

**The Thai Multi-Pillar Pension System:  
*Extending Pension and Savings Scheme  
Coverage to Informal Workers***

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## ABSTRACT

This thesis examines the implications of Thailand's multi-pillar pension system and its capacity of inclusion for informal workers since 2009. The study then seeks out the causal factors behind the system's partly successful outcomes, with particular focus on barriers at the local level.

The introduction of a new multi-pillar pension model for Thailand was promoted by the World Bank. The core objectives for this included the alleviation of poverty and expansion of social protection to all citizens. The new model marked the first time that informal workers were included in the formal system. However, while non-contributory pension scheme participation is at a record high, many informal workers have not yet joined the voluntary savings scheme. This thesis argues that implementation of the pension reform has shaped not only a broader institutional framework of the pension system, which indirectly affected the reform's outcomes, but also a new type of welfare state regime.

To substantiate these arguments, a combination of different approaches is employed – both in welfare state analysis and comparative-historical analysis – to examine the reform's barriers of implementation and subsequent outcomes. The typology and macro-configurational aspect of welfare state institutions are used as analytical tools to examine the causal factors and outcomes of the reform. Meanwhile, the characteristics of a hybrid welfare state regime are used to explore the welfare state in Thailand.

Using the results of questionnaires and interview data, this thesis found that informality and decentralisation are central to the institutional framework and functioning of the Thai pension system. However, the government has overlooked how both factors constrain the extension of the pension scheme coverage to the informal sector, unintentionally forming a vulnerable group within the current pension system. The thesis argues that developing the pension system alone is not sufficient to effectively extend pension and savings scheme coverage. Instead, the development of other institutions within the country's system of governance as a whole is also required. This thesis further highlights how the nature of the five-pillar pension model has shaped a new role for the state, market, and family, thus forming a new Thai welfare hybrid, a combination of three welfare regimes: conservative, liberal, and social-democratic. In addition, this thesis concludes that the multi-pillar pension model is more practical and realistic in high-income countries with a small informal labour market. It is not feasible to successfully achieve the core objectives of this model in low- and middle-income countries with large informal labour markets like Thailand.

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## **AUTHOR'S DECLARATION**

I hereby declare that this thesis is a presentation of original work and I am the sole author. This thesis was accomplished in accordance with the requirements of the University of York's Regulations and that it has not been submitted in whole or in part for any other academic award. All sources are acknowledged as References.

# CHAPTER 1

## INTRODUCTION

### 1.1 Introduction

This paper examines the implication of the multi-pillar pension system and its capacity for inclusion of informal workers in Thailand since 2009. This examination involves discussing the constraints on the effectiveness and outcomes of the pension and savings scheme coverage for informal workers and the influence of the five-pillar pension reform on the Thai pension system's institutional framework and its welfare state regime. Thailand has attempted to implement full-fledged pension coverage for all citizens, including informal workers, by implementing the World Bank's multi-pillar pension model. This paper asks, 'How well does the multi-pillar pension model work in Thailand?' and 'To what extent has the Thai government achieved the aim of extending pension coverage to the informal sector since the reform?'

The pension system in Thailand was first introduced only to civil servants. However, in the late 1990s, the system shifted to the World Bank's multi-pillar pension paradigm (Government Pension Fund, 2012). The first multi-pillar pension system, which is also known as the three-pillar pension model, included formal employees in the private sector and elderly citizens in rural areas (Jitsuchon et al., 2012:36). The Thai government began to pay increased attention to economic security issues in low-income senior citizens in 1993 and initially offered a targeted allowance for selected elderly citizens (Suwanrada, 2008:50). Although the pension system in Thailand was reformed, the informal working population, which represents 70% of the country's emerging market economy, remained without pension coverage and was exposed to economic risk arising from socio-economic and individual shock without governmental support (Cook and Picus, 2001).

Over the past two decades, increased awareness in Thailand of pension issues faced by poor people working in the informal sector has fuelled efforts to expand social protections. These efforts have largely focused on the poor elderly in the informal sector, which includes those who do not work in the formal labour market or who earn less than 12,500

Baht (฿250) per month and do not have to pay tax, as these individuals have traditionally been given low priority. Thailand is one of many countries now facing an ageing population. Therefore, the government is now focusing on the association between old age and poverty among informal workers. A key concern surrounding the social protection programme in Thailand is that senior citizens in the informal sector now have the least economic security (Cook and Picus, 2014:3). Concerns over the economic security of Thai senior citizens in the informal labour market have led the government to attempt to include citizens in the informal sector in a formal pension system. The Thai pension system was therefore reformed by adopting the World Bank's new multi-pillar pension design, the five-pillar pension model.

The core objectives of the World Bank's pension conceptual framework are protection against the risk of poverty in old age and consumption smoothing from work to retirement (Holzmann et al., 2005:8). The Thai government has adopted the World Bank's core objectives. The core objectives of the Thai five-pillar pension reform objectives are to ensure that the pension coverage and savings scheme sufficiently covers Thai citizens, guarantee that every Thai elderly will have income security and live above the poverty line, promote savings to the informal working population, help citizens be more self-reliant upon reaching retirement age, and reduce the financial burden of the government's future budget (Fiscal Policy Office, 2015:15). The government's aims focus on increasing the capacity for inclusion, alleviating poverty, expanding social protection, strengthening the system's sustainability, increasing the national savings, and developing the financial market. Therefore, this paper asks, 'To what extent have the Thai pension reform's aims been met?' and 'To what extent have the core objectives of the World Bank's pension reform been met in Thailand?'

The government has offered universal basic income to all Thai senior citizens to improve the capacity for inclusion. To ensure economic security for Thai senior citizens in the informal sector, the government aims to have these citizens join both a universal non-contributory pension scheme and a voluntary contributory savings scheme. The government believes that this programme will ensure income security, or life above the poverty line, for the informal working population (Prachachat, 2009). However, while non-contributory pension scheme participation is at a record high, the number of informal workers who have joined the voluntary savings scheme is significantly lower than

expected. This low participation rate implies that the government has only partly achieved its aims. If the number of informal workers who contribute to a savings scheme remains low, it will be difficult for the government to fully achieve its aims. Some have argued that informality and decentralisation are the causes for these distinct pension scheme and savings scheme outcomes (Sakunphanit and Suwanrada, 2011). This paper builds on this argument to examine the relationship between the informal labour market, the decentralisation process and the Thai pension system following five-pillar pension reform. The paper pays particular attention to the experience of informal sector workers.

Some studies have argued that the social protection programme first adopted in Thailand in 1932 maintained low levels of public expenditure on social policies and encouraged families and employers to handle welfare provisions (Cook and Kwon, 2007:12; Park and Jung, 2009:69). Chalamwong and Meepien (2012) claim that the development of social protection in the early 2000s, through provisions such as the Health Care Scheme and the Compulsory Education Act, ushered the country into to a universal social protection period. Based on this assertion, the question is raised as to the typology of the welfare state in Thailand since the five-pillar pension reform. Rhodes and Natali (2003:6) argue that the multi-pillar pension designs represent complex hybrid welfare state regimes, more than just a combination of liberal and conservative models – such as the combination employed in Esping-Andersen’s hybrid regime (1997). Thus, the implementation of the five-pillar pension model may have formed yet another new type of model in the Thai welfare state regime.

It is worth noting, aside from the core objectives to be considered, the conceptual framework of the five-pillar pension reform should start with the assessment of the initial conditions (i.e. an inherited system, the reform needs, and an enabling environment) that establish both the motivation for and the constraints on feasible reform options. The framework should then consider the feasible options of modalities for achieving objectives and evaluation goals. The primary goal is to provide adequate, affordable, sustainable, and robust retirement income; the secondary goals are to lower labour market distortions, increase the number of people contributing savings, and to develop the financial market (Holzmann, et al., 2008:3; World Bank, 2008:7). Therefore, this paper asks ‘How well have the initial conditions been evaluated against the reform? It appears that initial conditions have a significant effect on the reform’s outcome. Therefore, the

paper also asks, ‘How well have the goals of pension system and reform been evaluated?’. It should be noted that, based on the Thai pension reform’s objectives, minimising the potential negative impact of the labour market is the only secondary goal that has been ignored. It is therefore necessary to determine if this ignorance impacts the reform needs of initial conditions and the effectiveness of the savings scheme coverage.

