

## The Politics of Social Security Policy in Thailand under the “Thaksinomic Regime”

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### Abstract

The entry to power of Thaksin and the Thai Rak Thai (TRT) party has created a major change in the politics of Thailand. This article focuses on the changes and continuities of social security policy in Thailand under the Thaksin government (2001-2006). The major attempt made in this article is to explain why ideas aiming to revise Thailand’s 1990 Social Security Act appeared in the Thaksin period, discuss key problems about social security that were revised, the methods used in the revision process, and key actors making changes realized. Relying on qualitative research methods and theoretical approach that views social security policy as the outcomes of both internal factor, political contestation among various groups and interests and external factor, neo-liberal globalization, this article argues that there are three main reasons made the revisions and expansions of social security system occurred during the period of Thaksin government: (1) the goal of the Thaksin and his TRT party to win the election and maintain their popularity; (2) the rise concerns of policy experts and private company owners about a viable of the system in crisis times and its insufficient for the longer-term needs of the population; (3) the continual movements of various labor groups aiming to persuade the government and government officers to support their requests to reform and improve the social security system. Based on the aforementioned findings, this paper concludes that changes in social security policy during the Thaksin period were the outcomes of political contestation among various groups and interests in Thai society, including various labour groups, business owners, technocrats, policy makers, and political elites. These competing groups and interests used different strategies in their attempt to access and use the powers of the state.

**Keywords:** Social security policy, social security system, Thaksin government, labor movement

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## การเมืองของนโยบายประกันสังคมในประเทศไทยภายใต้ระบอบทักษิณ

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### บทคัดย่อ

การเข้ามามีอำนาจทางการเมืองของพันตำรวจโททักษิณชินวัตร และพรรคไทยรักไทยในอดีต ได้สร้างความเปลี่ยนแปลงครั้งใหญ่ให้แก่การเมืองไทย บทความนี้ให้ความสนใจกับความต่อเนื่องและการเปลี่ยนแปลงของนโยบายด้านการประกันสังคมของประเทศไทยภายใต้การบริหารงานของรัฐบาลพันตำรวจโททักษิณ ชินวัตร (2544-2549) อันเป็นช่วงเวลาที่แนวคิดในการแก้ไขปรับปรุงพระราชบัญญัติประกันสังคม พ.ศ.2533 เริ่มก่อตัวขึ้น โดยมีจุดมุ่งหมายหลักเพื่อตอบคำถามว่า ทำไมแนวคิดในการแก้ไขเพิ่มเติมพระราชบัญญัติดังกล่าวจึงเกิดขึ้นในสมัยรัฐบาลทักษิณ ประเด็นปัญหาสำคัญอะไรบ้างที่มีการแก้ไขด้วยวิธีการใด และใครมีบทบาทสำคัญที่ทำให้เกิดการเปลี่ยนแปลงดังกล่าว โดยอาศัยระเบียบวิธีวิจัยเชิงคุณภาพ ได้แก่ การวิจัยเอกสาร, การสัมภาษณ์เชิงลึก, กรอบแนวคิดที่มีมุมมองต่อนโยบายประกันสังคมในฐานะผลลัพธ์ของการต่อสู้แข่งขันทางการเมืองภายในประเทศ และอิทธิพลของการพัฒนาเศรษฐกิจภายใต้กระแสทุนนิยมโลกาภิวัตน์ ซึ่งบทความนี้ได้ข้อค้นพบว่า สาเหตุหลักที่ทำให้นโยบายประกันสังคมของประเทศไทยมีการเปลี่ยนแปลงและขยายตัวอย่างมากในช่วงเวลาดังกล่าวมี 3 ประการ คือ ประการแรก ความต้องการเข้าสู่อำนาจและรักษาคะแนนนิยมของพันตำรวจโททักษิณและพรรคไทยรักไทย จนนำไปสู่การออกนโยบายและมาตรการที่เกี่ยวกับการประกันสังคม เพื่อนำประเทศออกจากวิกฤตเศรษฐกิจและตอบสนองความต้องการของคนหลายกลุ่ม โดยเฉพาะคนยากจนในชนบทและประการที่สอง ความห่วงกังวลของข้าราชการและนักวิชาการที่มีต่อความเสื่อมถอยของระบบประกันสังคมในช่วงวิกฤตเศรษฐกิจ ตลอดจนความไม่พอใจของระบบในการรับมือกับผลกระทบในระยะยาว ประการสุดท้าย การเคลื่อนไหวผลักดันเพื่อยกระดับ และปรับปรุงระบบประกันสังคมที่มีมาอย่างต่อเนื่องของกลุ่มขบวนการแรงงาน ด้วยเหตุผลทั้งสามประกอบกัน บทความนี้มีข้อสรุปว่า การเปลี่ยนแปลงในนโยบายประกันสังคมที่เกิดขึ้นในช่วงรัฐบาลทักษิณเป็นผลิตผลของการต่อสู้แข่งขันทางการเมืองระหว่างกลุ่มและ/หรือผลประโยชน์ต่างๆ ภายในสังคม โดยเฉพาะกลุ่มแรงงาน กลุ่มเจ้าของธุรกิจ นักวิชาการข้าราชการ และชนชั้นนำทางการเมือง การแข่งขันทางการเมืองของกลุ่มเหล่านี้อาศัยยุทธวิธีที่แตกต่างกันในการเข้าถึงและเข้าใช้อำนาจรัฐเพื่อบรรลุความต้องการของตนเอง

