

Poverty & Equity Brief

East Asia & Pacific

Thailand

October 2020

Over the past three decades, Thailand has made substantial gains on key social and economic development objectives, reflecting its remarkable transition from a low-income to an upper middle-income country in a single generation. Official poverty rates reduced from 65.2 percent in 1988 to 9.9 percent in 2018.

Over the past few years, household incomes and consumption growth have stalled nationwide and poverty started to increase slightly since 2015. The recent changes in poverty reveal that Thai households are vulnerable to shocks and difficult economic conditions. With a rapidly aging population, a conflict-affected Southern region, low quality of education, and one-third of the labor force still employed in low-productivity agriculture, poverty and equity remain relevant topics for Thailand, its upper middle-income status notwithstanding.

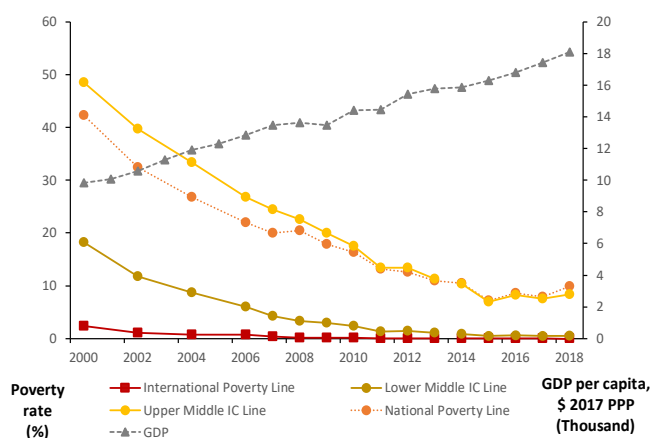
Historically, economic growth has been the key driver of poverty reduction in Thailand. However, the engine that delivered most of the productivity gains in the **past—the** movement of people from the low-productivity agricultural sector into higher-productivity jobs, particularly in the manufacturing **sector—has** begun to lose steam. While initially cushioned by high global demand for primary commodities, the recent fall in agricultural prices negatively impacted farmers and contributed to worsening household welfare in rural areas since 2015. Urban households also experienced declining market income during the same period. These changes coincided with emerging and shifting economic and environmental challenges in the economy—growth has been moderating across the developing East Asia and Pacific region with the weakening of trade and economic growth globally, and the slowdown was more pronounced in Thailand than in the other large economies in the region.

Most recent household survey data suggest that poverty may have declined in 2019, but the COVID-19 pandemic is threatening this progress. The impact of COVID-19 crisis on jobs and household welfare has proven to be severe. Around 8.4 million manufacturing and services jobs, particularly in tourism, are estimated to be at risk from the containment measures and the outbreak induced downturn in 2020. A third of all households rely on income from impacted sectors. In addition, 6 million farmers are at risk from drought. A generous 3-month 5000-baht cash transfer program was disbursed to 15.1 million informal workers and 7.5 million farmers, reaching many in need, but the program has expired mid-2020.

POVERTY	Number of Poor (thousand)	Rate (%)	Period
National Poverty Line	6,838.7	9.9	2018
International Poverty Line 26.4 in Thai baht (2018) or US\$1.90 (2011 PPP) per day per capita	16.7	0.0	2018
Lower Middle Income Class Poverty Line 44.5 in Thai baht (2018) or US\$3.20 (2011 PPP) per day per capita	366.4	0.5	2018
Upper Middle Income Class Poverty Line 76.5 in Thai baht (2018) or US\$5.50 (2011 PPP) per day per capita	5,826.1	8.4	2018
Multidimensional Poverty Measure		0.1	2017
SHARED PROSPERITY			
Annualized Consumption Growth per capita of the bottom 40 percent		1.45	2014-2018
INEQUALITY			
Gini Index		36.4	2018
Shared Prosperity Premium = Growth of the bottom 40 - Average Growth		0.30	2014-2018
GROWTH			
Annualized GDP per capita growth		3.32	2014-2018
Annualized Consumption Growth per capita from Household Survey		1.15	2014-2018
MEDIAN INCOME			
Growth of the annual median income/consumption per capita		1.40	2014-2018