Thailand is one of the few developing countries that has implemented pension and savings schemes for informal workers and provided all components of the five-pillar model, though the World Bank only recommends the full breadth of pillars for high-income countries (Holzmann et al., 2005:9). Therefore, the Thai version of the multi-pillar model is more comprehensive than the World Bank’s model recommended for middle-income countries. As such, Thai pension reform is relevant in understanding the general scope of multi-pillar pension models in generating inclusion and coverage. Therefore, aside from more accurately understanding the development of the Thai pension system, the Thai five-pillar pension system offers a useful guideline, not only for other researchers exploring the five-layered design in other middle-income countries, but also for middle-income countries in confronting a large informal working population, many of whom are low-paid.

In light of the issues around the current pension system and the concerns raised by previous studies, this thesis adopts five foci. First, this paper focuses on how well the Thai five-pillar pension system incorporated the informal labour market – with informal workers being understood as a vulnerable group in the labour market system – into the formal pension system. Second, this thesis examines how well the Thai five-pillar pension system has incorporated the structure of decentralisation – a system that existed before five-pillar pension reform – into the new pension scheme design. Third, in terms of the interactions between the informal labour market of the labour market system, the decentralisation of the public administration system, and the Thai pension system, this thesis discusses how vulnerable labour market groups may be due to the nature and interaction of the three systems. Specifically, this study investigates how this interaction causes obstacles in implementation and outcomes. Fourthly, this thesis examines whether the implication of the five-pillar pension system has formed a new type of welfare state in Thailand. Finally, this thesis examines the requirements of the World Bank’s five-pillar

pension model in middle-income countries with a large informal labour market like that of Thailand, focusing on pension and savings scheme coverage.

This paper uses a combination of typology of social insurance institutions (Korpi and Palme, 1998) and macro-configurational aspect (Mahoney and Thelen, 2015) to test the Thai pension reform's capacity in implementing comprehensive coverage and social inclusion. This approach allows the thesis to clarify the welfare challenge and problems with the labour market and public administration influences, which extends and changes the institutional framework of the Thai pension system by examining further populations and institutions. Meanwhile, the typology of welfare state regimes is used to comprehend the development of the Thai welfare state regime after this five-pillar pension reform. The thesis draws on a 2015 survey conducted in Thailand to test the constraints on potential beneficiaries of different pension and savings schemes for informal workers within the pension reform using the experiences of informal sector workers at the local level and understand the pension system's outcomes following this reform. This survey investigates the experiences of Thai senior citizens in both formal and informal sectors via questionnaires and interviews and the experience of local and national bureaucrats via interviews. The questionnaire data reveals whether the labour market system's informality constraint has had any indirect impact on informal workers' decisions to join the voluntary savings scheme. In addition, the interviews principally investigate the capacity for implementing the decentralisation process of public administration within the five-pillar model. The survey is a strength of this paper because, without the empirical study, it would be difficult to understand Thai pension reform at the local level. More specifically, the empirical data from the survey identifies barriers to the system's capacity for inclusion and development, highlighting vulnerable groups in the current pension system following this reform. These concerns are unique challenges at the local level in Thailand and may not be foreseen by general suggestions from the World Bank's pension conceptual framework.

This chapter is broken into five sections. The next section presents a brief background of how this research emerged. It also stresses why Thailand was chosen as a case study as well as how empirical concerns form the main research questions. The third section briefly presents this study's theoretical framework. It also explains how this research differs from that of previous studies and how it advances knowledge in the area of welfare



state and comparative-historical analysis. The fourth section outlines the thesis's methodology. Finally, it provides an outline of each chapter.

## **1.2 Background: How did this research emerge?**

When the pension system in Thailand emerged, it was initially only introduced for government officials, which known as the Government Pension (GP). The aim of it was to ensure well-being for all government officials after their retirement (GPF, 2012). The GP was fully financed from general tax revenue, and the sum was transferable to recipients' children or relatives (Paitoonpong et al., 2010:273). Government expenditure on the GP grew dramatically, increasing pressure on the government budget. In response, in the 1990s the Thai government adopted the World Bank's Multi-Pillar Old Age Security system, also known as the three-pillar pension model, as a solution to solve the financial burden issue and provide better pension coverage (GPF, 2012).

The World Bank (1994) claims that this three-pillar pension model is suitable for any country and capable of providing more flexibility than the mono-pillar model. This is as it is much more effective in addressing the needs of the main target groups of a population and providing more security against economic, demographic and political risk (Willmore, 2000:3). In 1997, the Thai government strengthened the system's financial sustainability by replacing the GP programme with the Government Pension Fund (GPF). The benefit of the GPF relates to member contributions, and it covers any government official who was in service after March 1997; those who were in service before March 1997 have the option of either staying with the GP or joining the GPF. Apart from civil servants, the Thai three-pillar pension system also included formal employees in the private sector and the elderly poor in rural areas (Jitsuchon, Skoufias and Wiener, 2012:36). In 1993, the Thai government began paying more attention to economic security issues for the elderly poor by introducing a targeted Old Age Allowance (OAA). Although the government initially offered the 200 Baht OAA (£4), it was only for selected members of the older population (Suwanrada, 2008:50). The process of selecting beneficiaries of the OAA targeted elderly Thai citizens, who lacked a consistent and permanent source of income, was criticised by both academics and receivers (Kanjaphoomin, 2004:15; Sakunphanit and Suwanrada, 2011:409; Suwanrada and Wesumperuma, 2012:197). The many issues in the targeted allowance programme for the elderly poor resulted in needy citizens not

receiving government subsidies, while corruption and favouritism in the selection of beneficiaries also became major problems (Suwanrada and Wesumperuma, 2013).

Even though the three-pillar pension system provided better pension coverage to Thai citizens, the pension coverage issue was still criticised. Some scholars point out that Thailand's three-pillar pension design did not provide most of its elderly citizens with better pension coverage and did not facilitate adequate post-retirement living standards (Lloyd-Sherlock and Schröder-Butterfill, 2008:14). Specifically, this three-pillar system covered only about 10.5 million workers, or around 30% of the labour force, leaving two-thirds of the 36 million workers in Thailand's informal labour force out of the system for many years (MacKellar, 2009:21). This implies that even though the pension system in Thailand had been reformed and, arguably, transformed, the informal working population, which makes up a large share of Thailand's emerging market economy, remained without any pension coverage and thus exposed to the economic risks arising from socio-economic and individual shocks, without any support from the government (Chandoewit, 2014; Chudasri, 2014; Sangwongwanich, 2014).

In 2009, the Thai government introduced a new form of multi-pillar pension system, again from the World Bank, called a five-pillar pension model. The World Bank explains that the main objectives of introducing a five-pillar pension model are the alleviation of poverty and the expansion of social protection to all vulnerable groups, including workers in the informal sector (Holzmann et al., 2005:1). Accordingly, the implementation of a five-pillar pension system in Thailand marked the first time that informal workers were included in the formal pension system. There are three pillars that workers in the informal sector are eligible to join, including: the Old Age Allowance (OAA) of a non-contributory zero pillar; voluntary savings programmes of a voluntary savings scheme as a third pillar; and informal financial and non-financial assets as a fourth pillar. However, only pension programmes in the zero and third pillars are supervised by the state. This thesis thus focuses on the zero and third pillars.

