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On Social Protection and its centrality to address multidimensional poverty

- Thailand has made considerable progress in reducing monetary and non-monetary poverty in the past 50 years, however, poverty remains an issue, especially in certain regions and among certain population groups. That is to say that beyond absolute poverty rates, high levels of inequalities whereby certain regions demonstrate higher rates of poverty both in monetary and non-monetary aspects, is a concern.
- Covid-19 has exacerbated these challenges and laid bare the pre-existing inequalities.
- These disparities interact adversely with three other fundamental problems in Thailand, i.e. aging population, middle-income trap, and depleting social cohesion.
- Without hard commitment from all societal fractions, the multidimensional poverty will remain the key problem of Thailand in the foreseeable future.
- Social protection in Thailand has been a core component of the national development strategies and vision and the Government has been investing in multiple social protection schemes over the past three decades. However, the overall social protection system in the country remains fragmented – a reality that has limited the efficiency, responsiveness, and impact of multiple social protection investments in addressing “poverty”, “vulnerability to poverty” and inequality across the population.
- The effectiveness of social protection schemes is further limited by **the low value of transfers** and **narrow targeting strategies** relying on proxy means tests and self-registration.
- Furthermore, the welfare system and government spending is skewed towards the core of the labour market, and as such, spends less on those in the peripheries of the formal labour market and the large population in the informal labour market. It also falls short of taking account of the unpaid care work that is predominantly performed by women.
- In 2020-2021 and in response to the socio-economic shocks of the COVID-19 pandemic, the government mobilized its resources and multiplied its expenditure on social protection several fold. However, despite the continued and heightened need among a large section of the population, the Government appears reluctant to expand its investment in regular social protection, citing lower tax revenues and higher public debt as constraints.
- The government is also emphasizing targeting as a key strategy in its social protection and some are even suggesting making the current universal schemes more targeted.
- But this view is wrong. The Thai government should see social protection as a very effective human-centered development strategy that will address the four fundamental and inter-related problems of inequality, aging, middle-income trap, and social cohesion. Social protection allows people to reach their full potential (free basic social services), manage risks (inclusive social

insurances) and lift themselves out of poverty/vulnerability (inclusive social assistance and employment support).

- Implementing the human-centered social protection must adhere literally to the concept of 'Leave No One Behind' as Thailand can no longer afford missing out on the opportunity to benefit fully from its soon-to-be declining population.
- This requires (a) higher spending on social protection to provide a basic universal floor by maintaining the universal health care and old age pension as well as universalizing the Child Support Grant, parental leave, long-term care, skill training, and the unemployment benefits, and (b) better coordination and integration across the social protection sector, including through developing social registries and integrated management information systems.