and out-of-school education
- Cheap goods market in different areas

Poverty reduction plans were also supported by overseas loans:

- World Bank (WB) and OECF social investment plans to minimize social impacts through employment generation, career promotion and social welfare support.
- ADB loan to lessen social impact on underprivileged persons
- MIYAZAWA plan (social fund) taken up by the government to reduce the impacts of economic crisis

The key objectives of the ninth national development plan (2002-2006) have been to reduce poverty (to the level not higher than 12 % of population by 2006), expand social and fundamental economic services and make them more equally accessible to urban and local poor people, and to reduce disparity between the poor and the rich in the society.

The above poverty alleviation measures initiated by the government were short-term

and long-term in nature with most of them falling into the former category and inconsistent as well. Apparently, during the economic crisis, local loan making deliberately encouraged temporary economic flow.

In summary, most of the poverty reduction initiatives undertaken by the government gave priority to budget distribution alone. The poverty gap minimizing efforts, nonetheless, should also have paid attention to other issues such as with much more concrete plans. Besides, method has been done separately following different proficiency, no appropriate relevance. Poverty alleviation is definitely not only holding skill training or generating income involving one particular organization with sole responsibility. The government should have made an effort in enhancing the involvement of local groups and organizations in cooperation among one another to solve this common same problem.

IV. Decentralization and Urban Poverty Reduction

Government administration in the provinces of Thailand is present in two forms. The one is the central government, operating through the provincial (*Changwat*) office headed by provincial governor, the district office headed by district head (*nai amphoe*), and local representatives of the central government at the sub-district level (*gam nam*) and village (*pu yai baan*). These officials are appointed by the central government and responsible to the Ministry of Interior. Provincial and district level staffs are drawn mostly from the central government ministries. No staff is present at sub-district and village levels, but do exercise considerable power on behalf of the central government.

Elected local government unit is the other form comprising Provincial Administration Offices (PAOs), and *tesaban* offices (*tesaban nakhon*, *tesaban muang* and *tesaban tambon*), which operate in established urban areas, and Tambon Administration Offices (TAOs), which operate in rural and some peri-urban areas.

1. Decentralization: A New Initiative

According to the 1997 constitution, the decentralization process entails resource re-allocation from the central to the elected local government units. The constitution also specifies that 35% of the total public revenue will be in the hands of the elected local government units by 2006. The driving factor behind the decentralization process was that local government units are more democratically formed and are capable of addressing local problems more effectively. Representatives of the PAOs, *tesaban* and TAOs view that the central government officials at the province and district levels are not fully supportive of decentralization process.

In 2002, approximately 21 or 22% of the total revenue was in the hands of local government units, where as it was around 8% in 1997 revealing that decentralization is well underway in the country. As sated above it is important that 35% of the total revenue should go to the local government. However, some functions of the government cannot be decentralized. These include defense, foreign affairs, justice, etc. Therefore, in order to achieve the target of 35%, the proportion of revenues, which can be redistributed, must substantially exceed 35% for those forms of expenditure, which can be re-allocated to local levels. The logic of local participation to ensure use of resources is widely accepted. However, it is a long-term aspiration. Because the rate of decentralization by the constitution is very high, some problems are inevitable in the

short-run.

2. Decentralization and Poverty Reduction

(1) Provincial Administration Offices (PAOs)

The PAOs do not see their role in poverty reduction. They focus on especially public works like engineering and construction rather than social activities. They are involved in training activities, tourist promotion and organizing sporting events to a lesser extent. Their public works activities generally focus matters involving more than one TAO, which requires proper coordination among the parties. The PAOs have budget of at least 100 million Baht, which will increase as decentralization proceeds.

(2) *Tesabans*

Generally *tesabans* are reasonably well prepared to take on additional functions acquired by decentralization mainly with *tesabon tambon* as exception, which are upgraded from the previous category of sanitary district. The *tesabans* too have similar problems as TAOs in kinds if not in degree. The older *tesabans* (*tesaban nakhon and tesaban muag*) are well established and have a clear idea of their roles. The poverty problem identified by them is primarily related to rural-urban migration as experienced in slums. Various programs are launched to address the problems of slum dwellers. Besides, using funding from the central government, there are programs to assist handicapped, aged people and children of broken families. It can be anticipated that they would be capable of taking additional functions made possible by decentralization process.