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## Introduction

The idea aiming at providing basic needs for citizens that are retired, unemployed, or unemployable due to a disability or disadvantage, the so-called social security system, has a long history<sup>1</sup> but the first social security programs based on compulsory insurance were established in Europe in the late-19<sup>th</sup> century (International Social Security Association, n.d., para. 4; Justino, 2007: 369). This concept has spread to other regions of the world, including Thailand. However, there was no Social Security Act enacted until 1990, when the Draft of the 1990 Social Security Act was approved by the Thai National Assembly on September 2, 1990 (Library of Social Security Office, 2014: 9-14). Under this Act, the employees, a person agreeing to work for an employer owning a business with over 20 employees<sup>2</sup> in return for wages irrespective of designation but excluding an employee that was employed for domestic work which did not involve business,<sup>3</sup> would receive protection according to the capacity as the insured under a total of 7 circumstances. As mentioned in Section 54 of this Act, these circumstances included: illness or accident; physical disability; death not related to performance of work; child delivery; old age, child assistance, and unemployment. For this purpose, the employer and employee, and the government, during the initial stage paid contributions at an equal rate (i.e., 1.5 percent of monthly wages of each employee) for the payment of benefits<sup>4</sup> relating to sickness, maternity, invalidity, and death (Section 46). Thus, when talking

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<sup>1</sup> For example, in 1883, Chancellor Bismarck of Germany introduced the first mandatory health insurance scheme in terms of which employers and workers were obliged to contribute towards the cost of low paid workers' health insurance (World Health Organization. 2000: 4).

<sup>2</sup> This provision was extended to include enterprises with 10 or more employees in 1993 and enterprises with 1 or more employees in 2002.

<sup>3</sup> State enterprise employees who have their own schemes were in the program at the beginning but were withdrawn in October 1991 following changes in their legal status. Companies with superior employee benefit schemes already established as of September 1990 were granted exemption upon request from participating in any or all of the benefit schemes.

<sup>4</sup> According to the 1990 Social Security Act, old-age pension and child allowance have to be covered within 6 years after the Act was used (i.e., no longer than September 2, 1996), while the coverage of unemployment has to be implemented after the enactment of the Royal Decree was ready but the effective date of the enactment was not specified in the Act.

about social security system in Thailand, this term has specific meaning referring to the system that provide social security and/or social insurance to private employees as mentioned in the 1990 Social Security Act. This system is different to other welfare policies the Thai state provides to its officers and/or ordinary people.

A major turning point of the social security system in Thailand was reached again during the Thaksin Shinawatra government—a time when Thailand was in transition after the political reform by declaring and enforcing the 1997 Constitution and recovery from the economic crisis that occurred in the same year. This article seeks to explain why ideas aiming to revise the 1990 Social Security Act that had been used for more than 10 years emerged in 2001, discuss key problems about social security that were revised, the methods used in the revision process, and key actors making changes realized. Relying on qualitative research methods<sup>5</sup> and theoretical approach that views social security policy as the outcomes of both internal factor, political contestation among various groups and interests and external factor, neo-liberal globalization, this article argues that the initiative for the amendments of the 1990 Social Security Act did not make an immediate change to the Act. However, a gradual revision of the social security system has occurred from time to time since then as a result of political and economic fluctuations and the continual movements of various labor groups attempting to have an influence in the making and implementation of public policy and to persuade government officials to support their requests.

