HelpAge International
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Enhancing social protection for older people in Thailand

National workshop on social pensions in Chiang Mai Thailand, 8 November, 2008

Social pensions are a powerful tool in poverty reduction

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Acronyms and abbreviations

CBSS	Community-Based Social Security
FOPDEV	The Foundation for Older Persons' Development
LTCI	Long Term Care Insurance
MSDHS	The Ministry of Social Development and Human Security
OACA	Old Age Cash Allowance
OPA	Older People's Association
PSDHSO	Provincial Social Development and Human Security Office
TAO	Tambon Administrative Organisation
UNFPA	The United Nations Population Fund

'Studies indicate that social pensions enable older persons in Thailand to buy basic necessities, participate in social and religious activities and enhance their self esteem.'

Introduction

The Thailand National Workshop, *Enhancing Social Protection for Older People in Thailand*, followed the participation of several Thai government officials and academics in a two-week training course on social cash transfers. The National Workshop was designed to take advantage of this capacity building experience to explore opportunities to enhance social protection/ social pensions for older people in Thailand. The National Workshop was orgnised by HelpAge International in collaboration with the Ministry of Social Development and Human Security (MSDHS) and the Foundation for Older Persons' Development (FOPDEV), with support from the United Nations Population Fund (UNFPA) and the Japan Foundation.

Poverty in old age

Evidence suggests that older people are more prone to poverty than other age groups in the country. The National Elderly Survey 2007 indicates a poverty rate among older people of 20.7 per cent, which is double the national poverty rate of 9.6 per cent in 2006.[1]

Demographic information also points to increasing vulnerability: increasing numbers of 'oldest old' and women (42 per cent of older women are widows in Thailand).[2] Older women are particularly vulnerable given their common role as household caretaker and their limited participation in formal employment, in addition to their common lack of spousal support as widows.

Social protection system in Thailand

Thailand's social protection system for older people is well-respected in the region. Thailand has participated in both the Vienna Assembly of Ageing (1982) and the Madrid Assembly on Ageing (2002). Following the Vienna Assembly on Ageing, Thailand formed a National Committee on Ageing, which subsequently developed a national Long-Term Plan of Action for the Elderly (1986-2001), followed by a second National Plan on Older Persons (2002-2021). These plans sought to ensure that older people's needs in Thailand are being met, including their social, health, and income security needs. Social protection programmes for older people have been implemented in the course of the National Committee on Ageing's existence and include: public and private pension schemes; the Old Age Cash Allowance of 1993 (non-contributory pension); the Older Persons Fund to provide credit to older people (under the Older Persons Act, 2003); free medical care for disadvantaged older people in 1989 (later expanded to all aged 60 and over)[3]; initiation of a home caregivers project in 2003 (which has been expanded by the Government in January 2007 with the goal of national coverage by 2012); provision of Care Homes for the Elderly (20 institutional care facilities for the disadvantaged older people); and a variety of social assistance measures, such as tax incentives, subsidised public transportation, material support for disadvantaged families with older people, and provision of learning centres for older people.

Old Age Cash Allowance (OACA)

The Old Age Cash Allowance is a non-contributory, means-tested pension aimed at protecting disadvantaged older people from poverty. It is financed mainly out of the national budget (Local Authorities can supplement), and is provided to all Thai citizens, aged 60 and older, who have inadequate income, are abandoned, have no supporting relatives or are unable to work. The priority is given to those who experience multiple problems (living alone, chronic illness, and disabled), or those living in remote regions who have difficulty accessing public services. The administration is a three tier mechanism, with the overall programme administered by the Ministry of Interior, Department of Local Administration. The second tier is the Local Authorities (TAO and municipalities), who receive applications and work with the Community Council in the selection process, and develop a budget and make the distributions. The final tier is the Community Council that works with the Local Authorities to determine the eligibility of applicants. The amount of the pension has been increased from 200 Baht per month in 1993, to 300 Baht per month in 1995, to 500 Baht in 2007. There is an on-going debate about the social pension programme, including expressed concerns of the targeting process and inequalities across provinces, the increasing numbers of beneficiaries, and the potential for establishing a universal scheme.