(3) *Tambon Administration Offices (TAOs)*

A high proportion of the TAOs are not ready for additional functions that decentralization will bring to them. However, some functions transferred from the central government to the TAOs seem to have been handled satisfactorily, for example, programs directed to the elderly and children's nutrition. There exist around 7,000 TAOs in the country and most of them have very low administrative capacity. In some TAOs, it has also been noted that funds are used mainly for honoraria for TAO committee members. When the central government withdraws its functions in rural and peri-urban areas and the financial resources flow to the TAOs, serious problems can be envisaged with TAOs.

The problems of TAOs are important from the perspective of urban poverty for two reasons. Firstly, some of them are urban existing on the peri-urban fringe of traditionally defined urban areas (governed by *tesabans*). Secondly, if they fail to deliver services to poor people, many more of them will migrate to urban areas looking for assistance, thereby exacerbating the problem of urban poverty and the problems of the *tesabans*. Urban poverty and rural poverty are closely associated with each other and therefore cannot be resolved independently.

V. Social Safety Nets

1. Definition and Government Schemes

The World defines “social safety nets” as a mechanism encompassing various transfer programs designed to play both a re-distributive and risk reduction role in poverty reduction. The re-distributive role is intended to reduce the impact of poverty and the risk reduction role is intended to protect individuals, households, and communities against uninsured income and consumption risks. The target groups of safety nets are *a.* the chronically poor, *b.* the temporarily poor, and *c.* the transient poor or not, directly affected by adjustment. Following are the social protection schemes of the government:

(1) Health Schemes

The Ministry of Public Health carries out health schemes as social safety nets. They are financed by both funds from regular annual budget and emergency funds, which may come from loans from foreign sources or emergency government funds. Regular budgets are allocated to two safety net programs--health card for the poor and voluntary health cards.

(2) Education Schemes

Education schemes are supported by regular government budget through e student scholarship funds with support from the ADB loan for 1998 and 1999. The budget allocation for student scholarship in 1998 was 886.20 million Baht and in 1999 520.00 million Baht. In addition, there is budget for education of preschool children in urban areas, which comes through the Department of Local Administration and is equivalent to 7.30 million Baht, and for supplementary food for preschool children through the Community Development Department of 20.50 million Baht.

(3) Workers Social Assistance Program

Workers social assistance program is supported by government budget for workers in informal sector. Different departments under the Ministry of Labor and Social Welfare realized the needs to provide support to such workers and established channels to facilitate and provide assistance to workers in need.

(4) Social Assistance Program for Vulnerable Groups

Social assistance program has been provided for specific groups with specific problems without any universal coverage. Furthermore, social assistance per head has been very small and inadequate. The concept is to provide only temporary assistance. It caters for sick people, people with disability, the elderly, women, children, the unemployed, minority people, and the poor.

Table 3. Key Features of the Social Safety Nets in Thailand

	Project	Target	Benefit
Health Schemes	1.Voluntary Health card Project 2.Low Income Health Card Project	General public	To receive care without expenses from the pre-identified hospitals
Education Schemes	1.Compulsory Education 2.Loan for Education Fund 3.School Lunch Project 4.School Milk Project	- Pre-elementary high school Students - All students at all levels - Pre-and Elementary mal-nourished students - Pre-and Elementary mal-nourished students (grades 1-4)	- Government supports education fees and supplies - Education fees education expense - Lunches - Milk
Workers Welfare Program	1.Overseas Workers Aid Fund 2.Credit Loans for Overseas Job Seekers 3.Worker's Fund 4.Construction Workers and Their Families 5.Skill Development Fund	- Overseas job Seekers - Workers with External debt - Labor with non-Bank debts - Employee and their families - New labor Force; laborer	- Death, invalidity, not-passing health exam abandoned by employers' adversities in foreign land; waiting time to start work; to be indicted. -To receive compensation for 3% inter-states Difference within 90,000 Baht credit - Loans to relieve workers' debt outside the system - To help raise quality of life of employees and families. - Short-term loan for training and raising skill level
Social Assistance Programs for Vulnerable Groups	1.Social Services for Children in families; Foster families; Adoption services; Welfare Institutions	-Children	- Counseling; financial and material support; Child support for foster families; Government Institutions.

2.Services for Disadvantaged Women	-Women and girl	- Protection/welfare; Occupational training; Alternative to prostitution
3.Revolving Fund for Women	-Rural women	- No-interest 15,000 Baht loan per group to be repaid within 2 years
4.Services for Older Persons	-Elderly persons	- Homes for the elderly and monthly allowances
5.Services for People with Disabilities	-People with	- Counseling; financial and material support; Child support for foster families; Government institutions.
6.Services for Hill People	-Women and girl	- Protection/welfare; Occupational training; Alternative to prostitution
7.Families/ Communities Services	-Rural women	- No-interest 15,000 Baht loan per group to be repaid within 2 years
8.Services for Disaster Victims	-Elderly persons	- Homes for the elderly and monthly allowances

2. Government Expenses for Social Safety Nets

Social security has been paid much more attention by the Thai government through the 1997 constitution referring to the citizen's right to well-standard education as well as public health. In addition, citizen has right to the governmental support when being differentially treated based on gender, earning insufficiently, being disabled, and old. The national economic and social development plan (2002-2006) has marked the essence of social protection improvement, not only in terms of efficiency but also in terms of equality and accessibility.