## **The “Thaksinomic Regime” and Its Social Welfare Policies**

The entry to power of Thaksin and the Thai Rak Thai (TRT) party has created a major change in the politics of Thailand. The TRT’s policy is different from the policies of other political parties. Instead of adopting suggestions and recommendations

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<sup>5</sup> Two qualitative methods were utilized in this article: (1) documentary research using official documents obtained from several organizations working relating to social security issues such as the Office of Social Security, Ministry of Social Development and Human Security, Office of National Economic and Social Development Broad, and so on; (2) in-depth interview asking many individuals who work related to social security decision-making process and those who are impacted by the policies such as politicians, bureaucrats, business groups, civil society organizations and academics.

proposed by the bureaucracy and technocrats, such as the National Economic Development Board (NEDB), like other governments in the past, the ruling TRT, in contrast, prepared its own public policies obtained from conducting research and workshops with ordinary citizens and experts for many years (Hewison, 2010: 122-123; Pasuk & Baker, 2009: 80–82). Originally, Thaksin set his party’s main purposes as being political reform, aiming at addressing the nation’s problems that had arisen from the 1997 economic crisis (Pasuk & Baker, 2004: 78-9). However, to achieve these purposes, he needed to win the House election with a majority vote. The TRT’s policy strategy then was broadened to capture a variety of voters by creating a range of welfare-oriented policies in order to respond to the basic needs of the people, in particular, the poor in urban and rural areas (Brown & Hewison, 2005: 359; Kengkij & Hewison 2009: 454–458; Pasuk & Baker 2009: 80–82).

One might claim that these policies were determined in order to tackle the inequality between the people in urban areas, who largely work in the corporate sector, have a good education, and are more-linked to the world market, and those living in rural areas, who mainly work in the agricultural sector, have a low education, and are less-linked to global economy by reducing the income gap between these people and making it easier for the poor to access social welfare services (Patana Ginger Tangpi-anpant, 2010: 13; Prapart Pintobtang, 2010: 46-47). Others might argue that the TRT’s policies were designed to appeal to the rural majority of voters (Anek Laothamatas, 2006), from which only a small group of political and business elites gained great benefits from a good investment atmosphere, as the poor had a better life and did not integrate for protests or demonstration (Pasuk & Baker, 2002: 9). Whether the goal of Thaksin was to attain equity or not, his “agenda captured the hearts and minds of Thailand’s rural majority, and built the TRT into an unstoppable political machine” (Thitinan Pongsudhirak, 2008: 142).

In addition to its policy formation, unlike numbers of public policies advertised by other political parties in the past, many of TRT’s policies were brought into practice. As they had promised the voters prior to being elected, three major policies, including agrarian debt suspension, the setting up of a village fund, and a 30 Baht health scheme, were immediately implemented soon after Thaksin and his party came to power

(Pasuk & Baker, 2004: 93). Since then various economic and social policies, such as the One-Tambon<sup>6</sup>-One-Product (OTOP) scheme, low-cost housing, scholarships for poor students, and so on, were implemented. Whether these policies were a success or failure in terms of policy implementation, delivering what they had promised considerably helped to boost Thaksin's and his TRT's popularity (Hewison, 2010: 122), which eventually made a range of welfare-oriented programmes introduced by the Thaksin government recognized as "populist policies."

The strength of the TRT's populist policies is, as Pasuk and Baker (2002: 11 - 12) analysed, the opportunity for voters to choose policies they preferred through elections. However, because the implementation of these policies required a large budget, one of the major concerns made by many political scientists and economists is that it could cause fiscal and financial crises. Ammar Siamwalla, for example, viewed that "...Thaksin government's populist policies were economic policies that created an artificial demand; the government spent a large amount of budget with no productive and did not encourage people to save money; in the long run, this kind of policy will increase a public debt and lead to a large amount of budget deficit..." (Anchalee Paireerak, 2002: 13).

Pasuk Phongpaichit (2003: 4-8) divided the implementation of the Thaksin government into three stages, beginning with policies for domestic market stimulus, a 'dual-track policy<sup>7</sup>,' and planned infrastructure-led growth plus deepening of capitalism. This division, as the author mentioned in her paper, is not exact, but each stage shows a key feature of the Thaksin government that had been a significant expansion of the government's role in promoting the country's economic growth and managing its social consequences, in the meantime. Regarding the latter feature, in the third year of his government, Thaksin introduced many policies referred to as "we care" (Ua Arthorn), projects aimed at improving the quality of life and reducing social

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<sup>6</sup> Tambon or sub district is the third administrative subdivision level formed below district (amphoe) and province (changwat).

<sup>7</sup> This policy alternative emphasized building a domestic base for the economy, coupled with the promotion of linkages to the world economy through international trade, financial cooperation, and investment

tensions, such as cheap housing for middle income urban families, loans for the purchase of taxis, loans for the purchase of low-priced televisions and computers, and so forth (Pasuk Pongpaichit, 2003: 4-5; Kasian Techapeera, 2007: 53; Thirayuth Boonmee, 2007; Pitch Pongsawat, 2007). With these welfare-type policies, even though Thaksin himself asserted that he would never allowed Thailand to become a welfare state some scholars viewed the period of Thaksin’s government as a “golden age of social welfare in Thailand” (Rapeepan Kamhom, 2011: 217).

