



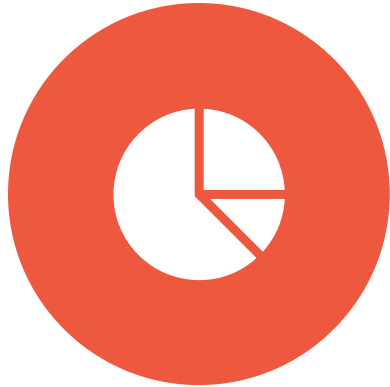
Economic Change of Lowest Income Households in Thailand

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OUTLINE



INTRODUCTION



LOWEST INCOME HOUSEHOLDS



ECONOMIC CHANGE OF LOWEST
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INTRODUCTION

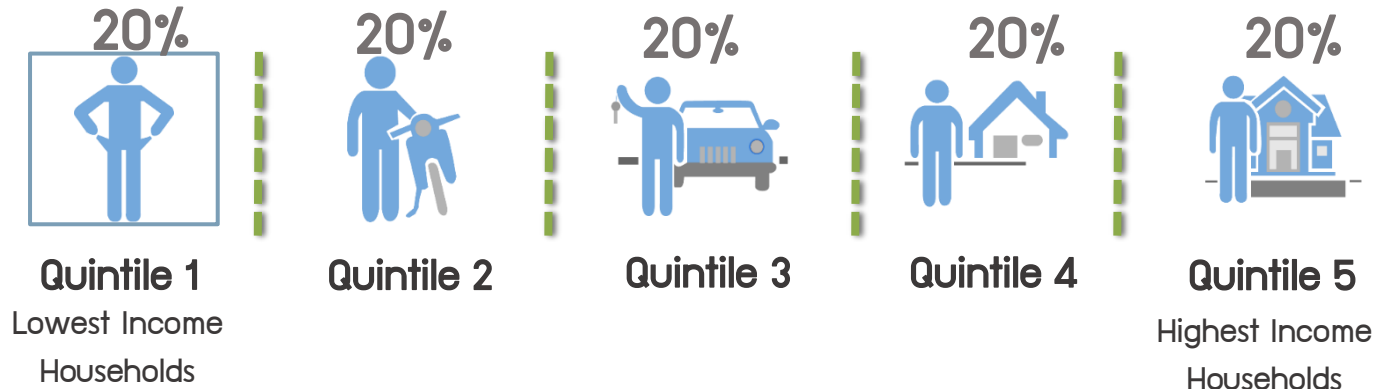
- Inequality; the government has set the related policy in the wider 13th National Economic and Social Development Plan which is in line with the government's 20-year National Strategy.
- The purpose of this paper is to study changes in the economy which occur in the lowest income households in Thailand.
- The first quintile group includes households that had to deal with the economic insecurity situation which was easily influenced and possibly unable to recover. It was important to study the characteristics and economic status so that the government could track and monitor the standard of living for people in this group.

INTRODUCTION (CONT.)

- This paper presents the important issues related to economic change which have been studied in the analytical report of the household's lowest income.
- It was analyzed from **the household socio-economic surveys (SES)** in the last decade (2011 to 2021). These data are nationally-representative household surveys in Thailand conducted by the National Statistical Office of Thailand.
 - Sample size around 23k households.
 - Methodology of this survey is two stage stratified random sampling.
 - Sampling units is households, collection period: every month
 - Dissemination Expenditure dataset annual, Income dataset every 2 years (latest dataset 2021).

