

Poverty & Equity Brief

East Asia & Pacific

Thailand

April 2023

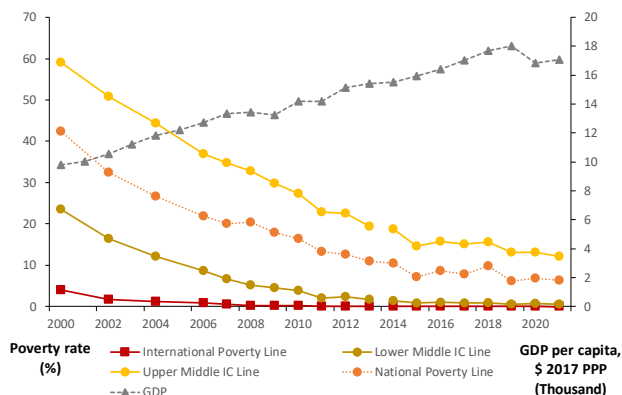
Thailand's progress in poverty reduction has slowed since 2015, with poverty increasing in 2016, 2018 and 2020. The engine that delivered most of the productivity and labor income gains in the past - the transition from low-productivity agriculture into higher-productivity jobs - began to lose steam in 2015. A notable decline in poverty since 2015 was observed in 2019 owing to the expansion of social assistance, which was further scaled up during 2020 – 21 to support household income from the adverse impact of the pandemic. The national poverty rate increased slightly from 6.2 percent in 2019 to 6.8 percent in 2020, before falling to 6.3 percent in 2021 as most relief measures were extended amid a slow pace of economic recovery. When measured at the upper-middle-income poverty line (US\$ 6.85 a day in 2017 PPP), the poverty rate remained unchanged at 13.2 percent during 2019 - 2020 and declined to 12.2 percent in 2021. The Gini index remained stable during this period, inching up from 34.8 in 2019 to 35.1 in 2021.

Poverty is expected to have marginally declined in 2022. Despite the economic recovery, several relief programs have been discontinued and rising commodity prices have put greater burden on low-income families. While labor income improved, it failed to keep pace with rising inflation. The minimum wage increases by an average of 5 percent became effective only in Q4 2022, falling short of the average headline inflation of 6.1 percent in 2022. With mounting household debt (87.5 percent of GDP in Q3 2022), interest rate hikes are expected to place a greater burden on the poor who tend to bear higher debt service as a share of income and hold smaller financial asset buffers. High dependence on social assistance to support household livelihoods amid long-stagnant labor income pose key challenges to sustainable poverty reduction.

POVERTY	Number of Poor (thousand)	Rate (%)	Period
National Poverty Line	4,525.2	6.3	2021
International Poverty Line 29.2 in Thai baht (2021) or US\$2.15 (2017 PPP) per day per capita	10.0	0.0	2021
Lower Middle Income Class Poverty Line 49.5 in Thai baht (2021) or US\$3.65 (2017 PPP) per day per capita	400.8	0.6	2021
Upper Middle Income Class Poverty Line 93 in Thai baht (2021) or US\$6.85 (2017 PPP) per day per capita	8,710.1	12.2	2021
Multidimensional Poverty Measure		0.1	2021
SHARED PROSPERITY			
Annualized Consumption Growth per capita of the bottom 40 percent		2.15	2014-2019
INEQUALITY			
Gini Index		35.1	2021
Shared Prosperity Premium = Growth of the bottom 40 - Average Growth		1.17	2014-2019
GROWTH			
Annualized GDP per capita growth		3.03	2014-2019
Annualized Consumption Growth per capita from Household Survey		0.98	2014-2019
MEDIAN INCOME			
Growth of the annual median income/consumption per capita		1.54	2014-2019

Sources: WDI for GDP, National Statistical Offices for national poverty rates, PIP as of April 2023, and Global Monitoring Database for the rest.

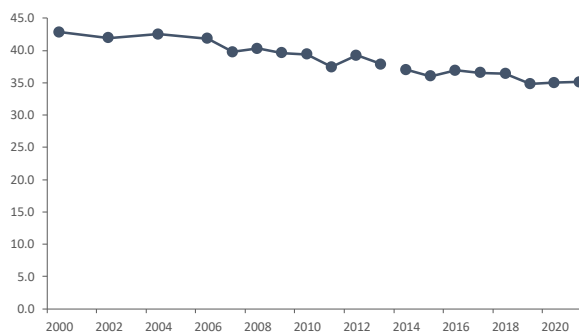
POVERTY HEADCOUNT RATE, 2000-2021



Source: World Bank using SES/EAPPOV/GMD

INEQUALITY TRENDS, 2000-2021

Gini Index



Source: World Bank using SES/EAPPOV/GMD

KEY INDICATORS

Distribution among groups: 2021	Upper Middle Income line (%)		Relative group (%)		Multidimensional Poverty Measures: 2021	(% of population)
	Non-Poor	Poor	Bottom 40	Top 60		
Urban population					Monetary poverty (Consumption)	
Rural population					Daily consumption less than US\$2.15 per person	0.0
Males					Education	
Females					At least one school-aged child is not enrolled in school	0.5
0 to 14 years old	80	20	56	44	No adult has completed primary education	12.6
15 to 64 years old	90	10	35	65	Access to basic infrastructure	
65 and older	87	13	44	56	No access to limited-standard drinking water	0.4
Without education (16+)	75	25	61	39	No access to limited-standard sanitation	0.2
Primary education (16+)	86	14	49	51	No access to electricity	0.1
Secondary education (16+)	91	9	32	68		
Tertiary/post-secondary education (16+)	99	1	8	92		

Source: World Bank using SES/EAPPOV/GMD

Source: World Bank using SES/EAPPOV/GMD

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

POVERTY DATA AND METHODOLOGY

Poverty and inequality statistics are published by the Office of the National Economic and Social Development Council using data from the Thailand Socio-Economic Survey, 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's official poverty lines are constructed at the household level. Food poverty lines are calculated based on calorie and protein requirements of each household which vary by household composition in age and gender, adjusted for regional and urban-rural price differences. Poverty lines are then derived by adding to the food poverty lines the average non-food expenditure of the reference households in each region and area. The average poverty line in 2020 was 2,762 Baht per person per month. Meanwhile, the World Bank measure is based on a singular poverty line expressed in Purchasing Power Parity (PPP) terms, which allows for ease of comparability across countries.

Note on new global poverty lines: Poverty data are now expressed in 2017 Purchasing Power Parity (PPP) prices, versus 2011 PPP in previous editions. As price levels across the world evolve, global poverty lines have to be periodically updated to reflect the increase of the value of the lines in nominal terms. The new global poverty lines of \$2.15, \$3.65, and \$6.85 reflect the typical national poverty lines of low-income, lower-middle-income, and upper-middle-income countries in 2017 prices. In addition to reflecting updates in nominal terms, upper-middle-income countries raised the standards by which they determine people to be poor from 2011 to 2017. Hence, the increase in the upper line is larger, and the population that does not meet the new standard is higher in most countries than it was with 2011 PPPs. See pip.worldbank.org.

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 2023, the collection includes 21 countries and 122 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.