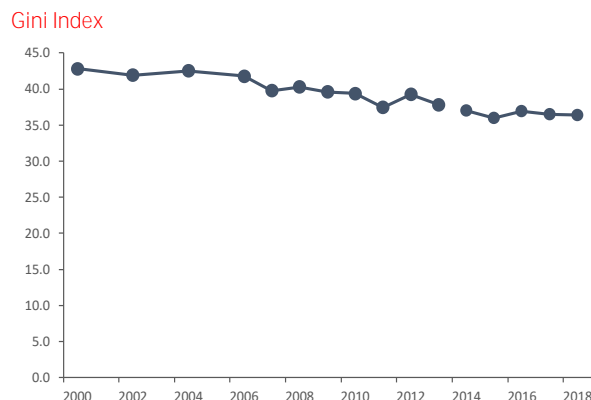
Sources: WDI for GDP, National Statistical Offices for national poverty rates, POVCALNET as of September 2020, and Global Monitoring Database for the rest.

POVERTY HEADCOUNT RATE, 2000-2018



Source: World Bank using SES/EAPPOV/GMD

INEQUALITY TRENDS, 2000-2018



Source: World Bank using SES/EAPPOV/GMD

KEY INDICATORS

Distribution among groups: 2017	Upper Middle Income line(%)		Relative group (%)		Multidimensional Poverty Measures: 2017	(% of population)
	Non-Poor	Poor	Bottom 40	Top 60		
Urban population				N/A	Monetary poverty (Consumption)	
Rural population				N/A	Daily consumption less than US\$1.90 per person	0.0
Males	92	8	40	60	Education	
Females	93	7	40	60	At least one school-aged child is not enrolled in school	0.6
0 to 14 years old	87	13	55	45	No adult has completed primary education	14.8
15 to 64 years old	94	6	35	65	Access to basic infrastructure	
65 and older	91	9	47	53	No access to limited-standard drinking water	0.9
Without education (16+)	83	17	63	37	No access to limited-standard sanitation	0.2
Primary education (16+)	91	9	48	52	No access to electricity	0.1
Secondary education (16+)	96	4	29	71		
Tertiary/post-secondary education (16+)	100	0	6	94		

Source: World Bank using SES/EAPPOV/GMD

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Notes: N/A missing value, N/A* value removed due to less than 30 observations

POVERTY DATA AND METHODOLOGY

Poverty and inequality statistics are calculated using data from the Thailand Socio-Economic Survey (SES), which is conducted annually by the National Statistical Office of Thailand.

National and international trends in poverty are aligned but do not match exactly due to differences in methodology. A welfare aggregate based on nominal consumption per capita is used for both national and international measurement. The main differences between the national and World Bank international measures are due to the different poverty lines that are used. Thailand produces national poverty estimates which are based on household-level poverty lines, with variation by household composition in age and gender, and which also incorporate regional price differences. The WBG measure is based on a singular poverty line, which allows for ease of comparability across countries.

HARMONIZATION

The numbers presented in this brief are based on the EAPPOV database. EAPPOV is a database of socio-economic statistics constructed using microdata from household surveys in the East Asia and the Pacific (EAP) region and is managed by the East Asia & Pacific Team for Statistical Development (EAPSTD). As of January 2019, the collection includes 19 countries and 93 surveys. Harmonized surveys in the EAPPOV database are compiled into 4 modules following Global Monitoring Database (GMD) Harmonization guidelines. A subset of the harmonized variables form the basis of the GMD collection, including the welfare aggregate which is used for Global Poverty Monitoring. Terms of use of the data adhere to agreements with the original data producers.