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PERMANENT MISSION OF THAILAND
GENEVA

The Permanent Mission of Thailand to the United Nations Office and other International Organizations in Geneva presents its compliments to the Office of the High Commissioner for Human Rights and has the honour to refer to the latter's Note dated 17 December 2010 inviting Governments to provide information and materials in response to the questionnaire on recent adjustments of public expenditure and the impact on those living in extreme poverty which will assist the Independent Expert on the question of human rights and extreme poverty in preparation of his report to be presented to the 17th Session of the Human Rights Council.

In this connection, the Mission has the honour to transmit herewith Thailand's responses to the said questionnaire for the Independent Expert's perusal and kind attention. The information was prepared by the Ministry of Foreign Affairs in cooperation with relevant authorities namely, the Ministry of Social Development and Human Security, the Ministry of Finance and the Office of the National Economic and Social Development.

The Permanent Mission of Thailand to the United Nations Office and other International Organizations in Geneva avails itself of this opportunity to renew to the Office of the High Commissioner for Human Rights the assurances of its highest consideration.



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Reference : Poverty 2010 AF

**Thailand's Responses to Questionnaire on recent adjustment of public expenditure
and the impact on those who live in poverty**

Post crisis adjustment and fiscal consolidation processes (2010 onward)

1. Has your country adopted, or does it expected to adopt, contractionary fiscal policy in the aftermath of the global economic crisis?

While countries around the world have suffered from the recent economic downturn, Thailand was adversely affected to a lesser degree. The Thai economy did not experience a true recession but, rather, a slight slowdown of the current economic growth. Realizing the negative impact of the economic condition faced by the people, the Royal Thai Government did not adopt a contractionary fiscal policy in the aftermath of the global economic crisis. On the contrary, the Government has continued an expansionary fiscal policy throughout 2010-2011 to foster sustainable economic growth. The Government has appropriated more budget for investment projects, particularly investments on upgrading the quality of life of the people and enhancing the competitiveness of the country. This is to stimulate development and alleviate the negative impacts of the economic downturn on the people, especially the vulnerable groups. This can be evidenced from the budget devoted to social expenditures during 2008 -2011 (Table 1) which demonstrated that social expenditures in Thailand during this period have not been reduced.

Table 1: Functional classification of Expenditures

	In million baht			
	FY2011	FY2010	FY2009	FY2008
General Public Services	519,073.3	462,280.3	98,596.6	92,423.5
Defense Affairs	168,318.8	153,543.8	168,231.8	142,291.6
Public Order and Safety	122,565.9	110,556.9	114,953.6	93,711.0
Economic Affairs	424,684.9	287,860.7	320,259.7	320,416.4
Environmental Protection	2,760.9	4,171.4	n/a	n/a
Housing and Community Amenities	46,485.7	28,838.6	58,683.0	46,386.0
Health	208,093.4	176,432.4	165,537.5	154,140.4
Recreation, Culture, and Religion	16,373.1	13,195.0	14,104.4	13,729.6
Education	422,239.9	379,124.8	400,232.2	364,634.2
Social Protection	139,404.1	117,996.1	126,131.3	115,086.4
Miscellaneous			368,272.9	317,171.9
Total	2,070,000.0	1,700,000.0	1,835,000.0	1,660,000.0

2. What percentage, if any, of expenditure reductions are being or will be directed at social expenditures, including education, health, social security, housing, water and sanitation?

As mentioned, social expenditures have not been reduced but significantly increased during 2008-2010 under the Government's stimulus packages. These include: the policy of 15 years' education cost-free for all in which textbooks, students uniforms and learning stationeries are provided free of charge starting from the 2009 school year; the improvement of basic health care units at the local level by upgrading to become Tambon (sub-district) Health Promotion Hospitals and increasing the budget to allow for a higher cost per person; the introduction of the "Secure housing" programme, under which 862 projects have already been implemented with the plan to cover another 500 sub-districts and more than 50,000 households in rural areas; the expansion of social security coverage and privileges, which has been extended to spouses and children and to informal workers outside the social security system; and the provision of free public transport and utilities, namely, free electricity, free tap water, free train and bus service for the poor, as well as price control for cooking gas.

3. Please describe all actual or proposed reductions in expenditure on special social protection programmes, including any reduction of benefits of number of beneficiaries?

Expenditures on special social protection programmes have not been reduced but increased to cover a greater number of beneficiaries in 2010. This includes: income support for the elderly, persons with disabilities and people living with HIV/AIDS who have received monthly allowance from the Government; income guarantee for farmers to insure their income stability; a programme to assist the poor with informal debt; the provision of soft loans to taxi drivers and street vendors; welfare package for pregnant women and children from birth to the age of five; and the allocation of special health budget for ethnic people.

4. Please describe all actual or proposed reductions in expenditure on the wage bill, including any cap or cut in wages of public health and education sectors workers?

The Government has no policy to cut down any expenditure on the wage bill of any sector. Instead, in 2010, the Cabinet has approved the increase of daily minimum wages of workers around the country by between 8 and 17 baht or an increase of 6.7 % on average. This was considered as a significant pay rise since a number of years, which has benefited more than 2 million Thai workers and 2 million migrant workers. Public health personnel especially healthcare volunteers working in remote areas have been given, for the first time, remuneration for their services from the Government. Outstanding teachers in remote areas also have been given special financial reward provided by the Government.

5. Have current economic recovery policies taken into account developments in unemployment, food prices, and social inequalities?

The Government's economic recovery policies have very much taken into account developments in unemployment, food prices and social inequalities. Two economic stimulus packages have been introduced to address these problems. The Government has succeeded in implementing a project called "Ton Gla Acheep" which aimed to help employed people, people being laid off and new graduates by providing them with training and skills-building to enable them to maintain or return to their jobs or to prevent them from becoming unemployed. Consequently, while the unemployment figure at the beginning of 2009 amounted to nearly 900,000 unemployed persons, the figure has continuously decreased to the current level of 0.9 per cent, or approximately 300,000 persons, which is considered normal under the general economic climate.

The Government has implemented the "Fast Action for Thais" Project, which is aimed at reducing the costs of living and social inequality in Thai society. The project helps address various basic costs of living which includes subsidizing gasoline and cooking gas for households and controlling the price of agricultural produce such as eggs, chicken and pork as well as the price of animal feeds and breeders and animal used for breeding.

Various reforms are being implemented to address structural problems and disparities in the country. This includes the reform of economic system, the welfare system, the justice system and the education system as partly described above. Furthermore, the Government will continue working to address structural inequality through the introduction of more equitable and property tax rates.

In order to strengthen the social welfare system, the Government has declared social welfare the national agenda in order to turn Thailand into a Welfare Society by 2017. Under this agenda, four main pillars will be systematically developed to ensure universal access and coverage of the people in Thai Society.

1. Social Assistance: the provision of urgent assistance and social relief for the most vulnerable groups including assistance for low income families, and immediate assistance and measures to people affected by uncertainties. This pillar is aimed at enhancing the potential for self-dependency of the recipients.
2. Social Insurance: the provision to guarantee life security and create immunity for people from all walks of life, especially the most vulnerable groups. To accomplish these goals, compulsory and non – compulsory insurance systems have been developed and promoted nationwide, such as private insurance, third party insurance, Social Security Fund, Government Pension Fund, and Community Welfare Fund.