LOWEST INCOME HOUSEHOLDS

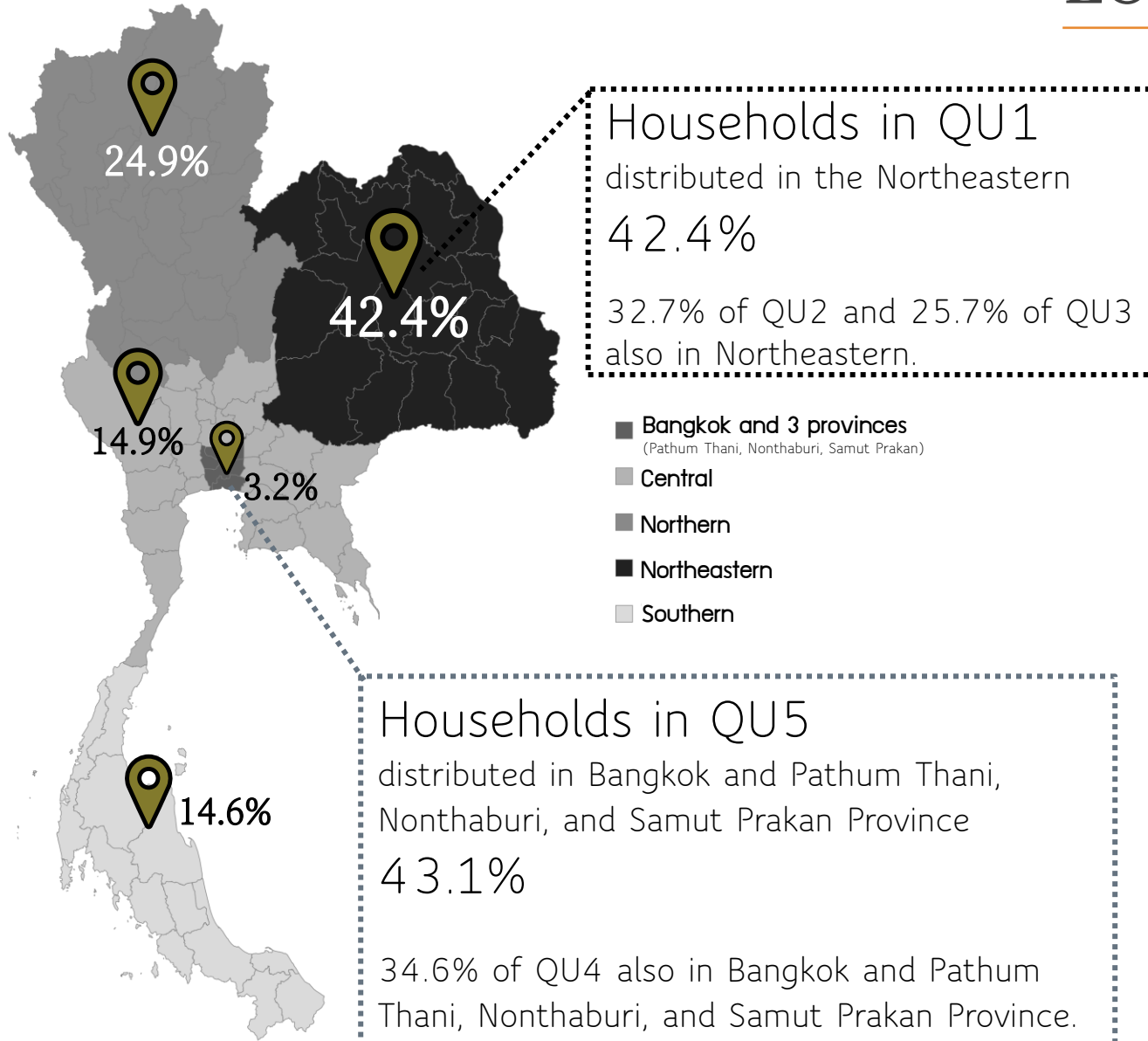
The lowest income households;
The first quintile group at the
bottom of the income
distribution in Thailand.



- The lowest income households, the households that are easily affected by economic changes.
- In analyzing economic characteristics, households were equally divided into 5 groups of their average monthly income per capita.
- It was called 5 quintiles; lowest income households in Thailand (QU1), low income households (QU2), middle income households (QU3), high income households (QU4), and highest income household (QU5) respectively.

Distribution of households

Where are the lowest income households (QU1)?



GENERAL CHARACTERISTICS OF LOWEST INCOME HOUSEHOLDS

Most of lowest income households 73.2% located in **rural areas** although in the **last decade** was found that lowest income households increase in urban areas almost doubled

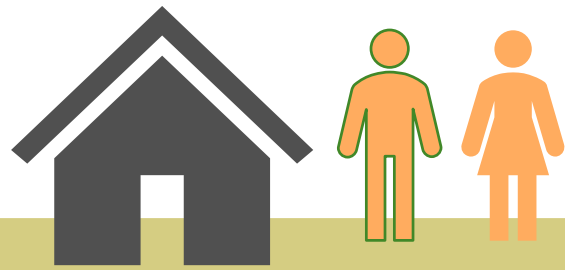
Increasing of the lowest income households in urban areas was possible by 3 causes; immigration of lowest income households from rural to urban areas,

other income level groups of households in this area became the lowest income households, or

the **rural areas** that the lowest income households have stayed was updated into urban areas by Department of Provincial Administration.

GENERAL CHARACTERISTICS OF LOWEST INCOME HOUSEHOLDS (CONT.)

Characteristics of lowest income households



Households size:
4 persons

Head of households

Gender: Male 59.4%

Marital status: Marriage

Average age: 59.5 years

Highest education: Primary Education

Working: Agricultural sector

The household size of the lowest-income household was the largest.