The 2009 Thai government emphasises its aim of seeing informal workers join both the universal OAA of the non-contributory zero pillar and the saving pension programme of the voluntary third pillar to ensure economic security above the poverty line. This

secondary goal ensures promoting savings contributions to informal workers, strengthening the system's financial sustainability, and increasing national savings (Apinunmahakul, 2011:4; Prachachat, 2009). It appears that the government has attempted to solve not only issues of pension coverage and savings contribution for all Thai senior citizens, especially those working in the informal labour market, but also the system's economic sustainability. According to the National Economic and Social Development Board's 2009 report, over 5 million, or almost 80%, of the Thai elderly aged 60 and above from both formal and informal labour markets had registered for the OAA in 2009 (NESDB, 2009). The savings scheme, on the other hand, appeared to face a number of obstacles during the development process. In 2009, government introduces the National Savings Fund (NSF) as a savings programme for informal workers and the universal OAA before enacting the NSF Act in 2011 (Chalamwong and Meepien, 2012:241). However, NSF registration did not start due to the delayed process of setting NSF rules and regulations (Ministry of Finance, 2015). Therefore, no workers joined the programme (Chandoewit, 2013). In 2011, the government ignores the NSF and introduces the Social Security Act 40 (SSA 40) as another savings programme for informal workers (Jitsuchon et al., 2012:9). Approximately 590,000 of 24.6 million informal workers joined the SSA 40 (Prapha, 2013). As such, the number of savings contributors in the informal labour market was significantly low. In 2013, the SSA 40 was expanded from one savings option to four different options. In 2015, the SSA 40 was again changed from four different savings options to just one (SSO, 2015d), while the NSF was reintroduced by the 2015 government. Over a short period of time, the savings scheme has been reformed several times, and these reforms appear to have generated much confusion.

After several reforms, the development of the OAA non-contributory pension scheme and the NSF and SSA 40 contributory savings scheme caused a number of positive and negative criticisms. On one hand, scholars have praised the positive effects of local governance's decentralisation process on the achievements of OAA coverage (Sakunphanit and Suwanrada, 2011:409; Suwanrada and Wesumperuma, 2013). On the other hand, other scholars have highlighted a number of significant challenges of the NSF and SSA 40. Firstly, being workers in an informal labour market puts considerable strain on citizens' financial capability to make savings contributions for later life (Brustard, 2011; Jitsuchon et al., 2012; Chandoewit, 2013, 2014). Some have added that, although some informal workers may be able to contribute to savings, the governmental savings

programmes may not offer an attractive enough option compared to other alternatives (Sakunphanit and Suwanrada, 2011; Jitsuchon et al., 2012). This participation rate implies that citizens' financial status has a strong impact on their savings contribution. Furthermore, the design of the savings scheme is another issue that has been criticised. Some studies have argued that explanations of the different savings programmes in the third-pillar are unclear enough for Thai citizens in the informal sector to easily understand (Jitsuchon et al., 2012; Chandoewit, 2013, 2014).

Because of the development of several social security, social insurance, and social safety nets after the financial crisis in 1997, some scholars have categorised social protection in Thailand in the 1990s as the development of a paternalistic welfare state (Schramm, 2015; Chalamwong and Meepien, 2012). Aside from promoting the well-being of Thai senior citizens, civil servants also concentrate on protecting their personal interests, which has led to the civil service being in a privileged position in terms of welfare entitlement (Schramm, 2015:15). Meanwhile, other scholars have highlighted that low levels of public expenditure on social policies and strong families and employers' welfare provisions in Thailand are characteristic of a liberal welfare state regime (Ramesh and Asher, 2001; Lloyd-Sherlock, 2002:696) and a developmental welfare state (Kohler, 2014). However, after the development of social protection in the early 2000s, particularly the universal coverage of the 30 Baht Health Care Scheme, the free twelve-year compulsory education scheme and the old age allowance of the non-contributory pension scheme, Chalamwong and Meepien (2012:226) and Lloyd-Sherlock and Schroder-Butterfill (2008:1) emphasise that this period was the turning point for the Thai welfare state in becoming a universal social protection state. The following question is proposed by this paper: 'To what extent has the implication of the five-pillar pension reform formed a new Thai welfare state regime?'

In summary, based on criticisms in previous studies, it appears that the design and purpose of pension and savings programmes (OAA, NSF, and SSA 40) in the current Thai five-pillar pension system, informality, decentralisation and complexity of the policy designs constraints are main factors that might have impacted on the effectiveness of the pension and savings schemes coverage for informal workers, either positively or negatively. Accordingly, this research is keen to find out whether these factors are the causes for extending pension and savings scheme coverage to the informal sector. As this thesis

focuses on the implication of the five-pillar pension system in Thailand and its capacity for inclusion of informal workers, it is worth taking a close look at the World Bank's reform conceptual framework and how it links to the effect of informality, decentralisation and policy designs on the informal workers' interests and decisions over joining the pension programmes, as well as the formation of this vulnerable group in the current Thai pension system. Perhaps the transformation of this five-layered design might be forming a new shape of institutional framework, unexpectedly reflecting the system's effectiveness of coverage and the typology of the Thai welfare state regime.

### ***Why Thailand is interesting as a multi-pillar approach case study?***

Aside from existing studies' criticisms of the development of Thai pension reform and the effectiveness of pension and savings schemes' coverage in the informal sector, the World Bank's five-pillar pension reform conceptual framework notes four interesting points that demonstrate how Thailand is a valuable practical case.

Firstly, to satisfy country-specific conditions and the reform's needs and objectives, an assessment of initial conditions must be conducted before the five-pillar pension reform (Holzmann, et al., 2008:4). These factors include the inherited system, reform needs, and the enabling environment, which may or may not be conducive to a reform process, such as administrative capacity and the development of financial markets (Holzmann, et al., 2005:9). Initial conditions can establish both the motivation for and constraints on the feasible reform options (Holzmann, et al., 2008:4). It is debatable whether the Thai government carefully considered these features before implementing the five-pillar pension model. It is possible that not having performed a thorough assessment of initial conditions before implementation may have significantly impacted the reform's performance outcome.

Secondly, to achieve the core objectives of pension systems, having evaluated the initial conditions and the capacity to improve the enabling environment are first required. The Thai government's core objectives in implementing the five-pillar pension model were poverty reduction among the elderly, the expansion of social protection to all vulnerable groups, financial sustainability, and the incentivisation of saving behaviours among informal sector workers (Paitoonpong et al., 2010; Fiscal Policy Office, 2015). The core

objectives of the five-pillar pension reform appear to match those of the World Bank. This thesis assumes that the Thai government has focused on the core objectives of the five-pillar pension reform and pension development but did not pay attention to the relationship between the pension system and other institutions functioning in the pension system. Accordingly, it is important to determine how efficiently the five-pillar pension model worked in the Thai case, and whether the government considered the initial conditions and the capacity to improve the enabling environment before the reform.

Thirdly, the World Bank emphasises that how the multi-pillar pension system is reformed depends on country-specific factors in terms of development status and income level (World Bank, 2008:5). For instance, high-income countries can feasibly provide the full breadth of all pillars (Holzmann et al., 2005:9). The Thai government has offered a full breadth of all five pillars, but Thailand is not a high-income country. Rather, Thailand is a middle-income country with a large informal labour market (World Bank, 2017). Therefore, it has been suggested that Thai government has clearly reached beyond its capacity, making it is questionable as to whether the full five-pillar pension model is appropriate for Thailand.

Finally, to effectively reform the pension system, the design should be evaluated against the dual goals of evaluation criteria (Holzmann et al., 2005:6). The primary goal of reform is maintenance of adequacy, affordability, sustainability, and robustness. The secondary evaluation criteria, which include minimisation of labour market distortion and contribution to savings mobilisation and financial market development, should be considered in fulfilling the primary goal (World Bank, 2008). Based on the initial conditions and secondary criteria, it appears that the World Bank is aware of the interactions between the pension system and other institutions' impacts on the pension system following the reform. Accordingly, it is essential to determine if the Thai government has taken these concerns into account before implementing the five-pillar pension model. This thesis investigates whether the Thai government has considered the possible negative impact of informality and administrative and implementation issues before the reform.

In summary, Thailand is one of the few middle-income countries confronting a large informal labour market and offering a full five-pillar pension model. With its unique background and the five-pillar pension reform options, Thailand is a clear example to investigate the capacity of the five-pillar pension model in generating inclusion and coverage for the informal sector. It is necessary to determine the requirements of the five-pillar pension model to succeed in middle-income countries such as Thailand. Furthermore, although some researchers have already discussed the Thai pension system, there are complex, unexplained dynamics within the Thai case. Both the unique characteristics and reform options of the Thai pension system mean that it is useful as a guideline for both Thailand and other case studies.

