

## สารความเป็นธรรมทางสังคมและความเหลื่อมล้ำ

นโยบายแรงงานรับมือสังคมสูงวัย: ประเทศไทยบรรลุความมั่นคงของมนุษย์ร่วมกับการเจริญเติบโตทางเศรษฐกิจได้อย่างไร?

Labor Policy Responses to Ageing Society: How Thailand Achieve Human Security with Economic Growth?

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### บทคัดย่อ

ในขณะที่การเปลี่ยนแปลงโครงสร้างประชากรส่งผลกระทบต่อตลาดแรงงาน รัฐได้ผลิตสร้างนโยบายแรงงานที่กรอบต่อความมั่นคงของมนุษย์ในการทำงานและการย้ายถิ่นไปพร้อมกัน เพื่อสร้างความเข้าใจแนวคิดความมั่นคงของมนุษย์ในการทำงานและการประยุกต์ใช้แนวคิดดังกล่าวในประเทศไทย บทความนี้มุ่งศึกษานโยบายแรงงานที่ตอบสนองกับการเป็นสังคมสูงวัย โดยมุ่งหมายที่จะค้นหาซึ่งว่าทางนโยบายและเปิดเผยให้เห็นโอกาสทางนโยบายใหม่ ๆ หากนโยบายแรงงานยังมีข้อบกพร่องก็จะเป็นเหตุให้ประชากรผู้สูงอายุตอกย้ำในความยากจน สร้างภาระให้กับผู้หญิงทำงาน มีการเลือกปฏิบัติต่อแรงงานข้ามชาติ และไม่หนุนเสริมคนทำงานที่มีภาระรับผิดชอบต่อครอบครัว ฉะนั้น กลุ่มประชากรเปราะบางสีกลุ่ม ได้แก่ ผู้หญิงทำงาน แรงงานข้ามชาติ คนทำงานสูงวัย และคนทำงานที่มีภาระรับผิดชอบต่อครอบครัว จะเป็นกลุ่มที่ได้รับผลกระทบมากที่สุดจากสังคมสูงวัย บทความนี้จะสำรวจตรวจสอบนโยบายแรงงานที่เกี่ยวข้องกับกลุ่มประชากรเปราะบางดังกล่าวและวิเคราะห์ประเด็นปัญหาที่เกี่ยวข้องกับความมั่นคงของมนุษย์ในการทำงาน

คำสำคัญ: แรงงาน; นโยบายแรงงาน; สังคมสูงวัย; คนทำงาน; คนทำงานที่เป็นกลุ่มเปราะบาง

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## Abstract

While the deficit demographic has an adverse effect on the labour market, governments have generated labour policies that affect human security at work and migration. To better understand the concept of human security at work and its implementation in Thailand, this work aims to study the current labour policies in response to the ageing society, with the larger aim of assessing the policy gap and addressing the policy opportunities. The deficiency of related labour policies has caused poverty among the elderly population, a growing burden for female workers, discrimination against migrant workers and poorer support for workers with family responsibilities. Hence, these four vulnerable population groups, including female workers, migrant workers, elderly workers, and workers with family responsibility, will be affected most by labour policy responses to the ageing society. The labour policies related to these vulnerable populations will be inspected and analyzed to determine emerging concerns about human security at work.

**Keywords:** labour; labour policy; aging society; workers; vulnerable workers

## Introduction

Population ageing is a global phenomenon. Both developed and developing countries are facing population ageing, which has a significant impact on economics and society. While the deficit demographic has an adverse effect on the labour market, governments have generated labour policies that affect human security at work and migration.

Recently, Thailand has been facing conflicts and inequalities in all aspects. As the result of imbalanced development with an insufficiency of human development and human security concepts, the country is caught within a middle-income trap and political polarization. After the coup d'état in 2014, in order to achieve development progress, the human development perspective became the core interest of the reform movement and a significant part of the 20 years National Strategy Plan (2017-2036), which is signified by educational reform policies. Nevertheless, the human security perspective in its development plan seems to have less presence under military government, especially the well-being of workers, who are the noteworthy drivers of economic engines. Hence, the lack of human security at work may cause the shrinkage of economic growth and, thus, development as well.