Purpose, objective and anticipated outcomes

The purpose of the National Workshop was to draw attention to the need for enhancing social protection/social pensions for older people in Thailand, and to develop consensus among participants on key social protection/social pension issues to take forward.

The objective of the workshop is to build the capacity of senior policy makers and civil society organisations in Thailand, for the purpose of generating dialogue and policy/programme development in relation to social pensions.

The anticipated outcomes of the workshop include:

- A heightened understanding on social pensions and their impact on older people;
- Identification of the means to address key issues surrounding social pensions;
- Agreement on action points to take forward following the workshop; and
- A synthesis report of the workshop deliberations that will be published and disseminated nationally and regionally.

A 'benefit' for the poor is a poor benefit

Opening session

Opening speech

The workshop was opened with the introductory speech of Mr Mongkol Danwilaipitikool, Head of the Provincial Social Development and Human Security Office (PSDHSO), Chiang Mai Province. Mr Mongkol welcomed the participants to the event, and thanked the organisers for their preparations as well as the two sponsors of the event: the Japan Foundation and UNFPA. He then reviewed the demographic situation in Thailand, with the stark reality of an older population that will comprise 20 per cent of the overall population in 2025. He also pointed to the growing vulnerability of the older population, with a significant number in poverty, with a large segment of 'oldest old', and with a large segment of older women who are widows. The Head of the PSDHSO reviewed Thailand's historical response to its ageing population, noting the important formation of the National Committee on Ageing in 1982 and initiation of the Old Age Cash Allowance (non-contributory pension) in 1993, which now covers 25 per cent of older people in the country. He concluded by noting the continued need to ensure older people are full participants in Thai society and that they are effectively protected, and wished the participants much success in the day's proceedings.

Welcome and introductions

Mr Eduardo Klien, Regional Representative of HelpAge International, followed introducing the special guests including Mr Mongkul Danwilaipiti kool of the PSDHSO, and the Director General of the Japan Foundation, Mr Takeji Yoshikawa. He then reviewed the schedule of the day, introducing the guest speakers on social protection/social pension experiences in other countries - Professor Natsumi Aratame from Takushoku University in Japan, and Dr Michael Samson from Economic Policy Research Institute in South Africa – and the guest speakers on social protection/social pension in Thailand – Asst. Prof. Worawet Suwanrada from Chulalongkorn University in Bangkok, and Ms Viennarat Chuangwi-wat from UNFPA Thailand. He noted the importance of this event in supporting social protection measures for older people in Thailand, especially the relevance of the social pension scheme in providing protection to older people. He also committed HelpAge's technical support in taking forward the recommendations of the participants.

Supporting speech

Mr Takeji Yoshikawa, Director General of the Japan Foundation in Bangkok, provided the supporting remarks to participants in the opening session. He recognised HelpAge and its supporting partners for their effort in organising this event. He reviewed the changing socio-economic environment, explaining the importance of social pensions in alleviating poverty and supporting older people's well-being within this environment. Mr Yoshikawa also noted Japan Foundation's support of the HelpAge International/ UNESCAP Regional Seminar on Ensuring Social Protection/Social Pensions in the Context of Rapid Ageing in Asia, and the success this event had in generating interest among participating countries. In addition, he was pleased to hear of the capacity building event on social cash transfers that was held just prior, and the participation of Thai delegates. This workshop, he explained, will also provide country experiences to support the policy and practical response to reducing poverty in old age in rapidly ageing societies, which is a target area of Japan Foundation. In conclusion, Mr Yoshikawa expressed his gratitude to the all participants, especially the Thai delegates who remained in Chiang Mai after the two-week training course to participate in this workshop.

Mr G. Giridhar, Representative in Thailand, UNFPA was unable to attend the workshop; however, he sent the following statement as an introduction to the workshop: "Studies indicate that social pensions enable older persons in Thailand to buy basic necessities, participate in social and religious activities and enhance their self esteem. In many cases older persons share their money with others family members, particularly for education of their grandchildren. All these are true despite the small amounts received for the social pension."