### *Main research questions*

Regarding puzzles in the current pension system and concerns raised by previous studies, this thesis's main research questions are as follows:

1) 'What are the constraints on the effectiveness of extending pension and savings scheme coverage to informal workers?'

Once the five-pillar pension model was implemented in Thailand, the informal working population became eligible to join two new pension and savings schemes: the non-contributory scheme in the zero pillar and the voluntary savings scheme in the third pillar. However, a number of informal workers have yet to join pension and savings schemes, specifically the voluntary savings scheme. This thesis question thus seeks the causal factors behind the citizens' decisions to join the pension scheme(s). In previous studies, scholars argue that the informal economy causes informal workers' low participation in retirement savings, while the decentralisation process of local governance is significantly compatible with the universal coverage of pension provision (Suwanrada and Sakunphanit, 2013). Accordingly, this thesis aims to determine the positive and negative impacts of informality and decentralisation of public administration on citizens' decisions to join schemes. Moreover, as the Thai government introduced a non-contributory zero-pillar and a voluntary third-pillar following the transformation to entice informal workers to join formal pension and savings schemes, this thesis attempts to find out whether the design of the pension and savings schemes for informal workers affects inclusiveness. An

empirical study is therefore required. The above research question focuses on the causal factors behind the effectiveness of extending pension scheme coverage, which is the main focus of Chapters 4 and 5.

2) ‘To what extent has the nature of the five-pillar pension reform influenced the institutional framework of the Thai pension system?’

The informal working population is one of the main target groups included in this new multi-pillar pension model (Holzmann et al., 2005:10). The informal labour market has never been involved in the Thai formal pension system before the reform. Accordingly, this thesis argues that since the 2009 five-pillar pension reform, the informal labour market now functions in the system’s institutional framework. The World Bank (2008:1) emphasises that, to achieve the core objectives of the reform and country-specific conditions and needs, a government must consider initial conditions, the capacity to improve the enabling environment, and evaluation criteria of the reform conceptual framework. The initial conditions come with a two-sided coin; they establish the motivations for and constraints on feasible reform options (Holzmann et al., 2008:3). This implies that the nature of the five-pillar pension reform can positively or negatively impact the reform’s outcome, depending on the factors functioning in the design. Both the initial conditions and secondary criteria of the World Bank’s conceptual framework demonstrate how the World Bank foresees the interaction between the pension system and other institutions and their effects on the outcome of pension reform; these include labour market efficiency and administrative and implementation issues (Holzmann et al., 2005:114; World Bank, 2008:4). The nature of the five-pillar pension reform and the impact of informality and decentralisation perhaps might be causal factors for successful and unsuccessful coverage of non-contributory and voluntary savings schemes. Accordingly, this thesis presumes that the nature of the five-pillar pension reform has formed a broad and complex institutional framework that requires a positive correlation between or among the pension system and other institutions functioning in the design. Again, an empirical study is required to investigate this assumption. This question is mainly analysed and discussed in Chapter 6.



3) “To what extent has the implication of the five-pillar pension reform formed a new Thai welfare state regime?”

Chalamwong and Meepien (2012) categorise the development of social protection in Thailand into five periods. Some scholars have argued that the social protection in the 1990s was the fourth period of a paternalistic welfare state (Chalamwong and Meepien, 2012:233; Schramm, 2015). Meanwhile, others have defined it as a liberal welfare state (Asher, 2001) and a developmental welfare state (Kohler, 2014). However, though the 1990s social protection system was characterised into different types of welfare states, scholars have argued that the development of social protection in the early 2000s – including health scheme and free compulsory education – has shifted away from the trend of the 1990s and is moving towards a universal social protection period (Lloyd-Sherlock and Schroder-Butterfill, 2008; Chalamwong and Meepien, 2012). Regardless of previous studies emphasising the changes in social protection development to a means of universal social protection since 2000, this thesis examines whether the implication of the five-pillar pension system in 2009 has formed a new type of Thai welfare state regime.

This thesis presumes that, after the 2009 transformation, the roles of the state, market, and family have changed, forming a new type of welfare state regime. Specifically, the state began to take action on providing a universal Old Age Allowance (OAA) of the non-contributory zero pillar to all Thai senior citizens, including informal workers, who had not previously been covered by state provision. Additionally, the state also began to contribute to the contributory savings scheme in the third pillar for informal workers. The contributory savings scheme gives informal workers a chance to contribute for their own retirement. This implies that since the five-pillar pension reform, both the state and citizens play more important roles in the development of the Thai pension system. Interestingly, Schramm (2015:17) argues that the Thai government’s plan of promoting self-help and voluntarism may signal a shift to a new regime of welfare capitalism. Arts and Gelissen (2002:149) and Rhodes and Natali (2003:6) assert that multi-layered pension design tends to be a complex version of the hybrid regime proposed by Esping-Andersen in 1997. From this assertion, this thesis presumes that the nature of the multi-pillar pension design might lead to a complex Thai interpretation of a welfare mix, which is a different direction from being a universal social protection provision. Therefore, this thesis argues that, aside from a new form of institutional framework for the Thai pension

system, the five-pillar pension model design has also formed a new type of welfare state regime. However, in order to determine that this assumption is correct, an analysis of the development of the Thai pension system is required.

4) ‘What would be required for the World Bank’s five-pillar pension model to work in middle-income countries like Thailand?’

This question is discussed in the final chapter (Chapter 7) after analysing and answering the first three questions in the data analysis chapters (Chapter 4 and 5) and discussion chapter (Chapter 6). This thesis views Thailand’s unique example as a useful case study from which other middle-income countries can learn. The study of the current Thai multi-pillar pension system not only sheds light on what the Thai government may have missed, but also provides suggestions for other middle-income countries with large informal labour markets wishing to implement this five-pillar pension model and extend pension and savings scheme coverage to the informal sector.

### **1.3 Theoretical framework**

To aid the researcher in determining the barriers to implementation and outcomes of the multi-pillar pension reform and examining the capacity for inclusion of informal workers, a combination of different approaches in welfare state analysis and comparative-historical analysis are employed.

This paper uses the macro-configurational aspect of comparative-historical analysis and the typology of social insurance institutions by Korpi and Palme (1998) to evaluate causal factors forming the broad and complex institutional framework of the Thai five-pillar pension system and influencing the effectiveness of pension scheme coverage to informal workers. Furthermore, to understand whether the nature of the five-pillar pension reform has led to a new type of welfare state in Thailand, the welfare state regime approach is employed. As the welfare state theory was in use before macro-configurational aspect literature was introduced, this thesis begins by reviewing the welfare state literature, followed by a discussion of the typology of social insurance institutions and macro-configurational aspect.

This paper employs the welfare state regime approach found in welfare state literature to evaluate the development of the welfare state in Thailand since the 2009 implementation of the World Bank's five-pillar pension model. To understand how the nature of the five-pillar pension model has influenced the Thai welfare state regime, *The Three Worlds of Welfare Capitalism* (1990) and *Hybrid or Unique?: The Japanese Welfare State between Europe and America* (1997) by Esping-Andersen are key literature. Esping-Andersen's three welfare state regimes (1990) are commonly cited and used in welfare state debates and consist of the following three regime types: liberal, conservative, and social democratic. Many scholars have further developed their ideas based on these three regimes to define the welfare state regimes of different case studies in developed and developing countries (Ferrera, 1996; Bonoli, 1997; Holiday, 2000; Gough, 2001; Bamba, 2007; Choi, 2007; Cook and Kwon, 2007a, 2007b; Park and Jung, 2009).