The social protection in the country is not considerate enough to embrace different cases of social security, especially labour protection. In 1997, the government only spent 60,000,000,000 Baht (7.49 % of total expenses or 1.29 % of GDP). However, in 2000, social protection increased to 7.75 % of total governmental expenses or 1.36 % of GDP.

Table 4: Social Protection Expenses of the Government (million Baht)

Items	Year		
	1998	1999	2000
1. Corporate employees			
- social security regarding illness, disability and giving birth	3,578.18	3,637.08	3,964.81
- social security regarding child care and old age	-	3,853.30	4,076.71
- financial endorsement to the employee fund	200	-	-
2. Government officials			
- medical care	16,439.96	15,253.32	17,057.56
- pension fund	27,825.17	30,047.27	29,349.12
3. Private school teachers	317.06	326.31	469.25
4. Children & youths	90.66	90.66	90.66
5. Underprivileged women	28.41	28.41	28.41
6. Old age people	763.35	763.35	1,440.15
7. Homeless people or beggars	0.10	0.10	0.10
8. Disable persons	207.13	117.13	117.13
9. Casualties or victims	107.63	106.92	807.03
10. Families and communities	52.85	142.86	242.86
11. Hill tribe people	15.10	17.36	12.61
12. People in need of social welfare (case of peoples' health care card)	9,944.67	8,405.62	8,812.40
13. Veteran	600-700	600-700	600-700
Total expenses for social protections	60,220.27	63,439.69	67,118.80
Total governmental expenses	800,000	825,000	860,000
The percentage of social protection expenses in comparison to the total governmental expenditures	7.49	7.65	7.75
National GDP as of current rate	4,628,431	4,615,388	4,900,330
The percentage of social protection expenses in comparison to GDP	1.29	1.37	1.36

Note: The average cost of veteran support (850 million Baht) included.

3. Social Safety Nets Project: An Overview

Social Safety Nets were initiated in Thailand to protect underprivileged persons and poor people as part of social protection system. Underprivileged persons, poor people and those affected by different hazards were paid first attention. They were entitled to fundamental services for their survival in the long term. The major social welfare included social services, social support and social security. These were undertaken by the government, private sector, including local communities both officially and unofficially.

The direct projects related to SSN embarked upon employment scheme for unemployed or laid off workers and other social security schemes to minimize the impacts of unemployment. The loan schemes aimed to enlarge governmental expenditures for economic stimulation. These included capital investment, job creation as well as economic promotion in specific areas along the border. Such action encouraged the economic growth of 0.8-0.9% and 0.3-0.5% in 1999 and 2000, respectively. The social impact relief, nonetheless, was not sufficiently exercised. Only few unskilled labor and poor people were employed in the areas. The financial allocation did not relevantly

match with the poverty scale. The money allocated to the general villagers was more than that allocated to the unemployed and the poor. The vocational training program also created inadequate effect on self-reliance and the quality of life.

Some SSN projects were supported by Asian Development Bank (ADB). Review of the social structure of most of the small ADB loan schemes revealed that they had tiny budget and the only one office was responsible for the entire management, including lunching project and providing aid to students affected by particular crisis, etc. On the contrary, the project with a number of offices taking responsibility involving huge task of coordination was not successful. The job creation plan to strengthen community, for instance, failed in holding the training course for the target groups.

The Social Investment Plan (SIP) was considered as the short-term resolution aiming at creating job and generating income for the affected people, for example, medical support and relief to HIV infected people. The Social Investment Fund (SIF) was initiated under the SIP. Its objective was to enhance community efficiency and strength by way of supporting the participation of community groups. It was quite often noted that the construction project encountered the continual problem of administration. Besides, the non-readiness in operation of SIF office, lack of good understanding about the project conception, including the local conflict limited progress of the project.

Indirect projects affiliated to SSN included the projects for improving management, structural adjustment, production and industry that would be indirectly affecting poor people or underprivileged persons. The health industry, for example, would lead to the expansion of employment.