1 childhood

Age 0-14 years



2 working-age

Age 15-59 years



1 old-age

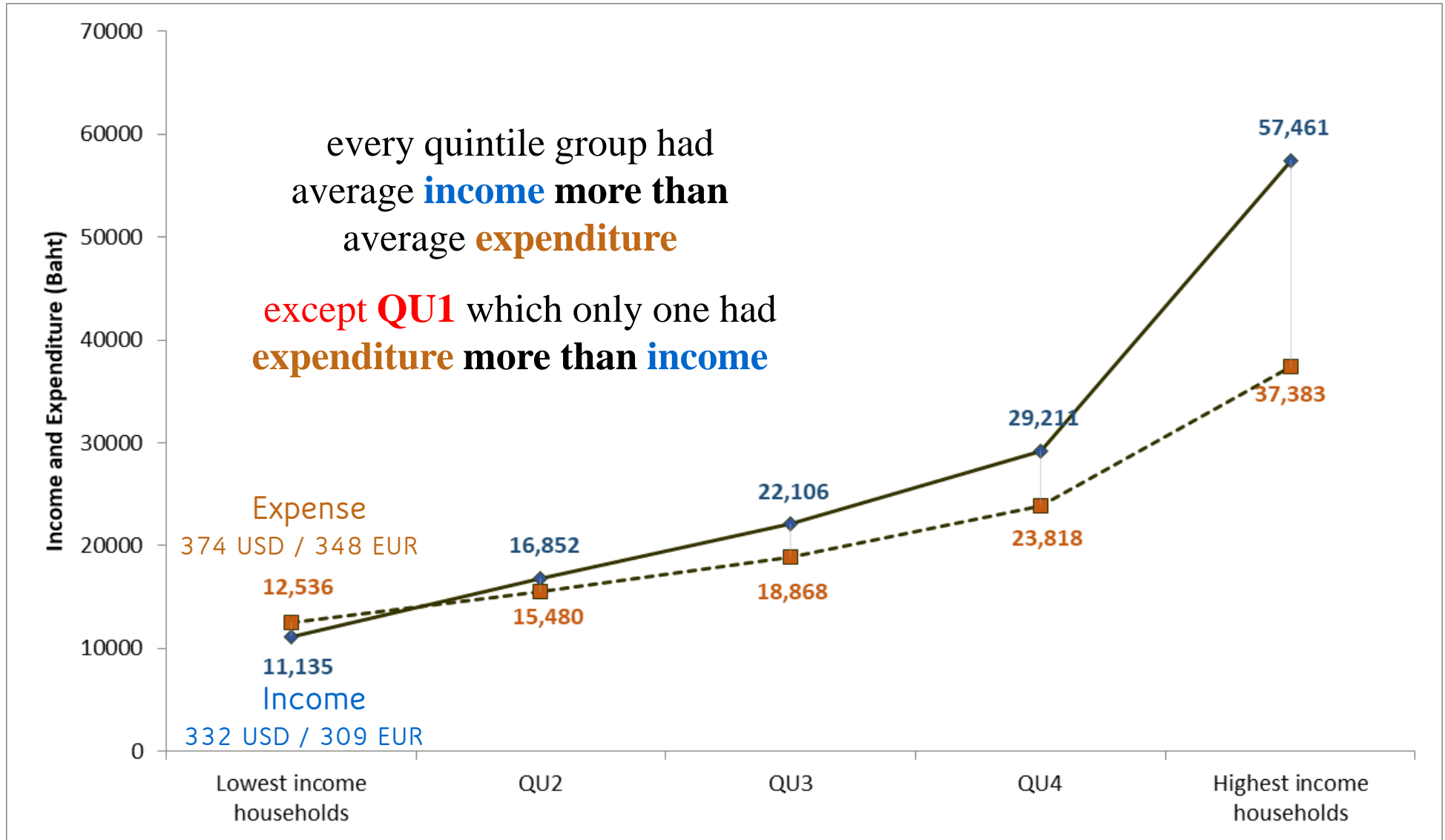
Age above 60 years

ECONOMIC CHANGE OF LOWEST INCOME HOUSEHOLDS IN THAILAND

- **Income Inequality** illustrated about distribution and share of income and expenditure of households in Thailand, the proportion of expenditure per income of households, the average growth of income households, Gini coefficient of quintile's income share including the proportion of debt households' lowest income.
- **The structure of household income** illustrated about the source of income of the lowest income households and the increased rate of income of the lowest income households over 10 periods (2011 to 2021).