Some studies (Cook and Kwon, 2007:12; Park and Jung, 2009:69; Gough, 2001:174; Choi, 2007:2) have argued that, as the social protection programme was first adopted in Thailand, the state has maintained low levels of public expenditure on social policies and encouraged families and employers to handle welfare provisions. Historically, aside from the state, the family and community have played a vital role in financial support and the development of the welfare state system in Thailand (Choi, 2007; Park and Estrada, 2011; Knodel and Teerawichitchainan, 2017). Accordingly, the 1990s Thai welfare state regime was characterised into many different types of welfare state, such as a paternalistic welfare state (Chalamwong and Meepien, 2012; Schramm, 2015), a liberal welfare state regime (Lloyd-Sherlock, 2002:696; Ramesh and Asher, 2001), or a developmental welfare state (Kohler, 2014). However, scholars have claimed that the development of social protection in 2000s has shifted to a universal social protection period due to the universal coverage of the 30 Baht health care scheme, the Compulsory Education Act of free twelve years compulsory education, and old age pension scheme (Lloyd-Sherlock and Schroder-Butterfill, 2008; Chalamwong and Meepien, 2012).

In 2009, the informal working population was included in the formal five-pillar pension model, suggesting that the Thai government was prepared to act for the informal working population. The government currently offers not only an allowance to all of Thai's elderly, but also contributions to savings programmes under the voluntary savings scheme at a set rate. It is worth noting, the universal social protection is a principle form of the social-

democratic regime, which may be an indication of the development of the welfare state in Thailand. Schramm (2015:17) also argues that the Thai government promoting self-help and voluntarism to citizens may signal a shift from the 1990s paternalistic welfare state to another type of welfare capitalism. The question then raises: ‘Perhaps, the implication of the five-pillar pension reform may have switched the Thai pension system to a new form of welfare state regime?’

Esping-Andersen (1997:179), in revisiting his own paper on the three types of welfare state regimes (1990), points out that the welfare state model in Japan is an example of a hybrid welfare state system because it is conservative and liberal instead of just a conservative model as stated in the earlier paper. In this revision (1997:187), Esping-Andersen concludes that the Japanese welfare state system, and perhaps those of other East Asian and South-East Asian countries, represents a hybrid regime. Arts and Gelissen (2002:149) assert that modern welfare states tend to be hybrid regimes instead of the pure classic welfare state as introduced by Esping-Andersen. Rhodes and Natali (2003:6) argue that the multi-pillar pension designs represent complex hybrid welfare state regimes. Accordingly, it is essential to comprehend whether the welfare state in Thailand has retained the same typology or has moved on due to the environment in which it is situated since the five-pillar pension reform. The three classic types of welfare state regime not only sparked an ongoing debate in the welfare state literature from the 1990s onwards, but also received much criticism in terms of case selection, the possibility of outdated data, and methodological issues. Therefore, this research reviews these criticisms and examines welfare state studies outside of Thailand in order to fill in the gaps in this area and understand where Thailand stands in the welfare state debate.

To understand how the nature of the five-pillar pension reform might have influenced the Thai pension system’s institutional framework and the effectiveness of the extending pension and savings scheme coverage to informal workers, this thesis employs the ideal-typical models of social insurance institutions by Korpi and Palme (1998) and the macro-configurational aspect of comparative-historical analysis (Mahoney and Thelen, 2015) as analytical tools. Korpi and Palme’s ideal-typical models of social insurance institutions (1998:665) examine the effects of welfare state institutions on the citizens’ interests, preferences, and identities; and in return, scrutinise citizens’ interests and preferences affecting the institutional structures of old-age pension and sickness insurance

programmes, and the degree of poverty and inequality in a society. Accordingly, Korpi and Palme's typology of social insurance institutions is employed to examine whether the institutional structures of pension programmes for informal workers have any influence on informal workers' interests and decisions regarding joining the OAA of the non-contributory pension scheme and the savings programmes of the voluntary savings scheme or not, thus explaining the effectiveness of pension and savings schemes coverage. As there are five types of institutional structure: the targeted model, voluntary state-subsidised model, corporatist model, basic security model and encompassing model (Korpi and Palme, 1998), in order to understand whether the institutional structures of pension programmes affect informal workers' interests and decision making or not, it is important to first know which type of social insurance institution is being used. Nevertheless, the five different ideal types of institutional structure cannot explain whether the informal labour market and decentralisation system is affecting citizens' interests and decisions about joining the schemes. Hence, the concept of macro-configuration is used.

Mahoney and Thelen (2015:5) stress that the macro-configurational orientation of comparative-historical analysis links to a concern about explaining large-scale and political-economic outcomes that helps researchers analyse a case focusing on the large-scale causal factors of complex organisational-institutional arrangements, such as welfare regimes (Mahoney and Rueschemeyer, 2003; Mahoney Thelen, 2015). Mahoney and Thelen (2015:5) explore how comparative-historical analysis might be incorporated into other approaches. In other words, they consider that a combination of comparative-historical analysis and other approaches might help compensate for weaknesses in the alternative approaches. They (2015:20) also stress that to understand how multiple factors combine to form larger combinations and complexes of causal packages, with interaction of more than two variables, individual factors must be analysed as parts of large combinations at a macro level. This is because such analysis might be a key to the processes, choices and behaviours of individuals at a micro level. Accordingly, this thesis combines the macro-configurational aspect with the typology of welfare state institutions as an alternative approach for exploring the impact of the five-pillar pension reform on the institutional framework of the Thai pension system and the effectiveness of extending pension scheme coverage to informal workers.

This thesis presumes that five-pillar pension reform in the Thai case has formed a broader and more complex institutional framework and has influenced the effectiveness of extending pension and savings schemes coverage to informal workers. Some scholars emphasise that the nature of other variables interacting with institutional arrangements might also affect the overall outcome (Doyle, 2013:11; Mahoney and Thelen, 2015:7). From this assertion, this thesis presumes that there are three systems (labour market system, public administration system and pension system) functioning in the institutional framework of the Thai five-pillar pension system; the nature of each institution has impacted on informal workers' interests and decisions to join such schemes. This is because of the nature of each institution involved in the institutional framework of the Thai pension system can either facilitate or constrain the development of the Thai pension system. Here, we presume that the Thai government has paid attention only to the development of the pension system, remaining unaware of the effect of the nature of other institutions functioning in the system. Hence, the performance outcome of old age pension provision in the non-contributory pension scheme has been far more successful than the results of the savings programmes of the voluntary savings scheme for informal workers. Nevertheless, these assumptions remain unclear unless the empirical data can be analysed and discussed.

## **1.4 Methodology**

Some scholars point out that mixed methods design is an alternative way for researchers to combine the strengths and cover the weaknesses of each method, and thus scrutinise the case (Brewer and Hunter, 1989; Bryman, 2006; Johnson and Christensen, 2008). This research uses a mixed-method approach involving both quantitative and qualitative methods.

Mixed-method design is a suitable method for this thesis as it allows us to understand the case study and examine the main research questions. The questionnaire survey is an instrument used to investigate data in a broad context, while interview data, on the other hand, offers in-depth detail (Cameron, 2009). In this thesis, whilst the questionnaire survey data were analysed using the quantitative method, the interview data were analysed via the qualitative method to gain the in-depth detail that quantitative tools might miss. Collecting data through different groups of participants can augment the validity and reliability of the data and interpretation, pulling out both similar and different

information from groups of participants, which might be very useful to this research study (Zohrabi, 2013). Thus, the empirical part of the thesis begins with the collection of questionnaire survey data from Thai senior citizens, followed by interviews with three groups of interviewees (Thai senior citizens, local bureaucrats, and national bureaucrats).

Questionnaire survey data were gathered from 204 respondents. The number of the participants was set at 7% of the infinite population, equalling 204 (Yamane, 1967). This sample included Thai migrants and residents in Bangkok aged 50 and over from both formal and informal sectors, as well as those who joined and not joined pension programmes offered by the two pension and savings schemes. This sampling ensures the representation of specific groups with significant characteristics and provides greater precision than a random sample of the same size. The author acknowledges that probability sampling, also known as random sampling, is a methodological approach wherein all persons have a chance of being selected, meaning that results are more likely to accurately reflect the entire population (NSO, 2012c). However, the researcher was unable to access the official government information of the of Lumpini sub-district local resident household system nor migrant data. Therefore, the non-probability sampling technique was the most suitable sampling technique. The non-probability method is a sampling method that may or may not adequately represent the whole population (Bhat, 2018). Trochim (2006) argues that most researchers prefer probability sampling method over non-probability sampling. However, in some social research projects, there may be circumstances where it is not feasible, practical, or theoretically sensible to perform random sampling. Therefore, a wide range of non-probability methods should be considered. The methods of non-probability sampling include convenience sampling, quota sampling, purposive sampling, and snowball sampling. In this study, convenience sampling was employed for the questionnaire survey, whereas purposive and snowball sampling were used for interviews.