Looking at the relationship between poor people in urban areas and the government's social protection projects, it is revealed that they are supporting each other in some extent. That is to say, poor labors help promoting urban economy while the latter supports them to thoroughly to get social access such as services and fundamental infrastructure. Meanwhile, social protections help build up social safety net matching well with local problems. The sustainable social protection plan does not only support urban people encountering emergency but also lessening persistent problems. The state and urban community need to share responsibilities for such accomplishment at present and also in the future.

VI. The Poverty Reduction Plan of Current Administration

1. The Poverty Reduction Plans

The poverty reduction plan of the present Taksin Administration (February 18, 2001-present) comprises six key initiatives, which are actively in operation. They are described below:

(1) Village & Urban Community Fund

The Village and Urban Community Fund is considered the most urgent task undertaken by the Taksin Administration. This has been aimed at providing funding support to villages and urban communities to be self-reliant, career expansion, job and income promotion as well as social welfare. The project has been launched since June 5,

2001. The government has set up 1million Baht fund, which is managed and administered by villagers, for supporting various activities as shown below:

- Agriculture: 71.91 %
- Trade: 16.33 %
- Industry: 4.08 %
- Services: 3.99 %
- Emergency relief: 1.96 %
- Group activities: 1.50 %
- Others: 0.23 %

(2) Three-year Debt Moratorium and Debt Reduction Plans

The objective is to solve the debt and poverty problems of small-scale farmers by enabling them to secure better income as well as increase their savings to promote farming activities. The Bank for Agriculture and Agriculture Cooperatives has been assigned to undertake this project, which is in operation since March 20, 2001. Participating farmers are entitled to types of support--debt moratorium and debt reduction.

(3) People's Bank

Among others, people's bank is one of urgent tasks carried out by the current administration. The bank is aimed at helping poor people to get access to funding sources with low interest rate to improve their career. The Government Savings Bank has played the key role in creating this scheme to serve the need of people who are keen in doing small business. It has provided simple conditional loan that sufficiently fulfils the needs, and other financial services. Besides, the training and consultation related to finance and professional development are specifically provided to the members. The bank has served all above services since June 25, 2001.

(4) Thirty Baht Medical Scheme

In line with the legal provision in the current constitution regarding the Thai citizen's right and freedom that all is equally entitled to the same standard of medical services, the Thirty Baht Medical Scheme is key policy on health security. The rationale of this scheme is to help poor people as well as low-income earners decrease their medical expenses. The figures show that the Thais' medical expenses continuously increased about 60 per cent of total medical costs. As per this scheme, which has been effective since 2001, people pay only thirty Baht per treatment.

(5) One District: One Product

In order to promote value addition of local products, the current administration took the initiative of One District: One Product. It encourages local communities to produce good quality products well recognized in Thailand as well as in other countries. The products are to be made from local resources and by local wisdom, serving locally in

terms of job creation, income generation and human resources development is to be exercised. Modern education and knowledge, and management skill and product marketing for domestic and overseas distributions are provided by the government. This project has been launched since 2001.

(6) Housing Schemes for Low-income Earners and Underprivileged People

- a. Aua-Ar-Thorn Housing Project: This project is for housing development for low-income earners and underprivileged people. Its objective is to build up housing within Bangkok and suburb, including major and minor regional cities. The project was launched in 2003.
- b. Munkong Housing Project: This project is for housing improvement for poor people in slum areas. It is aimed not only to improve the housing condition but also lessen the other housing problem. The project was initiated in 2003.
- c. Aom-Sin Housing Project: Under this project, housing loan is provided to people to build up houses on their own lands. Besides, loan is provided to low-income earners to invest in housing or real estate project. This project was started in 2003.
- d. Kor Bor Khor Housing Project: This operates as government pension fund. The project has been in operation since 2001 providing services for the government officials who are members.
- e. Thor-Aor-Sor Housing Project: This operates like government housing bank. It provides low-interest housing loan to the employees of state enterprises. It is operation since 2002.

2. Social Problem and Poverty Registration Plan

The Taksin Administration has launched this plan to be jointly and cooperatively taken up by all concerned governmental agencies for registering social problems and poverty. Issues to be registered are as follows:

- Land right or land distribution for livelihood
- Beggars and wanderers
- Illegal workers
- Guidance to students to earn by doing appropriate jobs
- Deception
- Peoples' debt
- Housing for poor people

Peoples' debt, land for livelihood, and housing were on the top among the problems registered.