Presentation session

Experiences from Japan
by Prof. Natsumi Aratame

A presentation on *The Japanese Welfare System for the Elderly at the Crossroads: The Long Term Care Insurance Programme Under Revision* was given by Prof. Natsumi Aratame. Prof. Aratame reviewed the ageing situation in Japan, highlighting the demographic trends of Japan: its rapid rise in terms of ageing population, and its current status as the country with the most aged population in the world. He also identified the changing family structure, where older people in Japan are increasingly living in separate households from their children. Because of several factors - rapid ageing, an unsustainable national social security system, and a decline in family and community support – Prof. Aratame argued for the need to reconstruct a ‘welfare community’ to provide the security older people require.

He then reviewed the existing social security system in Japan, noting that Japan relies on a mandatory social insurance (pooling of risk among the insured) which pays out benefits in several protection areas, including health, employment and work-related, and long term care needs. The other part of its social security system is the provision of social assistance. Here, the government provides assistance and services to socially disadvantaged groups (including the elderly). The basic pension is a mandatory, contributory scheme, with pension determined by the number of years of contributory payments. There is a debate on the need for a non-contributory pension as more and more companies hire part-time employees who are unable to pay the contribution, and 50 per cent of the elderly are public assistance recipients.

The government instituted the Long Term Care Insurance (LTCI) programme in 2000 (Social Welfare Law) in response to rapid ageing, weak family support, and the increased costs of long term care for older people. There was also an emphasis by the government to promote community-oriented welfare through service provision in the home or community, and where local government is responsible for management of the LTCI system. The service providers for long term care are a mixture of modern (for-profit, volunteer and non-profit organisations) and traditional (social welfare council, volunteer social

It is cost-effective, and affordable

and it is also realistic

workers, and neighborhood groups). He then provided specific examples of care services – both falling under the LTCI programme and external support – where the LTCI programme provides needed coverage of physical and mental care, and the external support provides needed coverage for daily living activities, security and social activities. The current situation is that the LTCI programme is unsustainable due to the increase in beneficiaries and the cost of providing this care. The options on financing the programme include: increasing the premium, increasing the co-payment, introducing a special tax, or reducing the benefits.

In terms of welfare for the elderly, the government now faces the question of benefit provision - universalism or targeting - and the question of what type of service orientation – home care or institutional.

Q & A session

Q: Who manages the LTCI fund?
A: The fund is managed by local governments, with financing coming from the national level (50 per cent government and 50 per cent premiums of those 40 years and older).

Q: Which ministry oversees the LTCI programme?
A: The Ministry of Health and Labour designed the programme, providing the standard model that local governments should follow, and allowing for some flexibility depending on local circumstances.

Q. Who is monitoring the LTCI programme?
A: It is both a function of national and local government to monitor the programme, and ensure it remains sustainable.

Q: How does the basic pension scheme work?
A: The national government matches 50 per cent of the contributions made by the citizen. If you are an employee, the company deducts the contribution, and if you are self-employed you are obligated to make a contribution.

Q: If there are two persons over 65, and one contributed during the working life, and one did not, what happens?
A: This is social insurance as everybody pays a flat rate. If you are unfortunate in not being able to contribute, then you will not receive a pension, and may need to receive social assistance.

Of more than 70 countries with a non-contributory social pensions, at least 50 are low or middle income countries.

Experiences from South Africa

by Dr Michael Samson

The presentation on the South African experience was titled, *Social Pension for Older People and Its Impact*, and given by Dr Michael Samson. Dr Samson reviewed the five countries with non-contributory social pensions in Africa: Namibia, South Africa, Botswana, Mauritius and Lesotho. The advantage of the non-contributory (universal or means-tested) is the reduction in age-related poverty. There is evidence of the poverty reduction in Latin America, Africa and Asia. He then examined in more detail the multiple transfer scheme in South Africa, which is the Sub-Saharan Africa's oldest social transfer programme. This scheme costs 3 per cent of GDP, and has produced poverty reduction benefits as well as economic benefits in terms of human capital, labour markets and overall macroeconomic conditions. Data was then presented on the pension's impact on the poverty gap and the destitution gap for several types of households, showing substantial reductions. Without the social pension, he explained that South Africa would be poor; however, with the social pension (like Brazil) the country is on track to meeting the Millenium Development Goal for reducing poverty. Data was then presented on the distribution of social services by income group, showing the poorest 20 per cent receiving 10 per cent of the budgeted services, and where the provision of the social pension was the most effective of the services in reaching the poorest households. Data was also presented on the benefits of pension is in terms of labour markets, where households with a pension had improvements in seeking, obtaining, and staying in the labour force than households without a pension. In addition, the macroeconomic benefits were illustrated through the example of redistribution of income and restructure of spending in terms of food and transportation spending data. These examples show a shift of expenditure to domestic, labour intensive sectors of the economy, supporting local commerce and agriculture. The four other African schemes were then reviewed, highlighting the history and social, economic and political benefits in those countries. A final flow diagram was presented showing a social pension's impact in terms of risk, assets, human capital, equity, employment and macroeconomy, which in turn leads to human well-being, economic growth, fiscal sustainability. The latter result provides the means to support the pension itself, bringing the process back to its origin.