The sampling method of questionnaire survey data collection corresponds to 'convenience sampling'. Convenience sampling is a technique in which a sample is drawn from that part of the population available to the researcher (Bhattacharjee, 2012:69). The limitation of convenience sampling is that it is difficult for the researcher to obtain a sample that adequately represents all people from other locations (Bornstein, et al., 2013:361). The researcher is aware that information from the chosen sample may reflect

the unique characteristics of the population and be less representative of the opinions of the population at large. However, the target groups of the questionnaire survey are not just the senior residents officially registered in urban areas, but also the rural migrants. Some researchers have argued that homeless people, drug users, or migrants are difficult to reach in research due to their physical and geographical location or their socioeconomic status (Shaghaghi et al., 2011:86). Migrants are a hard-to-reach population that have always been a major challenge to researchers in terms of systematic sampling and data collection (Agadjanian and Zotova, 2012:132). To minimise potential errors, common solutions for sampling frame and data collection issues are convenience and snowball sampling (Organista and Kubo, 2005:279). In existing studies, convenience sampling method has been employed in investigating migrants in Russia (Agadjanian and Zotova, 2012), Northern California (Organista and Kubo, 2005), and Thailand (Wangroongsarb et al., 2016). To understand the impact of citizens, from both formal and informal sectors and from both urban and rural areas, on joining pension and savings schemes, migrants are one of the target groups. Because, neither the government nor the researcher was able to state the accurate number of migrants in the area. The researcher has experienced the same difficulty as most researchers faced. Therefore, convenience sampling was the most appropriate technique in questionnaire data collection.

The questionnaire survey data were analysed with quantitative tools, including descriptive statistics analysis (frequency and percentage, mean score, and standard deviation) and inferential statistics analysis (cross tabulation and chi-square test). The cross-tabulation and chi-square are the most commonly used in political surveys (Amuyunzu, 2016). Cross-tabulation and chi-square were used to determine the interrelationships and interactions between the dependent and independent variables. The combination of these two is the most commonly used method in political surveys, as they strengthen the weaknesses in one another. Though the combination of cross-tabulation and chi-square method might not be sufficient enough to analyse the intercorrelations between the respondents' personal characteristic variables and savings behaviour, the combination of these two methods is sufficient enough to analyse the indirect influence of respondents' personal characteristic variables on their savings behaviour. Most specifically, they were able to underline the influence of the relationship between income and informal workers' personal characteristics on shaping individuals' positions within



the labour market and thereby impacting their savings behaviour. Hence, these two inferential statistics analysis tools were employed.

Cross-tabulation aids researchers in obtaining initial insights by investigating the relationships between two or more variables or measuring how different variables are related to one another (Grover, 2014). However, the method's significant limitations are that it can lead to a high number of tables in cases of multiple responses, because variables are cross-tabulated with each other in many different ways. This means that it may not be clear which responses are meaningful until cross-tabulation (Michael, 2001:1). Also, Ogee et al. (2012) highlight that although the cross-tabulation table is able to review an association between and among different variables, the count data alone cannot tell us if there is really a statistical association. Thus, using cross-tabulation together with chi-square is recommended. The chi-square, hence, was employed in this thesis.

The chi-square's significant advantages are its robustness in terms of distribution of data and flexibility in handling data from both two-group and multiple-group studies (MacHugh, 2013:143). Chi-square is used when variables are measured at the categorical variable. It is used to test a correlation between two variables. If there is an association, the distribution of one variable will differ depending on the value of the second variable. However, if the two variables are independent, the distribution of the first variable will be similar for all values of the second variable (Ogee et al., 2012). It is worth noting that chi-square is highly sensitive to sample size. As sample size increases, absolute differences represent a smaller proportion of the expected value. A reasonably strong association may not be significant if the sample size is small. Generally, the data must be frequency data greater than 5 for each class for the most appropriate use (Mount Holyoke College, 2018).

To study the relationship between citizens' savings behaviour and economic security or informal economy, some previous studies employed the frequency, percentage, mean scores, and standard deviation, chi-square, and cross-tabulation as data analysis methods (Hirunsathaporn et al., 2013; Brindha and Priya, 2017; Preecha and Lakkanawanit, 2018). This thesis follows along the same lines, also conducted the questionnaire survey and interviews and used the frequency, percentage, mean scores, and standard deviation of

the descriptive statistics analysis tools. Cross-tabulation and chi-square were used as inferential statistics analysis tools.

As the thesis examines how well Thailand's five-pillar pension model can incorporate the informal working population, pension and savings schemes for informal workers are studied. The data from the questionnaire outline the broader context of informal workers' situations and how the informality of the labour market affects their ability to make pension contributions. Moreover, it provides Thai senior citizens' attitudes and satisfaction towards each pension programme. The data from the questionnaire reveals the causal factors behind the results pointing to the effectiveness of extending pension and savings schemes coverage to informal workers. The data then sketch a broader picture of the institutional framework of the Thai five-pillar pension system and explain the evolutionary process of the Thai welfare regime, while also investigating the vulnerable group that exists in the current pension system.

Apart from the questionnaire survey, semi-structured interviews with open-ended questions were also conducted. The purposive and snowball sampling methods were the interview data collection method used. The researcher acknowledged that both the purposive and snowball sampling methods might introduce a sampling bias. Thus, in order to limit any disadvantages regarding using these two sampling methods, the researcher collected interviewee data from different groups of interviewees. The key informants for the interviews were categorised into three groups: Thai senior citizens, local bureaucrats and national bureaucrats. Only those identified as potential participants and willing to take part in the in-depth interviews were selected. For the in-depth interviews, once the interviewee began repeating the same answers or points of view, the interview ended. There were 27 key informants in total, including 19 senior citizens, 5 local bureaucrats and 3 national bureaucrats. Each group included participants in different positions or at different levels. The participants in the Thai senior citizens' group included Thai senior citizens aged 50 and above, from both the formal and informal sectors. Some of the key respondents were official residents of Bangkok Lumpini sub-district, whilst others were migrants from other rural areas. Not all respondents had joined these two pension and savings schemes. The differences of personal characteristics and labour market conditions among the respondents helped clarify the case study more clearly. The participants in the local bureaucrats and staff group included those in charge of working

with citizens regarding the universal non-contributory pension scheme (OAA) in the zero pillar and the savings programmes (RMF, NSF, and SSA 40) under the wing of voluntary savings schemes in the third pillar. The participants in the national bureaucrats' group included those overseeing programmes under non-contributory and voluntary savings schemes, such as bureaucrats in the Ministry of Finance and the Ministry of Labour. Unlike most existing studies on the inclusion of Thai informal workers in the pension system (Paitoonpong et al., 2010; Jitsuchon et al., 2012), which have mainly analysed the effect an informal economy on informal workers' participation in retirement savings, this thesis focuses on not only the effect of personal characteristics and labour market conditions, but also the that of administrative and implementation issues. Hence, alongside the questionnaire survey, this thesis took in-depth interviews from citizens and local and national bureaucrats. Both instruments were conducted in a manner closely resembling the experiences of the target group at the local level.

Apart from the primary data gathered from the empirical research, secondary sources were also used. The secondary data were predominantly drawn from the government's official data sources, including the Thailand Development Research Institute (TDRI), the Thai Gerontology Research and Development Institute (TGRI), the National Economic and Social Development Board (NESDB), the National Statistical Office (NSO), the National Savings Fund (NSF), Social Security Office (SSO), the Organisation for Economic Cooperation and Development (OECD), the World Bank, and published academic papers. The results of quantitative and qualitative methods were compared using the triangulation technique to identify similarities and differences. The secondary data were also analysed and triangulated with the primary data. This thesis employs the triangulation technique in order to integrate different methods, different types of informants and different data sources; this is as it reduces any bias, giving greater credibility in the eyes of the reader (Shenton, 2004:66,73).