Under Thaksin’s government, Thailand began to set up more clearly than in the past policies and a public budget in order to improve the social welfare of its citizens. Several social welfare projects aiming to support and provide Thai citizens (especially the poor) with public health, housing, and jobs were initiated; in the meantime, action plans for the implementation of these social policies were set out in Social Welfare Development Plan No. 3 (1997-2001) and No.4 (2002-2006) (Rapeepan Kamhom, 2011: 212-222). Attempting to improve the capability of the social development administration, the Ministry of Social Development and Human Security was established by Thaksin government’s bureaucratic reform under the 2002 Act Amending Ministry, Sub-ministry and Department (Ministry of Social Development and Human Security, 2011: 1). In this new Ministry, the Department of Social Development and Social Welfare was set up. The core missions of this Department focused on enhancing social synergy, developing a strong society that could respond to social changes and fluctuations, and pushing forward to a welfare society (The 2002 Ministerial Regulation on the Organization of Department of Social Development and Social Welfare).

In 2003, three social welfare acts proposed by the Thaksin government were also approved by the Parliament. These acts included the 2003 Child Protection Act, the 2003 Act on the Elderly, and the 2003 Social Welfare Promotion Act (Rapeepan Kamhom, 2011: 220). Enacting these acts provided the government and related organizations with clear mechanisms for implementation of its social policies at both administrative and operational levels. In addition to promulgating these three acts, several ministerial regulations related to social security development were issued, such as the 2006 Ministerial Regulation on Chronic Defining, which allow insured persons that were chronically ill to have the right to receive compensation for the loss of income for more than 180 days but less than 365 days.

## Changes in Social Security System under Thaksin Governments

After being implemented for more than a decade, the protection coverage provided in the 1990 Social Security Act was expanded to enterprises with 1 or more employees, including temporary employees in the public sector, in 2002, and the coverage of unemployment was implemented in 2004 (Table 1). This means that the protection of the Social Security Act since then finally covered private employees in large, medium, and small businesses as well as temporary employees in the public sector.<sup>8</sup>

**Table 1 :** Chronology of Coverage and Benefits Expanded by the Social Security Fund

		Periods
Coverage	Enterprises with 20 or more employees throughout the country	September 3, 1990 - September 2, 1993
	Enterprises with 10 or more employees throughout the country	September 3, 1993 - March 31, 2002
	Enterprises with 1 or more employees throughout the country	April 1, 2002 - present
Benefits	1. Sickness	March 1991 - present
	2. Maternity	
	3. Invalidity	
	4. Death	
	5. Old-age pension	December 1998 - present
	6. Child allowance	January 2004 - present
	7. Unemployment	

*Source:* Created by the author using data from Social Security Office (2004a)

<sup>8</sup> As of December 2003, a number of 324,079 establishments and 7,434,237 insured persons registered with SSO. Of those numbers there were 226,321 establishments and 804,672 insured persons in enterprises with less than 10 employees, and 97,758 establishments and 6,629,565 insured persons in enterprises with 10 or more employees. Most of the enterprises are in trading business (Social Security Office, 2003: 23).



Due to the aforementioned expansions, the contribution rates that the triparties—the employers, the employees, and the government—have to pay for the Social Security Fund were revised to provide seven types of benefits for insured persons: sickness, maternity, invalidity, death, child allowance, old-age pension and unemployment benefits. For the first four types of benefits (sickness, maternity, invalidity and death), employers and employees paid the contribution rate at 1.5 percent of wages, 3 percent of wages for two types of benefits (child allowance and old-age pension), and 0.5 percent of wages for unemployment benefit, while the government paid contribution at the total rate of 2.75 percent of wages; 1.5 percent for the first four types of benefits, 1 percent for the following two types of benefits and 0.25 percent for unemployment benefit (Table 2).

**Table 2** Contribution Rates as of December 2004

Categories	Employers	Employees	Government	Contribution rate according to the Ministerial Regulations
Sickness Maternity Invalidity Death	1.5%	1.5%	1.5%	Each party pays equal contribution at a rate of not over than 1.5%
Child Allowance Old Age Pension	3%	3%	1%	Each party pays unequal contribution at a rate of not over than 3%
Unemployment	0.5%	0.5%	0.25%	Each party pays unequal contribution at a rate of not over than 5%
Total % of contribution	5%	5%	2.75%	Not over than 9.5 % of the worker’s salary

Source: Adapted from Social Security Office (2004a: 28)

