

Enhancing Labor Productivity for East Asian
Countries:
The Thailand case Study

WBI Labor Policy Workshop

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East Asia Team Members

- Ms. Jianchun Yang, China,
- Ms. Zhang Libin, China,
- Ms. Xinmei Zhang, China,
- Mr. Xu Wand China,
- Ms. Rohani Abdullah, Malaysia,
- Ms. Nguyen Thi Kim Dung, Vietnam,
- Mr. Pan Warnapinij, Thailand,
- Ms. Areeya Rojvithee, Thailand,
- Ms. Sutassanee Suebwongpat, Thailand,
- Mr. Maitree Wasuntiwongse, Thailand,

Issues on Labor Productivity

- Low productivity,
- Low level of Education and Technological Capability,
- Seasonal, and Under-Employment,
- Large Informal Sector,

“Thailand Case Study”

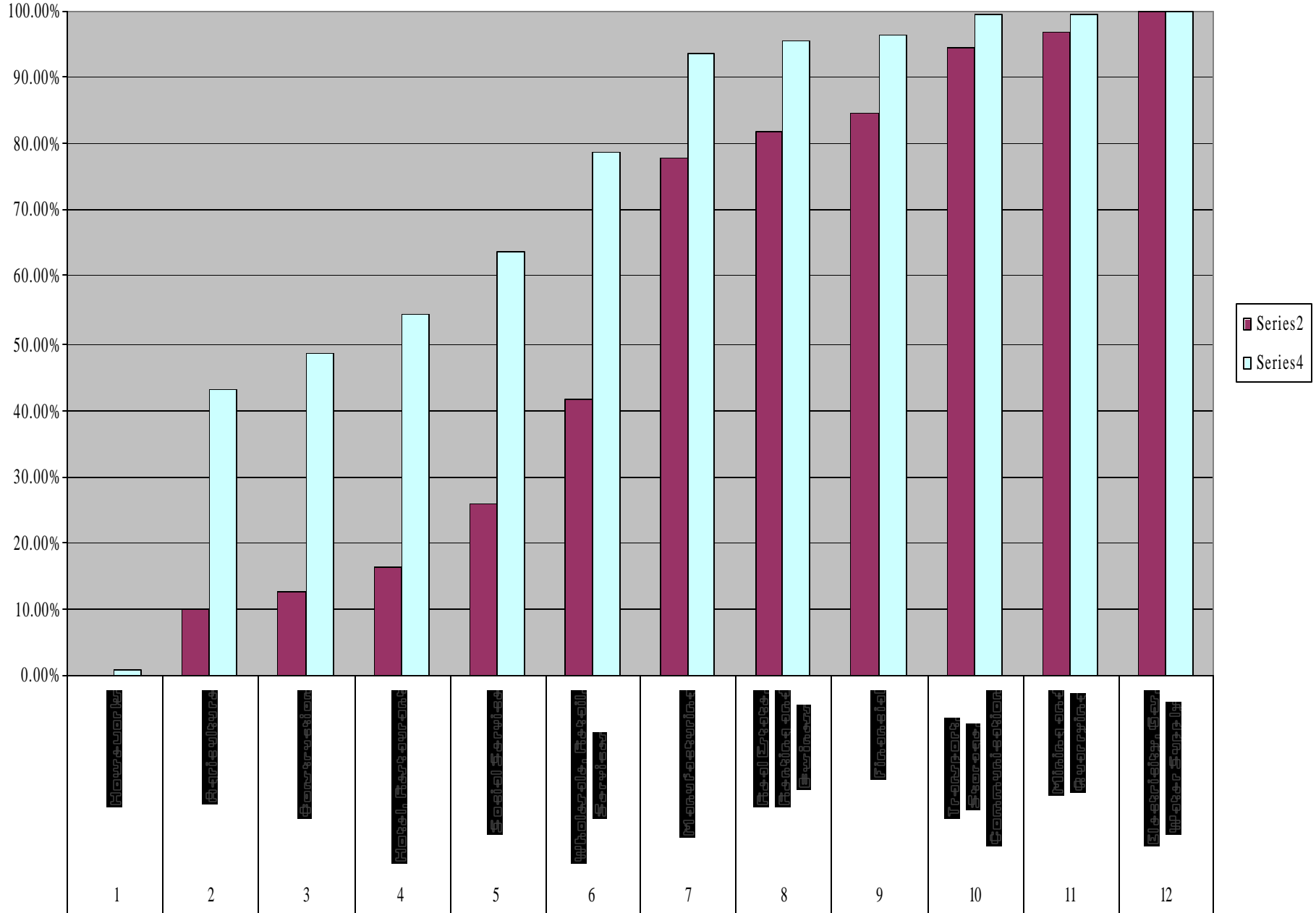
Thailand: Country Background (2001)