This work aims to study the current labour policies in response to the ageing society to better understand the concept of human security and its implementation in Thailand. The larger aim is to assess the policy gap and address policy opportunities.

This article will begin with an illustration of the contemporary ageing situation in Thailand and its effect on labour forces and human security at the work of vulnerable populations. Afterwards, labour policy responses to the ageing society, which are associated with four vulnerable population groups- female workers, migrant workers, elderly workers, and workers with family responsibility- will be analyzed and discussed. Further key policy issues related to job security, income security and social protection will be addressed. The analysis result of the labour policies will benefit recommendations for improving the policies mentioned to achieve human security at work.

### **Current Ageing Situation in Thailand**

Apart from the drastic economic transformation, Asian countries, as well as Thailand, are experiencing population ageing because of increasing life expectancy and decreasing fertility rates. Recently, it has reached 11.3 million or 16.7% of its population in 2017 and will become a completely aged society (Complete aged society is the society; whose elderly population is more than 20% of its population.) in 2021, and super-aged society (Super aged society is the society; whose elderly population is more than 28% of its population.) in 2031 (National Statistical Office (NSO), 2014).

### **Effect of Ageing Society on the Labour Market**

The demographic deficit has adverse effects on labour markets and economic growth (Harper, 2014). The decline of the working-age population will increase the demand for labour forces.

In the Asian context, former research focused primarily on integrating social support systems, both formal and informal, for the elderly population, especially the strengthening of the family's capability to provide this support (Chan, 2005). Although the Thai government has generated several social policies to support the elderly population's well-being (Jitapunkul & Wivatvanit, 2008), most of Thai elderly people remain vulnerable, predominantly female and elderly in rural areas (Knodel, Teerawichitchainan, Prachuabmoh, & Pothisiri, 2015). While lifelong education and heightening productivity are significant factors in overcoming the poverty of the future elderly generation, (Serban, 2012; Suphannachart, 2016), it is undeniable that the working poor and low-paid workers are facing the highest risk of being the future poor elderly population.

## Human Security at Works of Vulnerable Population

Human security has shifted the view of security from state-centred to human-centred and connected human development concepts with human rights. The core principles of human security are 'freedom from fear' and 'freedom from want', which aim to tackle and overcome all kinds of threats to humans.

Consequently, various definitions of human security concepts have been introduced. In 1994, the Human Development Report classified human security into seven categories (UNDP, 1994): economic security, health security, food security, environmental security, personal security, political security and community security. Some include challenges people confront in everyday life, such as education opportunities, job and income security, and social and cultural freedoms (Devon, 2014). Therefore, human security at work may involve job security, income security, freedom of association and social protection.

In general, many developed countries respond to the challenges of an ageing society by increasing the labour force and encouraging reproduction. Compensated policies include expansion of women's participation in the labour market, migration, extension of elderly economic activities and family support (Wainerdsak, 2013). For that reason, the deficiency of related labour policies has caused poverty among the elderly, a growing burden for female workers, discrimination against migrant workers, and poorer support for workers with family responsibilities. Hence, these four vulnerable population groups—female workers, migrant workers, elderly workers, and workers with family responsibility—will be most affected by labour policy responses to the ageing society. The labour policies for these vulnerable populations will be inspected and analyzed for emerging human security concerns.

## Labour Policy Responses to Ageing Society

### Women's Participation in Labor Market

In the past, the roles of Thai women have taken place in family zones, population reproduction areas and economic activity participation for a long time (Maurer, Ratajczak, & Schultz, 1973). In the globalization era, economic growth required large workforces. The shift of economic activities from the agricultural sector to the industrial sector was increased. Rural Thai women moved into the city. Even though they gained more economic authority, their family responsibilities remained (B. Albritton & Beth Mills, 2000). Thus, the role of Thai working women consists of complex aspects of women's experiences (Korpradit, 2011).