Q & A session

Q: What preconditions lead to the decision for a country to implement a means-tested or universal scheme? Is there any country that starts with a means-tested scheme and eventually moves to a universal scheme?

Social pensions are part of the safety net for poor older people

A: This is a political determination, and there is no blueprint for every country; it is highly dependent on political priorities. Targeting (means-tested) has costs, both to the government and the applicant, and it often creates discontent, which undermines the political will for the scheme. Mauritius started with a means-tested scheme and then shifted to a universal. The political process of adjusting schemes is fragile: President Bush's political decline in support among the public started the same month that he announced his intent to reform social security.

Q: It is agreed that a social pension is a good instrument for the redistribution of wealth. The concern is the demographic development in the future, where calculations of using a universal scheme in Thailand will exceed the growth in GDP.
A: A critical concern for a universal scheme is that the scheme will not be sustainable. In examining the fiscal resources from the society, one needs to look at the percent of GDP needed for the scheme, not the absolute costs. In general, it should be around 2 per cent of GDP to implement the universal scheme, and economic growth is usually more than 2 per cent, particularly for developing countries. In the case of Thailand, the economic growth rate should still be able to maintain fiscal sustainability. It also depends on how the government sets and maintains the level of the benefit. If the economy grows faster than increase of pension allocations, then the percent of GDP used for the scheme will decrease. And, with prudent management, the universal scheme should be manageable.

Q: What is the demographic projection for South Africa? The second question is if you provide a pension for everyone who applies, is there an error of inclusion in this scheme (referring to the South African scheme)?
A: It is important to determine the rate of growth of the population of those eligible (South Africa's eligible age is 60+ for women, and 65+ for men), and whether that share is growing more the 2 per cent per year. The fertility rate is also significant as it informs you if the population is growing, and whether this impacts the ratio of age eligible people. If the country is ageing more rapidly, this presents a different scenario. In most developing countries, the economy is growing faster than the ageing population.

In response to the second question, an example would be if there is a poverty rate of 80 per cent, and 90 per cent of older people receiving the pension. So, there is an inclusion error of 10 per cent. This is quite good in comparison to means-tested schemes, such as India, where exclusion errors are quite high.

Q: Regarding the consumption patterns, your presentation suggests that older people will spend on basic goods rather than luxury items. However, studies in Thailand show this may not be true. People do not spend as expected, which was the case with the Village Fund Scheme, where many purchased motorbikes and mobile phones. How do you account for this? In addition, the macroeconomic impact may not be very significant; it is only 10,200 million baht per year for the 500 baht pension scheme.
A: The evidence reported in the presentation is based on impact assessments and household surveys of older people who receive a pension. From this evidence, older people spend wisely on children's education and household needs. The five benefits as seen in the last slide of the presentation have been found to hold true in every country with a social pension. In addition, the macroeconomic benefit will depend on relative domestic production of goods to those imported. If spending in Thailand is weighted on the side of spending on imported goods, the benefits will be reversed.

Q: What is the percentage of older people in these African countries, and how much is being spent as a percentage of GDP?
A: On average, the percentage of older people 60 and older is 6 per cent, and the expenditure is between 1 – 2 per cent of GDP for social pensions.

Social protection/social pension programmes in Thailand

Following the presentation on experiences in Japan and South Africa, two presentations were then made on social protection/social pension programmes in Thailand.