INCOME INEQUALITY

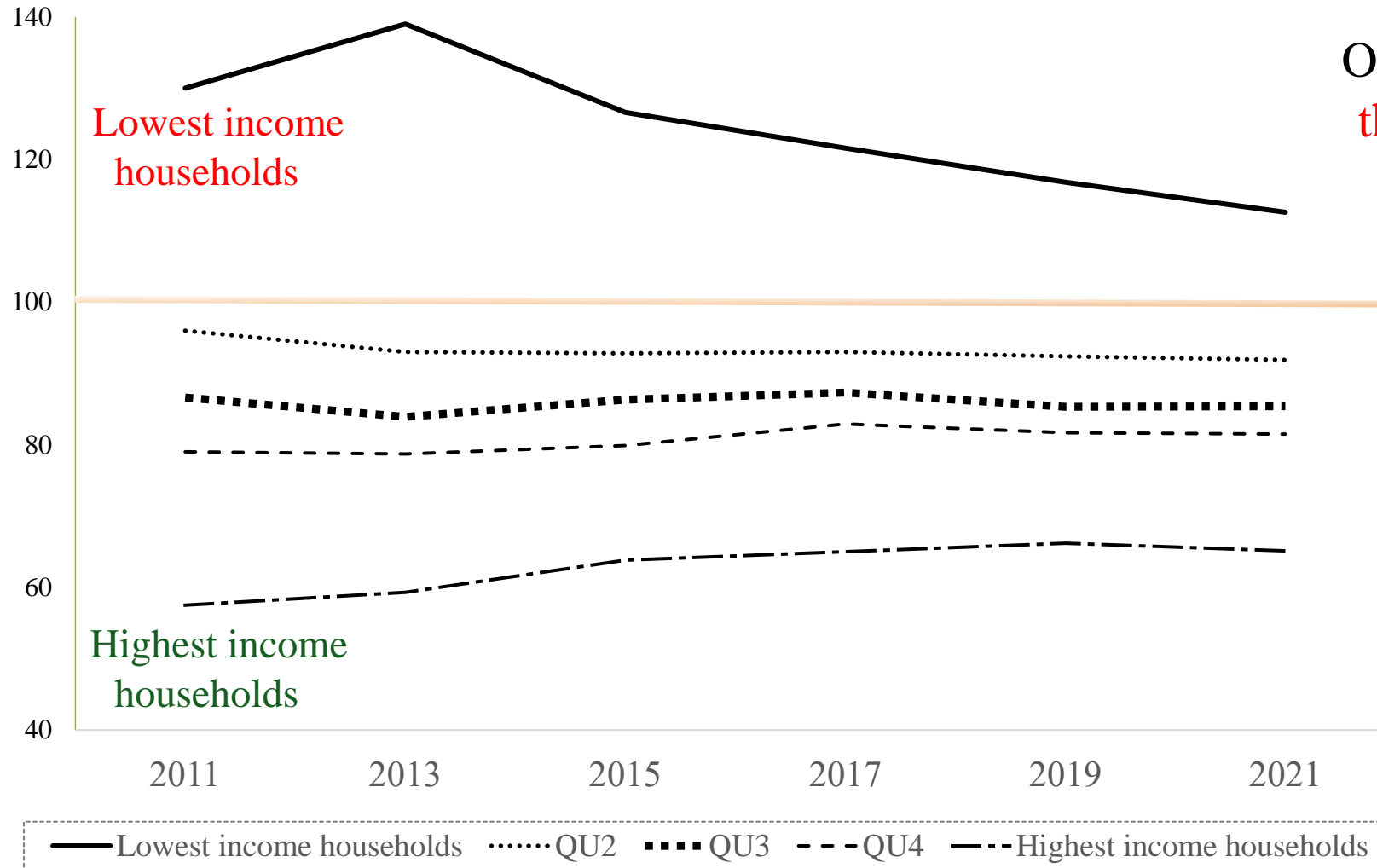
Income and expenditure distribution of households



exchange rate as of
February 6th, 2023

INCOME INEQUALITY (CONT.)

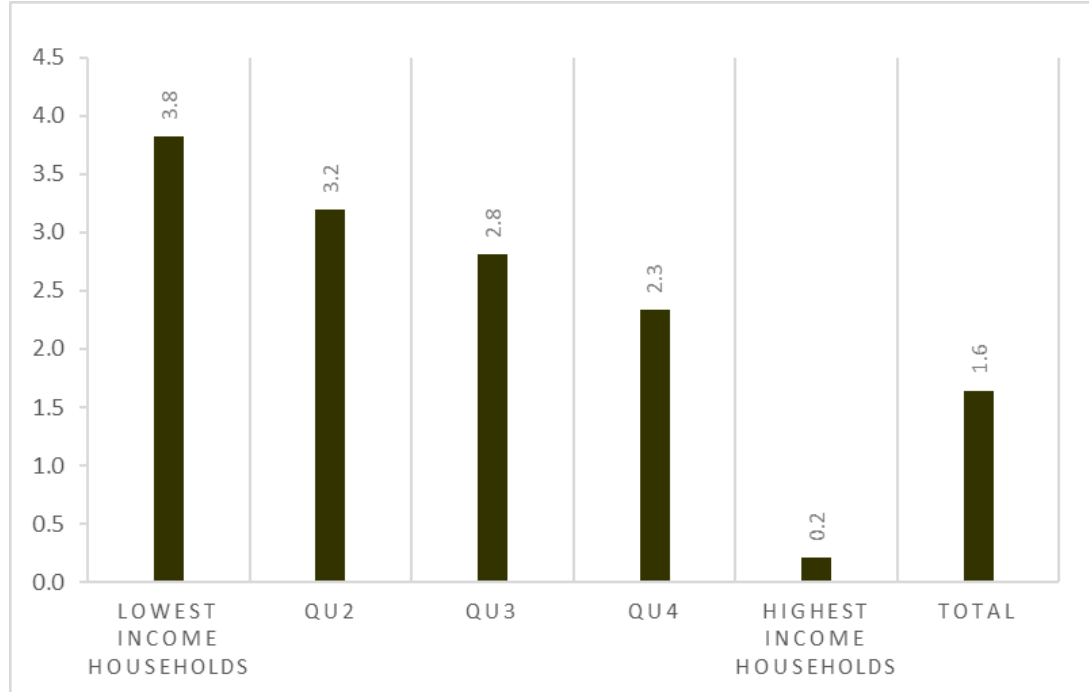
Proportion of expenditure per income of households (2011 to 2021)



Only households in QU1 namely
the lowest income households
had expenditure more than
income over the period of
2011 to 2021

INCOME INEQUALITY (CONT.)