- Location: Southeast Asia -member of ASEAN,
- Population :63 million,
- GDP: \$ 119,241 million,
- Per Capita Income: \$ 1,892 per year
- Exports \$ 65 billion in 2001
- Political: Elected Government with Monarchy under Constitution

Thailand Labor Force (2001)

- Labor Force 33.93 million,
- Employed 32.51 million,
- Unemployed 1.12 million, = 3.5 %

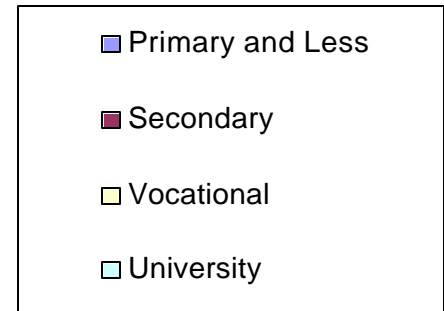
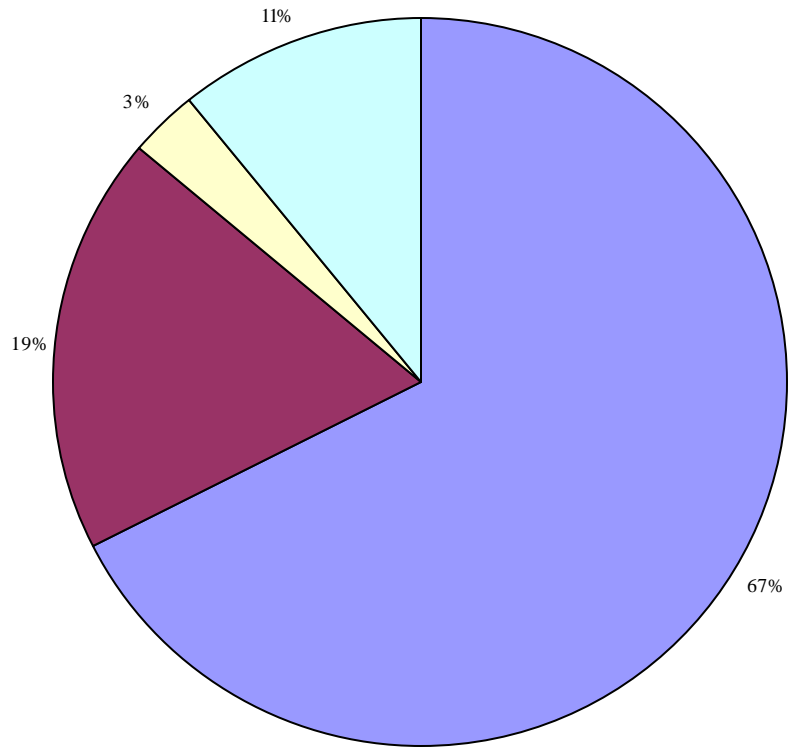
Thailand Labor Productivity (FY 2000)							
Item	Sector	GDP (Million Baht)		Labor Force		GDP/Labor	GDP(\$)/Labor
		Amount	% acc	No.	% acc		
1	Houseworks	5,764.17	0.11%	255.00	0.79%	22,604.59	565.11
2	Agriculture	514,629.84	10.15%	13,612.00	43.19%	37,807.07	945.18
3	Construction	123,875.08	12.57%	1,645.00	48.31%	75,304.00	1,882.60
4	Hotel, Restaurant	199,107.58	16.45%	1,918.00	54.29%	103,810.00	2,595.25
5	Social Service	474,942.76	25.71%	3,094.00	63.93%	153,504.45	3,837.61
6	Wholesale, Retail, Services	809,549.28	41.50%	4,688.00	78.53%	172,685.43	4,317.14
7	Manufacturing	1,859,780.54	77.77%	4,927.00	93.87%	377,467.13	9,436.68
8	Real Estate, Renting and Business	206,795.93	81.81%	495.00	95.42%	417,769.56	10,444.24
9	Financial	145,916.02	84.65%	303.00	96.36%	481,571.02	12,039.28
10	Transport, Storage, Communication	505,109.50	94.50%	1,005.00	99.49%	502,596.52	12,564.91
11	Mining and Quarrying	108,161.49	96.61%	66.00	99.69%	1,638,810.45	40,970.26
12	Electricity, Gas, Water Supply	173,729.50	100.00%	98.00	100.00%	1,772,750.00	44,318.75
	Total	5,127,361.69		32,106.00		159,701.04	3,992.53