(1) Method and Duration

- a. Registration and examination processes with regard to social problems and poverty in 8 pilot provinces were taken up during December 6, 2003-March 31, 2004. In the other 67 provinces, including Bangkok and Pataya, they were carried out from January 5 to March 31, 2004.
- b. Study and analysis processes on registered data were carried out from April 1 to June 30, 2004.
- c. Appropriate aids to those who registered their social problems and poverty will be actively in action from July 2004. (It is important to highlight current status.)

Table 5. Responsibility Areas of Various Government Agencies

Agencies	Responsibility areas
Bangkok Metropolitan Administration	Bangkok
Department of Local Administration Promotion	Districts in Pataya
Department of Community Promotion	Districts and villages throughout the country
Ministry of Education	Guidance to students to earn by doing appropriate jobs

The government has also set up the focal point to fight against poverty within Bangkok and other provinces across the country. Total period for action to solve the poverty problem was divided into three:

First period: Registration, examination and analysis of peoples' difficulties including brainstorming

Second period (2005-2006): Working out to find out solution

Third period (2007-2008): Development of sustainable solutions on poverty and related issues

In 2004, the total budget for solving poverty problem was 18,163 million Baht. There were 13 ministries and 26 affiliated bodies responsible for four elements as shown below:

- a. Efficiency enhancement and opportunity encouragement for poor people: 6 ministries and 13 affiliated agencies with 6,006,820,000 Baht budget
- b. Debt solutions for farmers: Two ministries and 3 affiliated agencies with 6,825,920,000 Baht budget
- c. Public utilities and fundamental structures for poor people: 4 ministries and 7 affiliated agencies with 4,644,700,000 Baht budget
- d. Unemployment reduction and skill training: 1 ministry and 3 affiliated agencies with 686,340,000 Baht budget

Conclusion

The analysis of the poverty situation in Thailand over the past four decades reveals that there has been improvement in the overall poverty situation in the country. However, from the regional perspective, the disparity has widened with the fruits of economic growth the country enjoyed achieving the status of Asian Tiger being concentrated only in some regions, particularly Bangkok, the capital and the central plain where it is located, neglecting the other regions, especially the North-east (*Isan*), the largest region. Comparing between rural areas and cities, it has been observed that the former has lagged far behind causing a large number of people from rural areas to migrate to urban areas. As the rate of migration speeded up and the infrastructure and services available at the urban centers stretched to the limit, the adverse impact was noted on urban poverty in terms of growth of slums and informal sector. In other words, rural poor could not be accommodated in urban areas without adequate employment opportunity, shelter, health services, educational facilities and the like. This shows how rural poverty and urban poverty are closely related to each other. Nonetheless, the process can reverse when employment opportunity in urban center declines or even ceases to exist as experienced during the economic crisis south east Asian economies experienced, including Thailand, in late 1990s.

When poor people come to urban from rural areas, they encounter a number of problems related to the adjustment in city. At the same time, they lose the opportunity to get help from their neighbors back home in the time of need, a natural component of their rural life style, which works as rural safety net. This is a social capital accumulated over years that has no meaning in city life. To address the poverty problems, the government launched various measures. However, they do have their own pitfalls. For example, Thirty Baht Medical Scheme, discussed above, requires people to go to their native place to be eligible to get a benefit, which causes difficulty to the people living far away from home. This is equally applicable in the area of education demanding identification from urban poor.

Following measures can be suggested to alleviate the problem of urban poverty:

- Land reform: Giving land right, re-distribution land and utilizing unused land
- Educational reform: Expanding thoroughly the basic education and life long education opportunities
- Health care reform: Opening access to health care services and reducing medical expense for the poor
- Reform of law for the poor: Introducing natural resources law and granting nationality to ethnic groups
- Tax system Reform: Levying lower tax for small enterprises and improving tax collection system to help reduce the gap between the rich and the poor
- Good governance: Motivating government agencies to work with the poor transparently
- Housing re-arrangement: Building low-interest rate housing and arranging infrastructure for the poor in urban areas
- Economic system improvement: Improving economic system to create employment
- Institution related to poverty: Establishing an institution directly in charge of poverty problem in the country

- Awareness and cultural values: Implanting awareness and cultural values to pull the poor up from poverty, for example, economy, tolerance and self-dependence through different kinds of media.
- Family values: Encouraging intra-family relationship and good values such as caring, gracefulness and unity in the Thai society
- Democratic system: Allowing the poor to participate in all kinds of community and national activities, including political elections and natural resources management at local level

The measures mentioned above can be termed as curative measures for urban poverty reduction. However, preventive measures assume equal importance, which refers to turning back at the source of urban poverty itself, that is, addressing the problem of rural poverty before it is transformed to urban poverty through the adoption of regional approach to development.

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