According to the Ministerial Regulations, the insured persons must have paid contributions for a period of not less than six months within a period of 15 months to be eligible for the unemployment benefit. In addition, reasons of unemployment must not be the termination of employment as a result of a job violation, a planned or premeditated criminal act against the employer, a serious act against the law, resulting in serious damage to the employer's business, or being imprisoned under a court order. The eligible insured persons who are laid off will receive 50 percent of wages for not more than 180 days within 1 year. The insured persons who resigned from their jobs voluntarily will get 30 percent of wages for not more than 90 days and the accumulated days' benefits may not be more than 180 days within 1 calendar year.<sup>9</sup>

One might claim that changes in the 1990 Social Security Act during the Thaksin period were not evidence indicating a strong concentration of the government at that time on the development of social security system, but occurred as a result of provisions determined in the Act (Bandit Thanachaisetavut. Personal Interview. March 5, 2014). However, for many others, even though the 1990 Social Security Act determined specific periods for social security coverage and benefits to be implemented, some of them were postponed due to an economic situation and a lack concern of policy makers under former governments (Sakdina Chatrakul Na Ayudhya, Personal Interview, 8 March 2014).

Like in other countries in the region, the social security system in Thailand was under-developed when the Asian financial crisis struck in 1997. In particular, while the system provided social security limitedly to private employees in non-agricultural, through contributory schemes which was stretched to include old age benefits as well as sickness, invalidity, maternity, and death benefits, and child allowances, the Social Security Office (SSO) has reduced the contribution rate for the period of 1998-2003<sup>10</sup>

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<sup>9</sup> During the economic crisis in 2008, however, the coverage period was extended to 240 days for the insured persons who were laid off.

<sup>10</sup> It would be great to note here that during this period (1998-2003), the SSO reduced the contribution for the first four type of benefits (sickness, maternity, death and invalidity) at the rate of 1 percent of insured wages from employers, employees, and the government. The contribution rate of the latter two types of benefits for employer and employee is 1 percent of wages in 1998-1999, 2 percent in 2000-2002 and, 3 percent from 2003 while it is only 1 percent for the government (Social Security Office, 2003: 28).

to reduce burden for employers and insured persons and to maintain the level of expenditures and investment to support the economic recovery due to the economic recession (Social Security Office, 2003: 28). As social welfare deteriorated and the population grew increasingly impoverished during the Asian financial crisis, the Thai government had to consider adopting more comprehensive social security policies when the economy started to recover from the crisis.

In addition, changes in Thailand’s capitalist development since the 1997 economic crisis led to a new form of management of business enterprises. For example, some business enterprises adjusted the terms of employment, from full-time/part-time permanent work to contract work (or fixed-term employment) (Vichit Dasantad, Personal Interview, July 1, 2013). Moreover, there has been an expansion of self-employed workers leading to an increase in the of informal-sector laborers (Thanit Thaitrong, Personal Interview, April 29, 2013). As a result, scholars and labor group leaders that participated in the policy formulation workshops organized by the TRT party suggested that the party should formulate policies aimed at implementing the provision in Section 40 of the 1990 Social Security Act, which allows self-employed workers to join the Social Security fund (Sakdina Chatrakul Na Ayudhya, Personal Interview, March 8, 2014). Due to the close relations between the Thaksin government with its reformist program and the NGOs connected with the localist alternative movement in the beginning and its self-requirement to secure its electoral victory, this idea was accepted by the TRT party and was included in the Thaksin government’s policy statement delivered to the parliament when that government came to power in 2001, as can be seen in the following statement.

“...[The government will] implement adequate social security measures; expand the range and scope of labor welfare in order to provide suitable protection for laborers, both within and outside the system; protect the health, safety and environment in the workplace, particularly one that will protect child and women laborers...<sup>11</sup>”

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<sup>11</sup> This statement was part of the Policy Statement of the Government of Police Lieutenant Colonel Thaksin Shinawatra, Prime Minister, to the National Assembly 26 February B.E. 2544 (2001: 14).

On one hand, this statement indicates what Hewison (2004: 515) concluded about Thaksin and his TRT party that clearly “...came to power through electoral policies that targeted the poor, made social welfare a significant part of its platform, and allocated government a central role in reducing poverty.” Any policies delivered considerable political support for the government would be accepted although the World Bank and IMF worried about increased role for the state and the impact of aggressive expansionary economic policies (Hewison, 2004: 515). On the other hand, the acceptance of labor movements’ suggestions created hope among intellectuals who saw this as an emerging new social contract for Thai society. Whether the goal of Thaksin was to attain equity or not, his social policies that emphasized on self-reliance, family and community mutual care, voluntary charity, and philanthropic initiatives provide him the place where the alliance between his government and labor activists made sense, at least, in the beginning (Schmidt, 2007: 18).