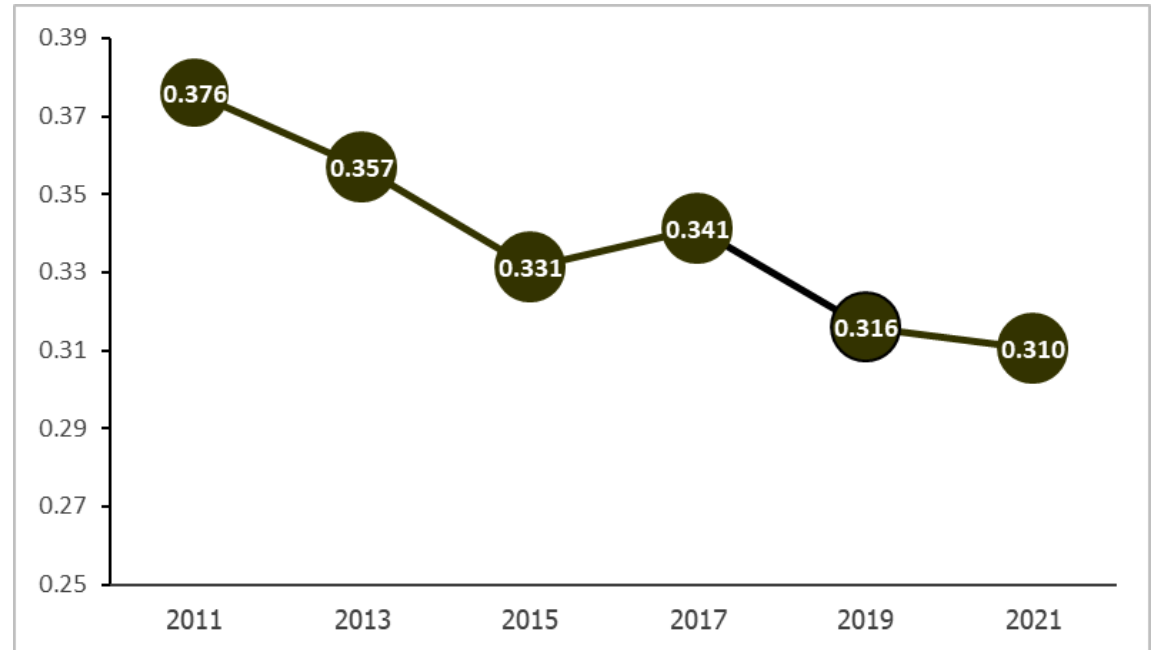
**Average growth of income households
(2011 to 2021)**



Source: NSO. 2021. Household Socio-Economic Survey (2011 to 2021).

The average growth of income households of QU1 and QU2 **increased**

**Gini coefficient of quintile's income share
(2011-2021)**

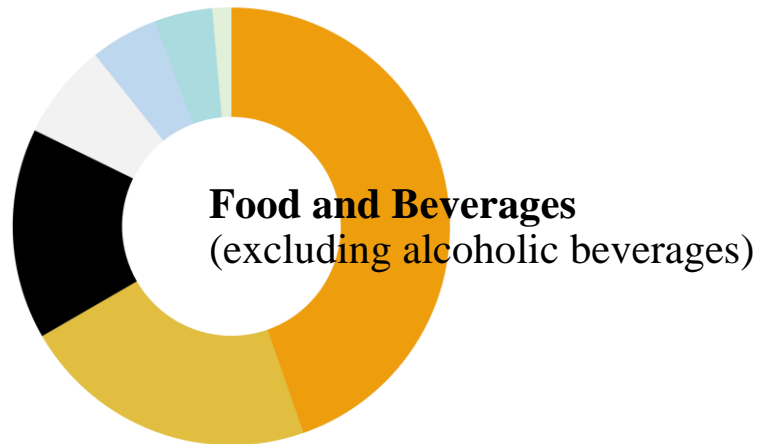


Source: NSO. 2021. Household Socio-Economic Survey (2011 to 2021).