In summary, this research employed a mixed-method research design. Both primary sources and secondary sources were used. The primary data bridged the gap between the secondary data and answers not provided from secondary sources. The triangulation technique was used to increase the study's reliability and validity.

## 1.5 Structure of the thesis

This thesis consists of three parts and seven chapters. The first part encompasses three chapters: an introduction (Chapter 1); a theoretical review of previous studies and a historical background of Thailand's pension system (Chapter 2); and the methodological tools used in this study (Chapter 3). The second part includes a presentation of the findings and analysis (Chapter 4 and 5) and a discussion on the main research questions (Chapter 6). The final chapter includes a conclusion and recommendations for future research (Chapter 7).

Chapter 2 outlines the theoretical framework that helps evaluate the questions addressed in this research and examines the empirical concerns of the case study. This chapter presents a theoretical review of welfare state analysis and macro-configurational aspect. Detailed explanations about welfare state theory, the main features of welfare state regimes, critiques of welfare state typologies and limitations of welfare state theory are first presented. The first presentation concerns the concept of the three classic welfare state regimes from Esping-Andersen (1990), and how other scholars moved beyond these to propose new types of welfare state regimes, using the different lenses of various case studies. It then reviews how Esping-Andersen (1997) revisited the Japanese welfare state regime and introduced a fourth welfare state regime, and how other previous studies characterised the Thai welfare state regime. It also explains how this research engages with previous studies in the welfare state literature. Apart from the welfare state in the Thai context, the welfare state in both Western and East-Asian contexts are presented so as to examine where Thailand stands in the world debate. This chapter also presents the typology of social insurance institutions by Korpi and Palme (1998) and the macro-configurational aspect of comparative-historical analysis (Mahoney and Thelen, 2015). It explains why neither of these two approaches on their own is sufficient for analysing the case study. An explanation of different types of institutional structures in Korpi and Palme's paper (1998) and how they can help the researcher explain the case study is presented. The outline of the macro-configurational aspect of the comparative-historical analysis and its main features are later presented to confirm that, to investigate obstacles of the effectiveness of pension coverage for informal workers and the outcomes of the Thai pension system following the five-pillar pension reform, it is important to look at the case study in a broader context, not just the pension system itself.

Apart from the theoretical framework, the historical background of the Thai pension system is presented. The background of the Thai pension system before and after it was fully restructured to accommodate the five-pillar pension model is presented. Later, this chapter reviews the characteristics of different pension programmes in different pillars, but mainly focusing on the zero and third pillars. Reviewing the historical background of the Thai pension system not only gives us a brief idea of the Thai context, but also compares the institutional design of the Thai five-pillar pension system to the World Bank's model.

Chapter 3 presents the methodology used in this research. It describes the mixed methods used for the case study and how these increase the validity and reliability of this research. It explains why the triangulation technique is the most suitable technique for this research design. It also highlights why the Thai five-pillar pension system is interesting as a case study. Before explaining the instruments used in the fieldwork, this chapter summarises the results from the pilot study and reviews how important it was to include a small sample size before the real questionnaire survey and interviews took place. Later, the units of analysis and participant recruitment of the questionnaire survey, construction of the questionnaire and the tools which the questionnaire data analysis are reviewed. In the same token, the units of analysis, interview selection and participant recruitment are also reviewed, before explaining how the semi-structured interviews were conducted and what approaches were used to analyse the interview data. This chapter explains that the data from both the questionnaire survey (quantitative method) and interviews (qualitative method) are primary sources from the fieldwork, while the official statistics and previous studies are secondary sources. These are then merged during the interpretation and analysis in the findings and discussion chapters.

Chapter 4 presents a questionnaire survey data analysis. This chapter explores causal factors behind the performance outcome of both the non-contributory pension scheme and voluntary savings scheme. More specifically, it pays particular attention to the effects of the informal economy on informal workers' decisions to join the savings programmes. This chapter mainly focuses on the association between the personal characteristics of the respondents and their financial status and labour market conditions, and on how this relationship might constrain the informal workers' savings contributions. This chapter also attempts to point out that due to the informality constraint in Thailand, senior

informal workers are categorised as a vulnerable group in the current pension system. To understand the relationships between the informal workers' personal characteristics and their savings contributions, this chapter analyses the respondents' characteristics from the questionnaire and their savings behaviours by using descriptive statistics analysis and inferential statistics analysis. The data analysis in this chapter sheds light on how the effect of informality is relevant to the World Bank's reform conceptual framework, before discussing this concern again Chapter 6. Moreover, this chapter also presents data on the participants' satisfactions and attitudes, both towards the non-contributory and voluntary savings. It aims to shed light on how the process of decentralisation and local governance, and the policy designs of different programmes under these two pension and savings schemes, are relevant to citizens' interests and decisions on whether to join the schemes.

Chapter 5 presents data analysis of the in-depth interviews. The data analysis in this chapter not only further explores the link between informality and the informal workers' decisions to join the schemes, but also explores whether the decentralisation process used in public administration is another causal factor affecting the citizens' interests and decision making. More specifically, this chapter examines whether the process of decentralisation has influenced the citizens' decisions regarding joining the pension and savings schemes. As some previous studies point out that migrants from rural areas to urban cities are a vulnerable group (Thanakwang and Soonthorndhada, 2007; Warunsiri, 2011), thesis thus provides a brief background into the differences of local bureaucratic structures across both rural and urban areas to explore whether the aforementioned concern occurred in the Thai pension system or not. In other words, this chapter also explores the existence of vulnerable groups in the pension system following this five-pillar pension reform, and attempts to find out whether the decentralisation is one of the causal factors that forms a vulnerable group in the system. The in-depth interviews not only provide in-depth details on how Thai citizens perceive the pension and savings schemes, but also fill in any gaps left by the questionnaire survey data. The data in this chapter are analysed and discussed to determine whether they lead to the same description as the questionnaire survey data in Chapter 4, and whether they reveal any significant interaction between the World Bank's reform conceptual framework and the effect of decentralisation. Apart from analysing the interview data from the Thai senior citizens, data from the interviews of local and national bureaucrats are also presented and analysed

so as to explore any interesting comments before they are triangulated with the interview data from the citizens and the questionnaire survey.

Chapter 6 further analyses the data analysis from Chapters 4 and 5 so as to explore the effect of pension programmes' institutional structures on informal workers' interests and decisions, then answers the first three main research questions. The last two chapters mainly focus on the effect of informality and decentralisation on informal workers' interests and decision-making related to joining pension and savings schemes. This chapter examines whether the institutional structures of pension programmes offered by both pension and savings schemes are also causal factors affecting the coverage of pension and savings schemes to the informal sector. To understand the case study more clearly, other pension programmes from the first and second pillars are also discussed. Later, this chapter answers the thesis's main research questions. It first discusses the major causal factors affecting informal workers' inclusion. It then investigates any significant correlation among those constraints. The clarification of that correlation then explains whether the nature of the five-pillar pension reform has influenced the institutional framework of the Thai pension system and automatically affected the capacity of inclusiveness. Finally, this chapter discusses whether the nature of the five-pillar pension model has formed a new type of Thai welfare state regime. It briefly traces the historical background of the Thai welfare state regime before comparing and analysing similarities and differences between the Thai case and other case studies.

Chapter 7 is the final chapter of this thesis. It once again reviews the historical background of the pension system in Thailand and the puzzles in the Thai case before summarising the research's main purpose, focus, research questions, theoretical framework and research methodology. The results from the empirical research and main ideas of the thesis discussed in Chapters 4, 5 and 6 are also presented. The final main research question is discussed. It suggests some explanations about how the World Bank's five-pillar pension model can possibly work well in middle-income countries with a large informal labour market like Thailand. The suggestions are based on the experience of the Thai case. This chapter also discuss the outcomes of the multi-pillar pension approach (three-/four-/five) in other national systems regarding the capacity for informal workers' inclusion in contributory savings scheme. The significant contributions and limitations of

this research study are also presented in this chapter. Lastly, some suggestions for future research are presented.

Having outlined the overall structure of the thesis, the next chapter reviews the theoretical framework used in the study of the Thai five-pillar pension system.