In response to the ageing Society, the labour market tries to attract female workers with two key women-friendly workplace strategies: equal pay and maternity protection. Simultaneously, two international labour standards are established to protect the human security of women at work: the Equal Remuneration Convention (ILO No. 100) and the Maternity Protection Convention (ILO No. 183).

### **Equal Pay for Equal Work**

The Equal Remuneration Convention aimed at equal remuneration for male and female workers for work of equal value to reduce both the gender pay gap and gender discrimination in the form of earning inequality. Since it is one of 8 ILO fundamentals, 173 countries, including Thailand, ratified it. To conform with this convention, Article 53 of the Labor Protection Act 2017 states that *“in case that the work is of the nature and quality with the same quantity, employers must pay equal wages to men and women, which cover all forms of pay, including salary, overtime pay, holiday pay and overtime reimbursement in holiday”*.

However, the gender gap between Thai men and Thai women persists throughout a working lifetime (UNDP, 2006). Likewise, the gender wage gap has increased more extremely among informal workers across regions and economic sectors of Thailand (Pooitiwong, 2017).

### **Maternity Protection**

Since the Maternity Protection Convention intends to protect the working mom's rights, six issues are addressed: health protection, maternity leave, leave in case of illness or complications, benefits, employment protection and non-discrimination and breastfeeding mothers. Although Thailand has not ratified this convention, maternity protection is assured by the Labor Protection Act 2017 and the Social Protection Act 2016. The former Act forbids pregnant employees to work at night/overtime/on holiday or with health risks for mother and child and offers a maximum maternity leave of 90 days with a maximum of 45 days paid leave. The latter Act offers paid maternity leave at 50% of the average 90 days' wage and 13,000 Baht for a childbirth package for a maximum of two times, allows actual sick leave in case of illness or complications with a maximum one-month wage per year, and states protection of pregnant employees from maternity discrimination.

Yet, without concrete law enforcement procedures and tangible penalties, employers could fire pregnant female employees and deny their employment in recruitment processes. Additionally, female migrant workers are affected most by maternity discrimination, despite the protection policy efforts of the government and public sectors (Fair Labor Association, 2018).

Still, female workers have gained less support to fulfill their life purposes in the contemporary world as successful working women, upright working moms, and respectable caregivers.

### Migration

Lately, while more young workers have shifted to industrial and service sectors, more ageing workers have remained in agriculture. The decline of the workforce population in agriculture sectors, therefore, has caused a labour shortage. Thus, the demand for migrant workers from neighbourhood countries has risen, and migrant workers have contributed to at least 3% of Thailand's GDP in 2005 (Martin, 2007) . Recently, the country hosted at least 2 million migrant workers from Cambodia, the Lao People's Democratic Republic and Myanmar or 5% of the 38 million Thai workforce population in 2017 (National Statistical Office (NSO), 2017) Most fulfill low-skill jobs, especially in agriculture and fisheries, industry and construction, and domestic work.

Initially, the Thai government's migrant worker policy focused mainly on immigration rights, which required the registration of migrant workers. Although the Labor Protection Act 1998 has guaranteed the worker rights of migrant workers as well, the unregistered migrant workers could not afford legal protection because the employer does not need to be responsible for the registration fees, social protection reimbursement, and a health insurance scheme. Therefore, most migrant workers remain unregistered and have no job or income security. Due to the deficiency of migrant health policy, including reproductive health, female migrant workers became the first victims of maternity discrimination. In contrast, the newborn children became stateless and lacked education opportunities afterwards. Some migrant workers have a high risk of becoming victims of human trafficking in demanding working conditions, especially in the fisheries industry.