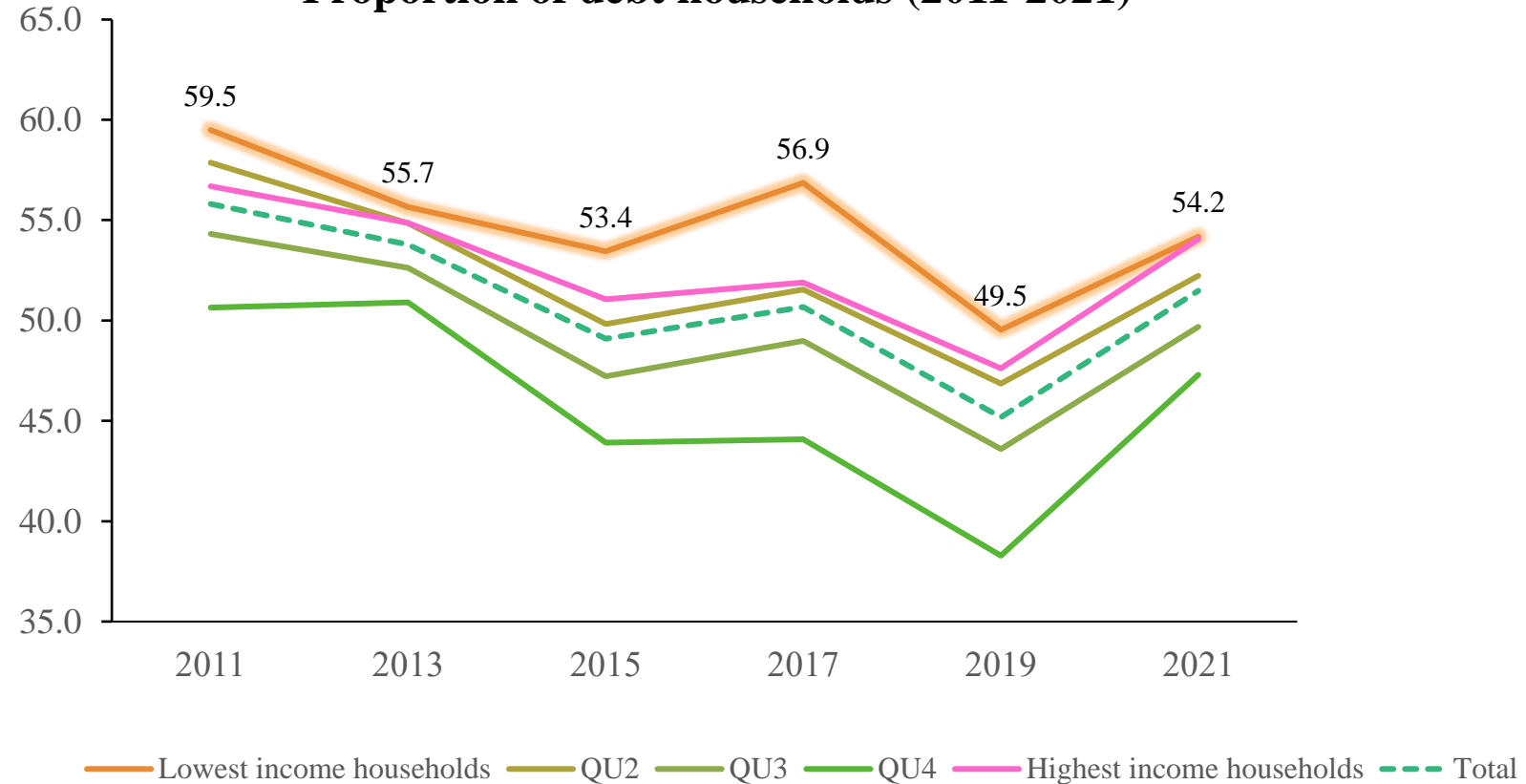
Gini coefficient of the quintile's income share in the past ten years (2011 to 2021) **decrease** from 0.376 to 0.310

INCOME INEQUALITY (CONT.)

Expenditure share over decades in the lowest income household found that almost half of expenditure share was expense on **food and beverages** (excluding alcoholic beverages).



Proportion of debt households (2011-2021)



