

Bearing the consequences of population policy in Thailand

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Thailand went through its fertility transition more quickly than almost any other country, with the average number of children born to the average woman declining from about six to two in little more than two decades, between about 1970 and 1990.

Fertility rates have since gone still lower, now standing at around 30 per cent below replacement level (the level that would lead to long-run population stability). This does not mean that Thailand's population has stopped increasing. Population momentum — resulting from a continued relatively high concentration of people in the childbearing ages — may result in slow population increases for up to 10 more years. But after this Thailand's population will begin to decline unless fertility rates increase substantially from their current level, or there is net immigration.

What are the issues, then, that Thailand faces in relation to population change? One is rapid population ageing, and another is urbanisation. The latter is concentrated on Bangkok and its surrounds, but increasingly also on regional cities such as Chiang Mai, Korat and Hat Yai. Equally, the international migration balance appears to be lowering the labour force's average education and skill levels, as Thais moving abroad tend to be better-educated than migrants coming to Thailand from neighbouring Myanmar, Laos and Cambodia.

Still, Thailand has profited in recent decades from a demographic dividend, where its earlier decline in fertility has subsequently led to a population age structure in which the proportion of working-age people is very high. Such an age structure is favourable to rapid economic growth, something which Thailand has certainly achieved over recent decades. This demographic dividend is now drawing to a close, and the proportion of working-age people is beginning to decline, albeit slowly.

Thailand is fairly well placed to deal with the additional challenges this transition will pose for economic growth in coming years. Its education system has (rather belatedly) managed to achieve a much higher proportion of students completing their upper-secondary education. But the situation is not yet satisfactory. Thailand's National Economic and Social Development Board reported that in 2008 the retention rate in primary education, from entry to the highest grade, and in upper secondary from entry to the highest grade, was 88 per cent and 53 per cent, respectively. A further problem will be Thailand's ageing labour force, with a declining number and proportion of workers under the age of 29.

Considerable publicity has been given to the ageing issue in Thailand. The proportion of those aged 60 and above will increase from about 13 per cent at present to about 24 per cent in 2030. Most of Thailand's elderly are healthy and able to look after themselves. Though the proportion living with children is declining, the proportion living with children or in close proximity to children remains quite high — 71 per cent in 2007. Therefore, despite a substantial flow of younger adults to the cities, the proportion of the elderly living alone is not high, and close contact can be maintained with absent children through the ubiquitous cell phone. Material support from children has declined only modestly, some workers are insured under the social security system, and the new National Saving Scheme is designed to provide a government contribution if fund members save until they reach

retirement age. The greatest challenge is the provision of long-term care for severely disabled people and those suffering from serious chronic illness, especially in view of the increasing share of never-married Thais in the elderly population — a group that will become more apparent over the next two decades — who will have no children to rely on.

Thailand's population policy focused on reducing fertility from high levels for almost three decades. Now Thailand must consider following the example of its low-fertility East Asian neighbours — Japan, South Korea, Taiwan and Singapore — in introducing policies designed to encourage marriage and childbearing. Though the policies elsewhere in East Asia do not appear to have been particularly successful, some have been in place for too short a time to make much impact. At a minimum, Thailand should be considering more generous maternity-leave provisions than are provided at present, more flexible working hours and improved subsidised childcare. Merely copying other countries' policies is unlikely to serve Thailand well, as its circumstances differ considerably from its neighbours.

Population projections for Thailand suggest that fewer than five million people, and very likely only one million (less than 2 per cent), will be added to the population before growth ceases. Bearing in mind continued population movements from rural to urban areas, this means that some regions will witness a drop in population because the growth of towns and cities in these areas will not fully compensate for rural depopulation. Planning for population decline is important to any country's future, and Thailand can profit from the experience of European and East Asian countries that have had to manage population decline in rural and regional areas.

P.S.

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