To fulfil the labour force demand in the country as well as to protect the worker rights of migrant workers, the Thai Government has gradually developed several policies. While the new Royal Decree on Foreign Worker Management 2018 tends to establish an effective registration mechanism for migrant workers, the revision of the Immigration Act 1979 aims to resolve the conflict between migration rights and worker rights even though the high cost of the registration process from both origin and destination countries is still a significant barrier to enforcing the new law. Whereas the voluntary health insurance fee for migrant workers has slowly increased from 500 Baht in 2005 to 3,700 Baht in 2011, only 0.3 million migrant workers or 9% of the estimated 3.5 million were covered by the social security scheme (Tangcharoensathien, Thwin, & Patcharanarumol, 2017).

Hence, the migrant workers' management registration process still relies on employers' virtue, and the migrant social protection scheme is still unaffordable, although solidarity among ASEAN countries is requested.

### **Elderly Economic Activities**

In recent times, the increase in the ageing population has caused a deficit workforce in some sectors, especially in the government sector. Previously, the Government Pension Fund Act 1996 set the retirement age of civil servants at 60. But when the estimated number of people reaching retirement age will be 14% in 2018, 17.5% of the total population in 2020, and 25.2% in 2030, the retirement age of civil servants has been reconsidered.

The National Reform Plan, which was recently published in the Royal Thai Government Gazette in 2018, specifies the extension of the retirement age to 63 for all civil servants. Furthermore, the recent Labor Protection Law 2017 has established a fixed retirement age for all employees at 60, and retirement has become another form of job termination by which employers are responsible for severance pay. By adjusting the retirement age, the government will save on pensions and recruiting new staff. In the National Reform Plan, a job creation plan exists for more than 100,000 elderly and disabled persons.

However, elderly workers in the informal economy, especially in rural agriculture and urban service sectors, who comprise most of the elderly population, do not benefit from these new policies. Only advantaged formal workers have gained attention from policymakers.

### **Workers with Family Responsibility**

In the era of longevity and low fertility, various family types have diverse family relationships. Apart from husband-wife or parent-child families, extended families that involve skipped-generation families exist, to which modern workers belong. (Peek, Im-em, & Tangthanaseth, 2015) When a family member becomes ill or disabled, workers with family responsibilities have to assume the role of workers and caretakers. Within the ageing society, while each worker is required to earn more to support dependent family members and take care of ill/disabled family members, labour policies should provide support to fulfil both family needs and work requirements.

One of the international labour standards to keep the work-life balance of modern workers is the Workers with Family Responsibilities Convention (ILO No. 156). This convention's purpose is to

accomplish equal opportunities and equal treatment for men and women workers and workers with family responsibilities. 44 ILO's country members have ratified.

Although Thailand did not ratify this convention, several Articles of the Labor Protection Act 2017 initiated several supports for workers with family responsibility. Generally, two forms of support are paid leave and allowances. By this Act, while all employees who have worked more than one year are allowed to have at least six days' annual leave, Thai male employees are permitted to have supplementary paid military leave for a maximum of 60 days' wage annually. In addition, under the Social Protection Act 2016, insured persons will receive 600 Baht monthly child allowance for children under six years.

Although Thailand is aware of becoming an ageing society and young workers are encouraged to have children, the child allowance is lower than the average nursery fee. While parenting is widely recognized as a job, no parental allowance exists. Single-parent or ageing grandparents' families in rural areas (Knodel & Saengtienchai, 2007), who take care of children, have a more significant economic burden than the typical family.

Apart from the annual leave, only good Thai men who serve in the military get paid leave. Hence, there is no paid leave for family care time for an aged or disabled person. While maternity leave is broadly accepted, parental or paternity leave is not widely accepted in Thai society.

To sum up, there are a lot of policy challenges for supporting Thai workers, who have to take care of children, aged people and disabled people at home.