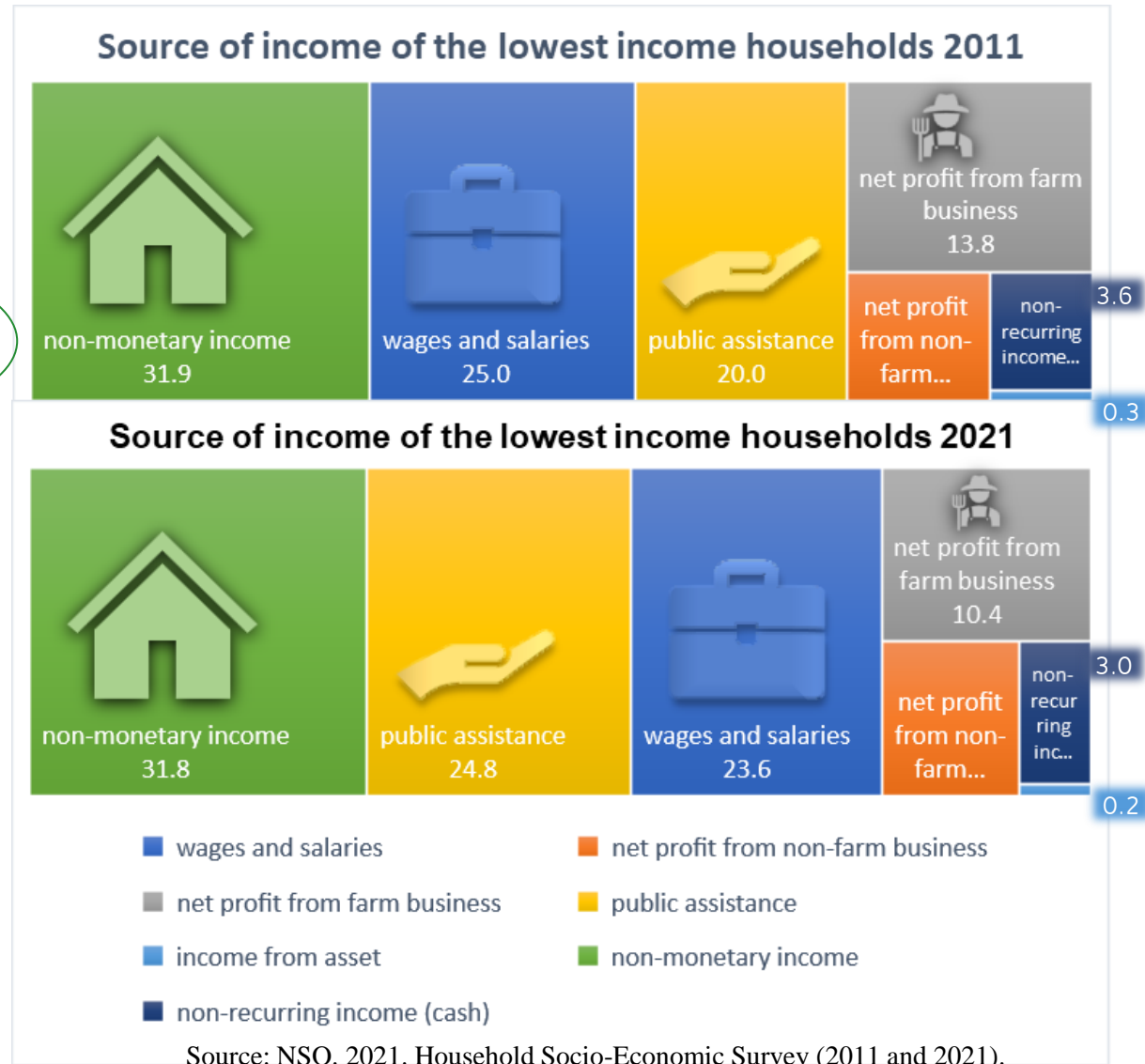
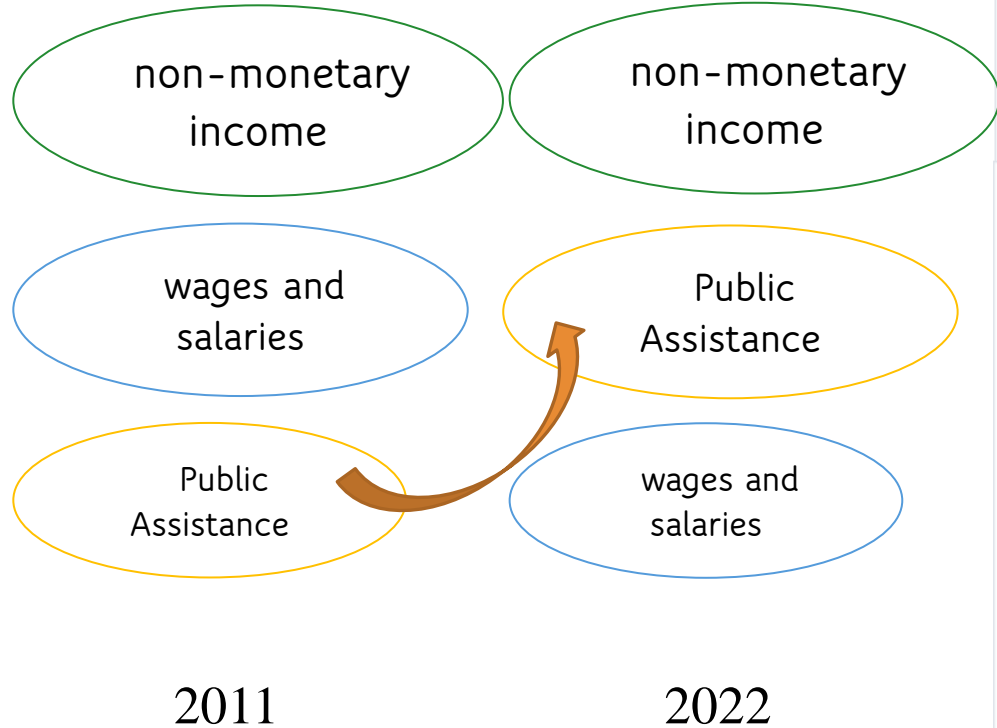
Source: NSO. 2021. Household Socio-Economic Survey (2011 to 2021).

The lowest income households had a **proportion of household debt higher** than other quintile groups over a decade (2011 to 2021). For the year 2021, 54.2% of the lowest income households have household debt namely **more than half** of the households in this group have household debt.