Thailand's experiences in implementing social protection and social pension programmes

by Asst. Prof. Worawet Suwanrada

Asst. Prof. Suwanrada's presentation was divided into four parts: the state of the problem, the pension debate, the future of pension policy in Thailand, and the issue facing the Old Age Cash Allowance system. In the first part, the demographic data was presented, showing the increase in the population of older people, the increase compared to the decrease in working age population, and variations in populations of older people by regional and provincial distribution.

The sources of income support in old age were outlined, as was the coverage of participants in both the formal public pensions (only 1/3 of employed persons are participants) and the non-contributory pension (only 1/3 of the older people benefit, which is the estimate based on both national and local authority budgets). A diagram of the schemes available in Thailand for three groups (government employees, private employees, and the informal sector) was presented, where the informal sector was heavily reliant on the scheme of last resort – the OACA. Moving to the second topic, he pointed out the two current questions in the pension debate in Thailand: How to expand coverage of current workers and future elderly, and how to provide income support for the existing elderly? The current options under debate are promoting the Community-based Social Security (CBSS) and expanding the OACA, which could become part of a national pension system (under consideration by the Ministry of Finance and in the National Committee on Ageing). He then presented a case study on the CBSS, with details on contribution and benefit delivery procedures. However, he noted some limitations of using this scheme, which included the benefit levels, the admission of new members, the fiscal sustainability because of demographic changes by province, and the

Social pensions advance income security

and ensure dignity in old age

In Thailand, 66% of the population belong to the informal sector, and have little participation in social security schemes.

potential for inequality if one applies different rules to support sustainability. He then presented the different political party positions in terms of status quo and the spectrum of moving to universal or an expansion of the OACA. The feasibility of the universal approach was also noted, such as the necessity of an inflation index, the potential political abuse, and the deterrence of current workers and future elderly from participating in contributory schemes. Asst. Prof. Suwanrada then mapped out the fiscal sustainability formula: the population times benefit level, divided by the fiscal resources. All three of these inputs are not easily determined. Three scenarios were then presented in terms of fiscal costs, and the question raised as to where these additional resources would come from based on the current fiscal revenues. The third part emphasised how the future pension policy may look, moving from an immature phase (with better coverage in both the formal public and non-contributory) to a mature phase where the formal public reduces the need for the non-contributory scheme.

The final topic area was on 'issues of the social pension', which included information on the changes to the scheme during the period 1993-2004, and during the decentralisation phase in 2005. Another graph illustrated the increasing number of beneficiaries and the subsequent rise in budget allocations. Other pertinent information included the overall administration system, the eligibility requirements, benefit rules, the payment delivery, and the targeting process (which identified three different patterns). In conclusion, he pointed out that targeting presented cases of recipients that don't meet the eligibility criteria, and that there was an inconsistency between offering the social pension while also promoting an overall contributory pension system.

Research findings on the social pensions in Thailand

by Ms. Viennarat Chuangwiwat

Ms Chuangwiwat reviewed the demographics globally, in Asia, and for Thailand. In the case of Thailand, its ranking in terms of the percentage of its older population has moved from seventh in 1950 to the second in 2007 in Southeast Asia. In addition, the forecast of its old age dependency ratio (the number of older people in comparison to the number of people aged 15-59) will be one of the highest in Asia by 2050. She then provided information on the pension schemes globally, and the benefits of social pensions from several sources. This information was supplemented with information on the UNFPA

research project that explores the impact of social pensions in four countries: Vietnam, Sri Lanka, Mongolia, and Thailand. An overview of social protection in Thailand was outlined, with information on the Old Age Cash Allowance, the means-tested pension scheme implemented in 1993. This is one of three types of social cash transfers in Thailand; the other two are for diasabled and HIV-infected people.