In the same year, the Royal Decree, prescribing the rules and rate of contributions, and type of benefits for insured persons under section 40 of the 1990 Social Security Act to be received, was enforced. The same set of benefits as provided by the Social Security Fund to insured persons under the Section 33, who were mostly permanent employees in the private sector, was applied to insured persons under section 40. However, this provision did not respond properly to the needs of the latter insured persons, who usually were self-employed workers in diversified careers (Thanapon Sosrida. Telephone Interview. March 1, 2014). Moreover, the insured persons under this Royal Decree could receive compensation in case of sickness. They also had to pay a one-time contribution in the amount of 3,360 Baht annually (Bandit Thanachaisetavut, 2008: 209). This amount of money is too much for informal sector laborers that earn a very low income (Somporn Kwannate. Telephone Interview. February 26, 2014). These reasons in combination led a very low number of self-employed workers that voluntarily registered to be insured persons under the 1990 Act (Table 3).

**Table 3** Insured Persons under Section 40 of the 1990 Social Security Act, 2001-2004

Year	Number (person)*
2001	2
2002	4
2003	10
2004	7

\*As of December of each year

Source: Social Security Office (2001; 2002; 2003; 2004)

In general, the main problems that fixed term employees and informal sector laborers have faced is that these groups of workers receive low payment, lack continuity in their work, and have no compensation for injury or sickness as provided in the social security system (Poonsup Suanmoung Tulaphan, 2012: 3). According to the social security survey conducted by the National Statistic Office of Thailand in 2010, among overall 38.7 million workers, 24.1 million workers were in informal sectors, or 63.7 percent. This proportion increased from 62.1 percent the year before. Further, the majority of this type of workers is those that have a primary level of education and work in the agricultural sector (Poonsup Suanmoung Tulaphan, 2012: 3). This change in the proportion of the workforce caused various labor groups and policy makers to pay more attention to an expansion of the coverage in the 1990 Social Security Act to cover workers in informal sectors more properly (Bandit Thanachaisetavut Personal Interview. March 5, 2014). In particular, Thaksin made an announcement in his 2003 Labor Day speech that a government would provide housing, land distribution, sponsored higher education for workers’ children and higher wages for skilled workers. He also promised the introduction of unemployment benefits through the extension of the social security fund to all workers by January 2005 (Bangkok Post, 2 May 2003). In 2004, the Thaksin government, with the SSO, conducted a study (i.e., Project on the extension of social security to the informal sector) aimed at seeking a method for social security expansion for informal sector workers and people working in the agricultural sector throughout the country (Bandit Thanachaisetavut, 2006: 36-37). As part of the

project, the SSO in cooperation with International Labor Organization Sub-regional office for East Asia also organized a seminar on “Inter Governmental Seminar on the Social Security Coverage Extension to the Non-Covered Population” on 7 December, 2004 to present findings and survey results and analyze Social Security requirement of persons working in the informal economics. The objectives of this seminar are to listen to the opinion of participants and take back the summary of this seminar to set up policy selection on the extension of Social Security Protection to the informal sector (Social Security Office, 2004: 67). A year later, the Thaksin government declared in its second term policy statement delivered to the parliament that: “[The government] will expand a scope of social security to cover informal sector workers and workers in the agricultural sector...”<sup>12</sup>

This statement demonstrates the serious attention paid by the Thaksin government to informal-sector workers and workers in the agricultural sector that comprised the most important voters. To accomplish this, the government by the SSO invited informal workers and stakeholders consisting of representative/members from the group or cooperatives or Village Welfare Fund and workers from different career such as home workers, taxi drivers and tuk tuk drivers, self-employed, farmers, fisherman etc. to brainstorming seminar held 12 forums throughout the country in 2005 (Social Security Office, 2005: 71). The seminar had an objective to disseminate knowledge and understanding as well as exchange opinions with the invited informal workers and stakeholders regarding model, regulation, terms of condition, and operation method such as registration, contributions collection and benefits to meet with the satisfaction and respond the need of informal labor (Social Security Office, 2005: 71). It is expected to provide social security to informal workers within 2006; however, this attempt did not succeed during the period of Thaksin because a political conflict occurred only a year after the TRT’s landslide victory in the 2005 election (Methinee Jittichanon. Personal Interview. March 22, 2013).