STRUCTURE OF HOUSEHOLD INCOME

Source of income of the lowest income households (2011 and 2021)

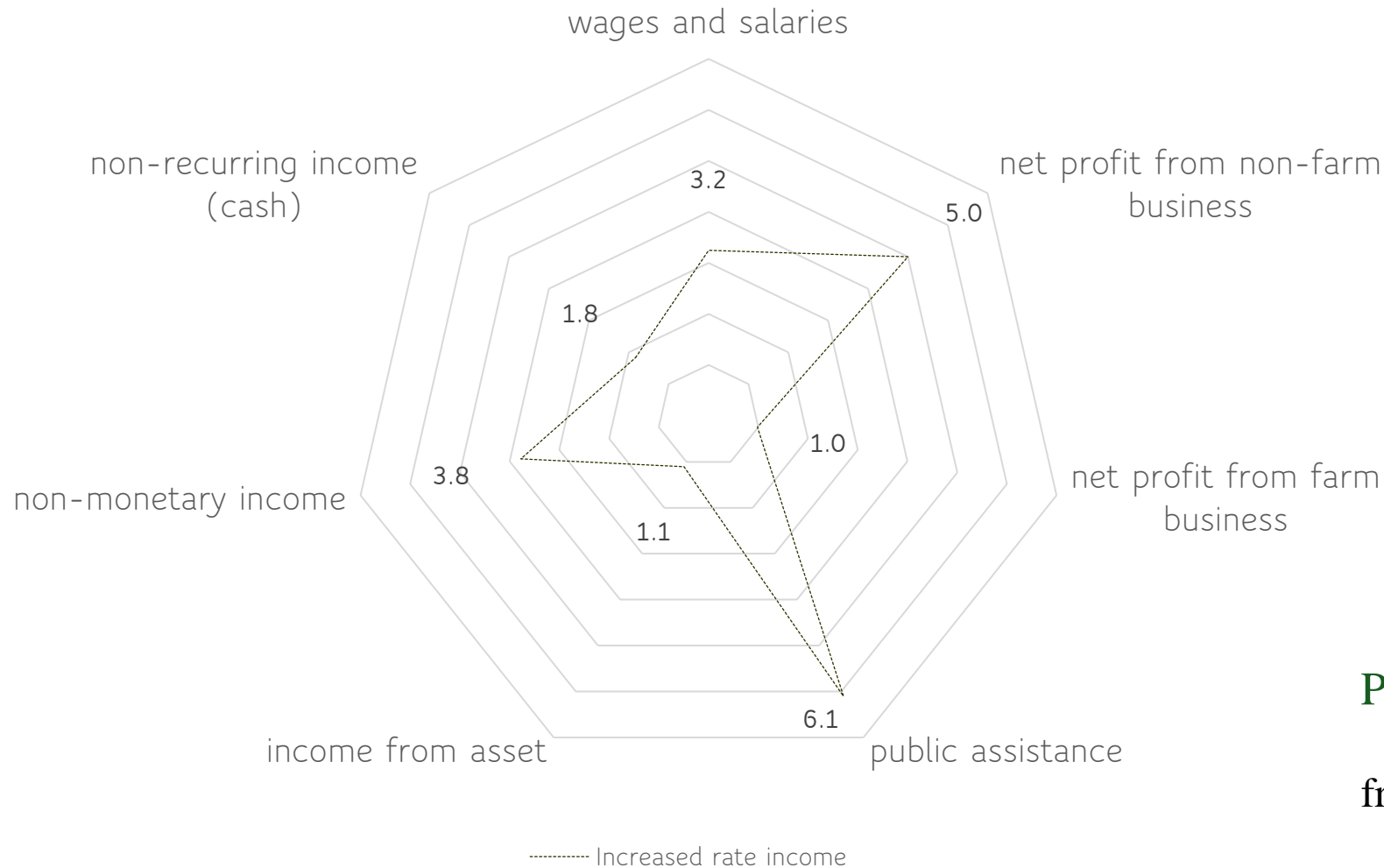
The lowest income households had **3 mains source of income**



Source: NSO. 2021. Household Socio-Economic Survey (2011 and 2021).

STRUCTURE OF HOUSEHOLD INCOME (CONT.)

Increased rate income of the lowest income households (2011 to 2021)



The lowest income households had an **Increased rate of households' income 6.1%** received from **public assistance** which was the factor that increased rate highest.

Public Assistance such as income from pensions/ annuities/ other assistances from other people outside household and assistances from the government

CONCLUSION

- The Lowest income households due to the economic insecurity
- Expenditure higher than income over decades
- Dependency ratio of the lowest income households in 2021 was 2.09 (only 1 working age must take care of 2 people who need assistance (childhood and old-age))
- The economic change of lowest income households helps to understand the financial situation which significantly issues for good living.
- The **increased rate of income** and the **source of income** in the last decade demonstrated that **households' income received from public assistance** became a key factor was reflecting the public assistance program in Thailand is the crucial factor for the average income of the lowest income households evidently rose over decades.

Remark: Public Assistance (such as income from pensions/ annuities/ other assistances from other people outside household and assistances from the government)

CONCLUSION (CONT.)

Challenges

- Assistance program implemented in Thailand was good policy.
- Government should have policies or plan to increase the potential of the lowest income households to earn income from other sources.
- Main income of these households so as not to rely on government assistance.
- Enhancing people and households' potential to good living and adequate for wellbeing.

THANK YOU FOR YOUR ATTENTION