The social pension is administered by the Department of Local Administration of the Ministry of Interior. However, local governments are charged with the responsibility of distributing the pension, either at the level of the municipality or the Tambon Administative Organisation (TAO or the village level administration). These local bodies also have the ability to add to the pension amount, depending on the fiscal budgets. However, it is a local committee that establishes eligibility, and older people must apply and demonstrate they have inadequate income, are abandoned, have not dependent relatives or unable to work/live on their own. The committee is usually made up of the Village Headman, Vice-Headman, Chair of Older Persons Association (OPA), three village representatives, Chair of the Women's Group and village volunteers. Some committees include members of the TAO and/or the Chief of the TAO. The committee then determines a priority of recipients based on the level of vulnerability. After TAO screening, the list of approved applicants is publicly displayed for 15 days to allow time for objections, after which the Chief of the TAO officially approves the applicants. Coverage of the OACA has increased from 6.4 per cent in 2004 to 25 per cent in 2007. From the pension study in Thailand, the findings show a wide variation of coverage in the six communities surveyed: as low as 1.7 per cent in one urban community, compared to 71.1 per cent in another urban community. The explanation provided by sources interviewed during the study indicated this was due to political influence in obtaining budget allocations, as well as through additional local budget resources some urban communities have to supplement the pension scheme. The study also found older women were two-thirds of all recipients, showing a degree of the gender dimension of poverty in old age. For other pensions schemes, the findings found the reverse to be true: two-thirds of all recipients were men. There were several reported difficulties in administering the scheme. These included a lack of awareness on the procedures to access the pension; a limited number of older people recipients and a long list of those on a waiting list; political influence that presented inclusion and exclusion errors and pilferage; variations in the pension amount paid to older people; variations in the disbursement periods in the surveyed areas; and

Regular income turns unpredictibility into predictibility in old age

inconsistency in targeting and transparency as local governments define eligibility criteria in their own way. She concluded by pointing out that the incidence of poverty is higher among older persons and the risk of falling into poverty continues to increase with age in Thailand. In addition, with the low prospects for improving employment opportunities for older persons and the limited coverage (about 6 per cent of the older population) of formal retirement benefits, there will be an increasing need to provide social pensions to older people in Thailand.

Open discussion

Key issues and ways to address them

In the afternoon, the discussion centred on the themes raised in the two presentations on social protection/social pension programmes in Thailand. Those themes included the need to examine the public 'Old Age Income Maintenance System'. However, within that system, the OACA programme plays an important role as a safety net, and there needs to be greater attention placed on making the social pension more effective.
The points raised in relation to the current 'Old Age Income Maintenance System' included the following:

- There is a need to create a national pension system, which will provide coverage for all people; however, close attention needs to be paid to designing a scheme that is sustainable.

- There is room in the system to have both a contributory and non-contributory scheme.

- The CBSS should aim to encourage people to save more, but should not be considered as a community welfare mechanism unless it is tied to other schemes; otherwise, as a stand-alone welfare measure it will not be fiscally sustainable.

- In Thailand, 66 per cent of the population belong to the informal sector, and have little participation in social security schemes. How does one design a system that adequately provides coverage for these people?

- Older people's groups and their network support income-generating activities among older people. This will also serve to promote savings for income security, and should be included in the transition to a national pension system.

- There needs to be a promotion of savings and community participation that is subsidised by the government, and where civil society is active in supporting it as well.

The points raised in relation to the current 'Old Age Cash Allowance' programme included the following:

- Given the problems in targeting that were raised by both presenters, should Thailand consider a universal scheme with a higher age of eligibility?

- How do you determine whether Thailand is a suitable candidate for a universal pension? A socio-economic study should be conducted to provide the data to make this determination.

- Some key figures of the National Committee on Ageing do not support the universal approach because it points out that data indicated only 21 per cent of older people have inadequate incomes, while the pension currently covers 25 per cent of older people. It also does not support a universal because of the concern on including non-poor beneficiaries.

- In order to provide universal coverage, there needs to be a more effective tax system as well as a change in the government's budget allocations.

- With a universal system, the age eligibility should be raised to 70 or 80. This will reduce the government's administration burden and remove the targeting problems as well.

- The current social pension is not functioning well. There are different interpretations and practices of the scheme, leading to different eligibility criteria and different targeting procedures, and resulting in inequality across the country and not adequately reaching the poor older people.

- There has been a suggestion to provide support to all those proposed by local authorities (2.7 million). The issue is that once it is provided to all, then there is no way to control the budget.

- Those who participate in other pension schemes should not be eligible for the Old Age Cash Allowance programme.

- What should be the legal framework for the Old Age Cash Allowance? Originally, it was considered a welfare grant. With the new constitution, there is a debate on whether it is a legitimate right of older people, or should it be an entitlement and part of social assistance programme. If it is established to be a right, then all older people should receive it.