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<sup>12</sup> This statement was taken from the Policy Statement of the Government of Police Lieutenant Colonel Thaksin Shinawatra, Prime Minister, to the National Assembly 23 March B.E. 2548 (2005: 6)

Apart from the demand for expanding the social security to include informal sector and agricultural workers, the idea aiming at changing the legal status of the SSO—from a bureaucratic organization under the Ministry of Interior to a public organization or “a special administrative agency”—was also initiated by the Thaksin government and its supporters, especially scholars and activists in the labor-development field (Bandit Thanachaisetavut, 2008: 173). For one insured person that has been a member of the Thai Labor Solidarity Committee (TLSC), this reform “...would make the new SSO more independent in terms of human resource management, budgeting and financial administrations, and more accountable for insured persons...” (Thanapon Sosrida. Personal Interview. December 10, 2012).

While the study for the reformation of the SSO was underway, the SSO has improved its operational structure in its Area Offices and Provincial SSOs in order to meet new criteria of public organizations development set by the Office of Public Sector Reform (Social Security Office, 2005: 73). The SSO also set up internal control activities to prevent mistake from the operation. This new operation structure is divided into 2 groups: (1) Front Office that is responsible for registration of employers and employees, contributions collection, benefit adjudication, compensation adjudication and other service operation as needed from the service utilizer; and (2) Back Office that is responsible for information technology system, medical coordination, inspection, follow-up debt, accounting, financial statement and general administration (Social Security Office, 2005: 73).

For some insured persons, the request for social security reform also emerged as a result of many criticisms of the process of Social Security Committees nomination. According to the present Act, the Social Security Committee consists of 5 representatives from the government, including the Permanent Secretary for Labor and Social Welfare as Chairman, a representative of the Ministry of Finance, a representative of the Ministry of Public Health, a representative of the Bureau of the Budget, and 5 representatives of employers and 5 representatives of employees appointed by the Minister, as members. For many insured persons, this process of nomination has several weaknesses. In the appointment of the 5 representatives from the government, there are no clear and suitable qualifications for those that should be appointed as committee members. For

this reason, many committee members that were not social security experts and had no experience in the social security field were appointed. Regarding the process of the selection of representatives of employers and employees, where 5 representatives of employers are selected by 11 employer councils and 5 representatives of employees are selected by 9 employee councils, major criticisms have focused on methods that do not reflect the real representation of employers and employees. As one member of the TSLC mentioned that “...the committee members who represent employers and employees should be elected under one man one vote basis by employers and employees, but at the present, a selection process doesn’t reflect the voice of employers and employees; for example, enterprises with over than 10,000 employees have 1 representative equal to enterprises with less than 50 employees...” (Somporn Kwannate. Telephone Interview. February 26, 2014)

Due to the political conflict that caused Thaksin decide to resolve the parliament in February 2006 (the situation became worse however and eventually was stopped temporarily by a coup in mid-September 2006), the Thaksin government’s projects regarding the expansion of social security to the informal sector and agricultural workers and the SSO reform were halted. Nevertheless, these two attempts have remained critical problems that the labor groups have addressed to the SSO and the following governments (Bandit Thanachaisetavut, Personal Interview, 5 March 2014). For example, during the period of the Surayud Chulanont government (2006 - 2007), the TLSC, with the support of the Labor and Social Welfare Committee in the Parliament, proposed an amendment bill to the National Legislative Assembly aiming to make the SSO an independent organization, with thorough and effective checks and balances. However, instead of considering this amendment bill, the government responded to the request of the labor groups by allowing the SSO to propose another amendment to give the SSF more flexibility in its operation under the supervision of the SSO. The ignorance by the National Legislative Assembly to the TLSC’s amendment bill reflected that the Surayud government had no plans to change the status of the SSO (Bandit Thanachaisetavut, 2008: 198).

In contrast, the movement aiming to reform the social security system by expanding the coverage to informal-sector workers led by the Insured Persons



Network and the labor groups network<sup>13</sup>, who were for the most part individuals that had worked together to push for the 1990 Social Security Act, had begun in 2006. This movement succeeded in pushing their requests to be law in 2009 during the period of the Abhisit Vejjajiva government. For the insured persons and labor activists, one of the main reasons explaining why such requests of labor groups were realized was that this idea had emerged for many years under the strong support of the government (i.e., Thaksin government), the SSO, and the network of labor groups. This idea had never been rejected by the officials in the SSO; for this reason, when the network of labor groups has joined together and pushed forward this idea intensively since the year 2006, the expansion of the social security to include workers in informal sector has been enforced (Bandit Thanachaisetavut. Personal Interview. March 5, 2014; Wilaiwan Sae-Tia. Telephone Interview. February 20, 2014). Another reason is that the Abhisit government was under the pressure of both the domestic political conflicts and external economic crises that were occurring in the U.S. and many countries in Europe. In responding to these domestic political conflicts, Abhisit decided to implement this policy in order to gain the support of the people working in the informal sector; at the same time, delivering this policy was essential to the government to relieve the negative impacts of the external economic crises (Sakdina Chatrakul Na Ayudhya, Personal Interview. March 8, 2014).