Issues on Labor Productivity

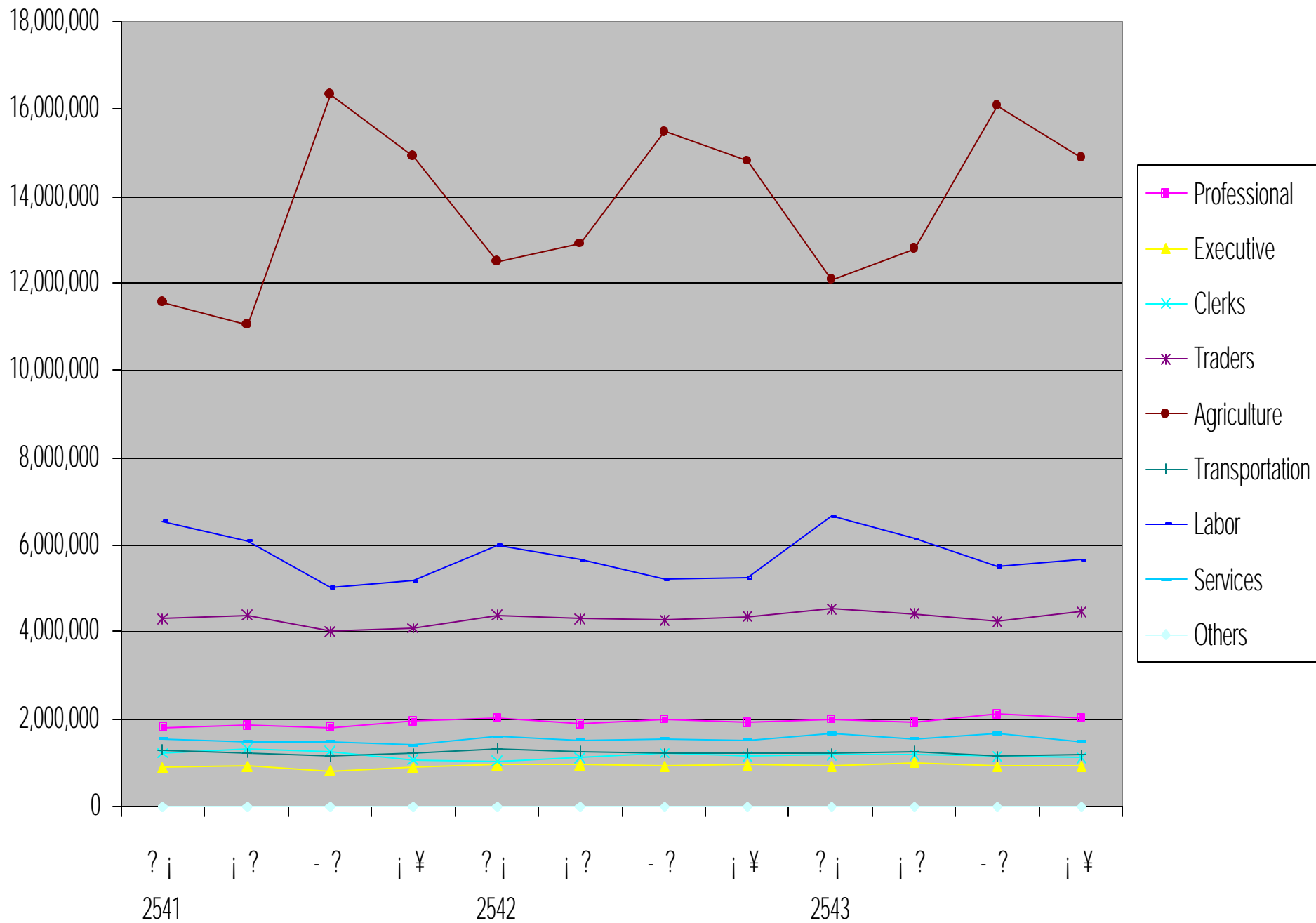
- 78.43% of Workers (or 65% of non-agricultural workers) Engaged in Low Productivity Activities,
- Labor Education and Technological Capability,