- Who should be the target group of the Old Age Cash Allowance?

- There needs to be a study undertaken to understand the use of the pension, and to highlight the impact of the pension on family and community, such as the impact on grandchildren of pension recipients and on the dignity of older people. This

information can then be used to educate and influence the government because it currently does not give priority to the Old Age Cash Allowance.

The key issues arising out of the presentations and discussion are summarized as follows:

1. Demographic challenges: The increased numbers of older people and the higher old age dependency ratios will impose greater pressure on the public pension system. In addition, demographic variations between regions and provinces raise issues of fiscal sustainability and equality in the delivery of benefits.

2. The 'Old Age Income Maintenance System': There is a lack of coverage for two-thirds of the working population through the existing public schemes, and this coverage gap should be eliminated through a national pension system to ensure more older people do not enter later life without adequate income security.

3. The 'Old Age Cash Allowance' programme: This programme is an essential component of the overall pension system, providing many disadvantaged older people with additional cash to meet their daily needs. However, the implementation of the means-tested social pension in Thailand has several limitations, including different coverage rates across provinces, different interpretations of eligibility criteria and different targeting procedures. Greater attention needs to be paid to improving the existing pension scheme, while studying the implications for moving to a universal scheme (including the legal framework and fiscal sustainability).

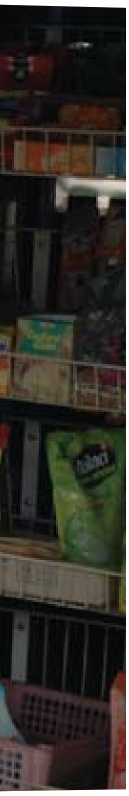
4. Consistency between public programmes: The design of a national pension system needs to incorporate incentives for improving income security among future elderly, while also maintaining the non-contributory social pension. Maintaining the non-contributory social pension will not deter people from participating in the contributory schemes if there are public awareness and incentives.

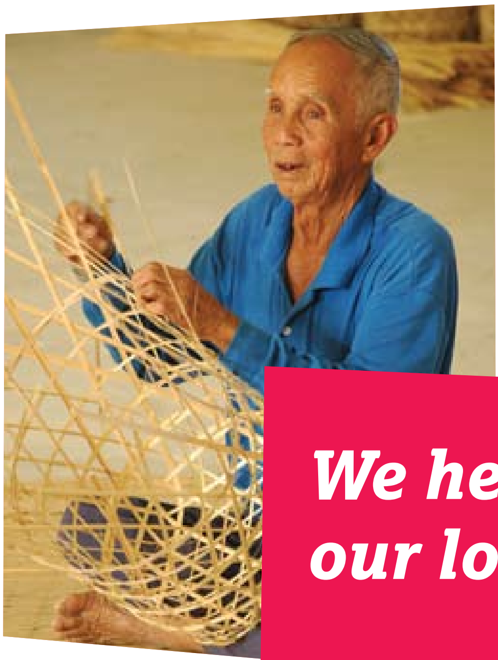
Next steps

The final session discussed the next steps that should take place to ensure the day's proceedings and recommendations will enter the public debate. The participants agreed that there are two immediate actions to be undertaken following the workshop.

The first action was to make a formal request to the National Committee on Ageing for funding to conduct research of the affordability and benefits of schemes leading to the development of an appropriate social pension approach for Thailand.

The second action was for HelpAge to propose and coordinate a working group. This working group would then formulate key recommendations to put forward to the National Committee on Ageing considering also the results of the workshop.





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Conclusion

HelpAge International's Head of Programmes, Dr D. Wesumperuma, concluded the workshop by thanking the co-organisers, the MSDHS and FOPDEV, as well as the sponsors – the Japan Foundation and UNFPA for their support. He also thanked all of the participants for their valuable contributions to the proceedings, especially the presenters for sharing their extensive knowledge, experience and data on social protection for older people. He noted that while the participants can be informed by experiences in other countries, the social, economic and political context in Thailand is unique. HelpAge held this workshop to both inform and support the discussion that will lead to concrete recommendations to enhance social protection/social pension for older people in Thailand, which has been successfully achieved.

Despite small amounts received

I save and invest for the future of my grandchild

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In many cases, older people share their money with family members

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