### Other areas of policy concerns

Two-thirds of the Thai workforce population, 22.6 million of the 31 million in 2015, is in the informal sector. Most are in the agriculture sector, mainly in old age with lower education levels. Although they work hard, they earn 2.55 times less than formal workers. On the other hand, they have to pay social security fees more than formal workers' friends. Because of their lower income and fewer social security benefits, compared with former workers, only 2 million or 9% of them entered Social Security and could not join the National Saving Fund (Charoenratana & Anukul, 2017). According to the previously mentioned labour policies, elderly workers in the informal economy became invisible. However, they are at the highest risk of living in poverty or being the working poor in society.

In addition, women will be affected the most by becoming an ageing society. While they have been urged to participate in economic activities and tried to succeed as male workers, they are

expected to have children and maintain parenting roles. Besides, when any elderly family members become ill or disabled, they also have to take over the caregiver role. Without appropriate policy interventions, gender equality would be widening and cause the decline of economic growth as it already took place in Japan.

## Recommendations

The core strategy is to tackle recent poverty among the working poor and prevent poverty among future elderly generations. Recommended policies are as follows:

### 1. Increase workers' job and income security

- a. The government may restrict unnecessary fixed-term employment contracts to encourage the hiring of permanent workers. While temporary workers under fixed-term contracts confront job and income insecurities, fewer social security benefits, and limited access to training opportunities, permanent workers under open-ended contracts appreciate job and income security. Different restrictions could be introduced for firms of various sizes and missions.
- b. The government may increase the minimum wage annually to a living wage if the government and private sector do not support freedom of association and the right to negotiation. The calculation of a living wage may be based on research collaboration among universities and remarkable research institutes and should be conducted every five years. Although the implications of a living wage for informal workers depend on their nature of work and employment conditions, the working poor should also have a living wage as a guaranteed basic income.
- c. On the other hand, if the government would like to strengthen labour unions to encourage social dialogue between the private sector and workers, the government may ratify the Freedom of Association and Protection of the Right to Organize Convention (ILO No. 87) and the Right to Organize and Collective Bargaining Convention (ILO No. 98) and revise the obsolete Labor Relation Acts 1975.

### 2. Assure equal pay for equal work

- a. The government may require large companies to apply their employees' policies. The employees with the same work responsibility and/or the same position should be informed about their co-workers' wages. They could request equal pay if any of

them found unequal pay for equal work. Besides, the company should publish their wage system report to the public too.

### 3. Increase migrant workers' job and income security

a. The government should imply the same job and income security policy for migrant workers' employment so that migrant workers are included within society. Because most of them are young, they use health services less than Thai workers. An inclusive social protection scheme helps the government prevent future poverty among them and their children as civil members of society.

### 4. Minimize worker's family economic and health burden

a. The government may substitute the establishment of affordable nurseries by the community and increase the child allowance to meet the nursery fee.

b. The government may integrate parental allowance into the Social Protection Scheme. Parents who cannot work full-time after pregnancy may receive a part of their previous income monthly for 12 months. Single parents may receive parental allowance for a maximum of 14 months.

c. The government may integrate family allowances into the Social Protection Scheme. Workers who have to take care of dependent family members, such as elderly or disabled people, may receive appropriate family allowances for each person.

d. The government may integrate paid leave for children's illnesses and non-paid leave for other family members' illnesses into the Labor Protection Act 2017.

### 5. Specify available jobs for elderly people

a. The government should specify some jobs for elderly workers. Research should be conducted to find out available jobs that are seized by young workers.

b. More decent jobs should be created for younger workers.

## Conclusion

The poverty among the recent elderly population is the result of the previous development policy. Most of the labour policies in response to the ageing society are in the initial state and cannot tackle the current poverty as well as inequality among female workers, migrant workers, elderly workers and workers with family responsibilities. While the private sector benefits most from workers, their surplus should be distributed more to the Social Protection Scheme. Otherwise, they will

become free riders who push the social and economic burdens on the cost of workers and the government. On the way towards development, human development, as well as human security, should be the central of policy intervention. The implication of human security for workers across ages, genders, nationalities, and sectors could be an effective strategy to avoid poverty for the future elderly generation.

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