% of Employed Persons by Education (FY 2000) %



Issues on Labor Productivity

- 78.43% of Workers (or 65% of non-agricultural workers) Engaged in Low Productivity Activities,
- 67.4 % of Workers has Primary or lower Education,
- Seasonal Employment,



Informal Sector (?)

- 6.5 million workers insured under Social Security,
- 2.8 million in Government Services and SOE,
- Informal Sector approx. 24 million (70%, including agriculture),
- Approx. 11 million (55% of non-agriculture)

Issues on Labor Productivity

- 78.43% of Workers (or 65% of non-agricultural workers) Engaged in Low Productivity Activities,
- 67.4 % of Workers has Primary or lower Education,
- Seasonal Employment due to Seasonality of Agricultural Employment (appx. 4 million workers annually),
- Large Informal Sector

Strategy

- Labor Market Information System,
- Labor Skills Adjustment,
- Formalize the Self-Employed,
- Protection for Formal Sector.

Labor Market Information System (MOLSW)

- To monitor and provide information for impact assessment of policies,
- To provide basis for Labor Market Policies adjustment,
- LMI Includes:
 - Labor Demand -by Industry, Occupation,
 - Labor Supply -by Occupation,
 - Employment & Unemployment.

Labor Skills Adjustment

Informal Sector (including Agriculture, exclude Self-employed)

- Non-Formal Education (MoE, MoA),
- Reform of Vocational Schools (MoE),
- Distance Learning (MoE),
- Training for Occupation Adjustment (MOLSW),
- Vocational Guidance and Advices (MOLSW),
- Job Search Assistance /Employment Services (MOLSW)
“Monitored by LMI, and Coordinated by MOLSW”

Labor Skills Adjustment

Formal Sector

- Promotion of Private Sector Participation in Training of Workers,
- Training for Upgrading Skills and Technological Capability,
- Skills Testing and Certification,
- Job Exchange Services / Employment Services (MOLSW),
- Labor Market Information / Vocational Guidances.

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Formalize the Self-Employed

- Promote Associations and Networking of Micro-Enterprises,
- Provide Training and Business Development Services (BDS) through the Networks, and Associations,
- Promote Group Savings, Group Insurance, Micro-Financing Management,
- Legislation specifically for Micro, and Community Enterprise,
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Protection for Formal Sector

- Unemployment / Employment Insurance,
- Severance Pay,
- Promote Training Labor Adjustment Program in Private Sector,
- Workmen's Compensation Fund and Promotion of Occupational Safety and Health in workplaces,
- Extend Coverage of Social Security,

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Program Administration

- Streamline existing program,
- Create new programs,
- Coordination,
- Continuous Monitoring,
- Impact Evaluation.