However, the election of Abhisit as a new prime minister by the House was immediately rejected by the pro-Thaksin movement, the Red Shirts. Two major protests launched by the Red Shirts occurred in April 2009 and April and May 2010. Although the government was able to maintain its power, Abhisit decided to dissolve the parliament on May 10, 2011, approximately a year after the clash between the Red Shirt protesters and the armed forces, which led to nearly a hundred deaths and more than 1,800 injuries. In the general election on July 3, 2011, Yingluck Shinawatra, Thaksin’s younger sister, and her Pheu Thai Party, won a landslide victory with 47 percent of

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<sup>13</sup> This network consists of many labor groups and foundations, for example, the Labor Rights Promotion Network Foundation, the Arom pongpangan Foundation, The Action Network for Migrants (Thailand), and the Council of Work and Environment Related Patent’s Network of Thailand (WEPT).

the vote, winning 265 seats from the 500-seat House of Representatives. The entry to power of Yingluck, who has a very close relationship with Thaksin, led some labor activists to expect that a window of opportunity for reforming the SSO should be opened because this idea first emerged during the period of the Thaksin government (Bandit Thanachaisetavut. Personal Interview. March 5, 2014). Nevertheless, the parliament had rejected the bills proposed by Democrat Party MPs led by Nakorn Machim and the unionist Wilaiwan Sae-Tia, both of which called for a significant change in the governance of the social security system. In particular, these two bills proposed making the SSO an independent organization with effective internal controls and audit mechanisms, as the network of labor groups had pushed for years. In particular, both bills strongly called for the appointment of an independent audit committee to provide oversight of the SSO's board of directors.

## Conclusion

Similar to what has occurred in other developing countries, the evolution of the social security system in Thailand started with the welfare system, targeting officials of the state and then gradually expanded to private sector employees. However, there was no specific act aiming to provide social security to private sector employees and labors enacted until 1990, when the Draft of the 1990 Social Security Act was approved by the Thai Parliament. Since then changes in the social security system still existed for many times. Yet, critical expansion of the system occurred after the Prime Minister Thaksin and his TRT party came into power in 2001. This article found that the main reasons made such an expansion occurred are three folds. The first one is the attainment of Thaksin and his TRT party to win the election and maintain their popularity by initiating and implementing public policies that help Thailand's economy recovery from the Asian crisis and respond to demands of several groups of people, particularly those who are poor and live in rural areas. This strategy then was applied and modified in some cases by the following governments including both the government of political parties under Thaksin's support (i.e. the Samak, Somchai, and Yingluck governments) and governments formed by his opponents (i.e. the appointed government of General Surayuth and the government of the Democrat Party). The second reason

made the social security policy in Thailand during the past decade changed is the rise concerns of policy experts and private company owners about a viable of the system in crisis times. As this article has observed, while ideas aiming to reform the social security system have continuously proposed by groups of insured persons since the 1990 Social Security Act promulgated, some of the ideas were paid close attention by policy makers only the time the country was facing crisis or requiring mechanisms to reduce social impacts from the crisis. Critical changes in social security system during the periods of Thaksin, Abhisit, and Yingluck governments are great examples. The last but not least one is the continual movements of various labor groups aiming to persuade the government and government officials to support their requests to reform and improve the social security system. Without the movements of many active labor groups and foundations, especially the Labor Rights Promotion Network Foundation, the Arom pongpangan Foundation, The Action Network for Migrants (Thailand), and the Council of Work and Environment Related Patent’s Network of Thailand (WEPT), this article claimed, social security system in Thailand would be worse than it was today.

Lessons learned from changes and continuities of social security policy in Thailand under the Thaksin government and the governments that followed suggested that the politics of social security policy in Thailand is a long and ongoing story. One of the most recent phenomena regarding to this existed during the period of Prime Minister Yingluck Shinawatra when the Thai parliament considered four amendments to the Social Security bill proposed by four different groups in March 2013. The parliament rejected two amendments proposed by the unionist Wilaiwan Sae-Tia and 14,264 public petitioners while it accepted the two others presented by the cabinet and Democrat Party MPs—Rawat Areerob and Nakorn Machim (Werapong Prapha, 2013). These actions fuelled debates among scholars and stakeholders underscoring the fact that the politics of social policy in Thailand, like other countries, is a contested arena involving a range of competing social forces and interests. One critical question is that what is going to happen to social security system in Thailand after the May 22, 2014 Coup. Whether is this circumstance a great opportunity for reforming a social security system in order to meet a need and requirement of the insured persons.

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