## CHAPTER 2

# THEORETICAL FRAMEWORK OF THE THESIS AND THE HISTORICAL BACKGROUND OF THE THAI PENSION SYSTEM

### 2.1 Introduction

The purpose of this chapter is to discuss the main elements of welfare state analysis and the comparative-historical analysis used in this thesis. The chapter also presents the background of the Thai pension system before and after its transformation to the five-pillar pension model. The background will aid the author in determining the barriers to implementation and outcomes of the multi-pillar pension system reform in Thailand. In order to aid this clarification, the focus of this chapter is two-fold. Firstly, the chapter presents a literature review of the welfare state analysis and comparative-historical analysis. Secondly, the chapter presents the historical background of the Thai pension system.

To understand whether the five-pillar pension model has led to a new type of Thai welfare state regime, this paper employs the welfare state regime approach. This research employs the *Three Worlds of Welfare Capitalism* by Esping-Andersen (1990) and the fourth hybrid welfare regime from *Hybrid or Unique?: The Japanese Welfare State between Europe and America* (1997) as key readings from welfare state literature to explore the welfare state regime of the Thai pension system. The thesis also reviews other types of welfare state regime presented in existing literature to identify the similarities and differences among different types, describing how arguments can aid the researcher in explaining the transformation of the Thai welfare regime since the 2000s. Existing studies have described the 1990s social protection in Thailand as a paternalistic welfare state, a liberal welfare state, and a developmental welfare state (Asher, 2001; Chalamwong and Meepien, 2012; Kohler, 2014; Schramm, 2015). However, scholars have also noted that the welfare state type in the early 2000s has shifted away from the 1990s welfare state type to a universal social protection programme (Schröder-Butterfill, 2008:1; Chalamwong and Meepien, 2012:233). Interestingly, existing studies have asserted that the multi-pillar pension design is a complex hybrid welfare regime (Arts and Gelissen, 2002; Rhodes and

Natali, 2003). From this assertion, this thesis assumes that, after the 2009 multi-pillar pension reform, the welfare state in Thailand became a mixed welfare state. Hence, this paper aims to determine whether the implication of the five-pillar pension reform has formed a new Thai welfare state regime. It should be noted that it is necessary to examine welfare state studies outside of Thailand so as to understand where the country stands in the welfare state debate, and whether the five-pillar pension model requires an alternative approach to explain its welfare regime.

To evaluate the transformation of the Thai five-pillar pension system and its influence on the institutional framework of the Thai pension system and the effectiveness of extending pension and savings scheme coverage to informal workers, this thesis points out that neither the typology of social insurance institutions nor the macro-configurational aspect of comparative-historical analysis can solely explain the nature of this transformation and the performance outcomes of the two pension and savings schemes for informal workers. The welfare state institutional structures of Korpi and Palme (1998) explain types of social insurance institutions and the causal factors affecting citizens' interests and preferences that are relevant to the effectiveness of pension and savings schemes coverage. However, this typology cannot explain whether other institutions are also causal factors behind citizens' decisions and pension and savings schemes coverage. The macro-configurational aspect allows the researcher to capture the broad and complex organisational-institutional causes in large-scale outcomes (Mahoney and Thelen, 2015). In other words, it entails a concern with large-scale outcomes of system's institutional framework that exist beyond the limited scope of the institutional structure of pension programmes in the Thai pension system. This thesis hence contributes the macro-configurational aspect to be studied alongside the typology of social insurance institutions, so as to examine another main focus of this thesis.

This chapter is broken into five sections. In the second section, previous welfare state research is presented. This section first reviews the classic three welfare state regimes used in welfare state analysis and how the regimes used to describe the former pension system in Thailand. It also reviews how other scholars in welfare state literature have shifted away from the three welfare state regimes to explore case studies through different lens of welfare state regimes. This section also emphasises the concept of the hybrid regime of Esping-Andersen (1997) and how it can be used to describe the Thai case. Next,

in the third section, the typology of social insurance institutions of Korpi and Palme (1998) is presented, followed by the macro-configurational aspect of comparative-historical analysis. This section explains how important it is to employ both institutional structures and the macro-configurational approach when analysing the case study. The fourth section presents a historical background of the Thai pension system. It reviews the background of the Thai pension system before and after it was fully restructured according to the World Bank's five-pillar pension model. It then considers the characteristics of each pension programme in the current pension system for both formal and informal labour markets. Finally, the concluding remarks of this chapter are summarised.

## **2.2 Varieties of welfare state regime**

To understand the nature of the five-pillar pension reform in Thailand and its influence on the welfare state regime of the Thai pension system, it is important to review different types of welfare state regime before examining the history of social protection in Thailand. This thesis pays significant attention to Esping-Andersen's welfare state regimes, building on the concept of the fourth hybrid regime. Before looking at how Esping-Andersen revisited and relocated the Japanese hybrid model in the welfare state regime debate, it is important to consider the three classic welfare state regimes and other types of welfare state regime proposed after the original three.

### **2.2.1 Three worlds of classic welfare state regimes**

In the prior literature, social scientists and social reformers long debated on welfare state analysis, in particular, the typology of welfare state regimes. The classic welfare state study offered in *The Three Worlds of Welfare Capitalism*, by Esping-Andersen (1990), is one of the most influential attempts to create a welfare state typology. Esping-Andersen (1990:33) analysed welfare state regimes of 18 member countries of the Organisation for Economic Co-operation and Development (OECD) based on three basic criteria: de-commodification (the extent to which an individual's welfare is reliant upon the market regarding pensions, unemployment benefits and sickness insurance), social stratification (the role of welfare states in maintaining or breaking down social stratification), and the private-public mix (the relative roles of the state, the family, the voluntary sector and the market in welfare provision) and the three principal actors: family self-servicing, market

activity and government provision (Esping-Andersen, 1997:182). By considering the basic criteria for evaluating regimes, the typologies of welfare state regimes were categorised into three types: social democratic, conservative and liberal. These three types of welfare regimes represent the concept that welfare state regimes characterise and describe the complex relationships that exist across the state, the labour market and the family (p.141). Esping-Andersen (1990:32) states that the social democratic regime, mainly existent in Scandinavian nations, is built on universalistic principles, which means citizens are less dependent on family support and the community, whilst the role of the state is more dominant in welfare provision. The conservative regime, on the other hand, mainly involving European countries with strong Catholic parties, is segmented by employment status and contributions. Family members, specifically women, are quite dependent on male breadwinners. The liberal welfare regime is the last type of welfare regime, mainly found in Anglo-Saxon nations, which encourages market dependency by offering very low levels of de-commodification. In other words, it heavily relies on markets as the main institutions for addressing social protection, with the sense of favouring selectivity and targeting approach. Esping-Andersen's three welfare state regimes have been famously cited and used in the welfare state debate. Despite the concept's remarkable achievement, there are still criticisms of it, some of which are particularly relevant to this research.

First, scholars point out that since the case studies in Esping-Andersen's paper covered only a deliberate selection of 18 OECD countries, these three welfare states are not a worldwide phenomenon (Bambra, 2007; Ebbinghaus, 2012; Talme, 2013; Isakjee, 2017). Therefore, it is argued that Esping-Andersen's regime approach was a too narrow research project, focusing on high-income countries, mostly in Europe, and thus is insufficient to illustrate the global welfare state regime (Bambra, 2007; Ebbinghaus, 2012; Talme, 2013). From this assertion, it is interesting to find out whether these three regimes are able to be applied to the Thai case, which is a case of an immature welfare state system in a middle-income country, unlike in the western world. Second, the data used in Esping-Andersen's paper might be out of date. The data used was from the 1980s (Bambra, 2007:1098) and the world of the welfare state has developed consistently since then. Accordingly, the question to be raised is whether, in the modern world, these regimes are still able to reflect the case study. The third substantial criticism argues that Esping-Andersen's de-commodification concept is unaware of the role of women and the family

in the provision of the welfare state. Some previous studies stress that Esping-Andersen's de-commodification criterion is not only lacking consideration in terms of women's discriminatory treatment by welfare states, but also fails to take account of households and the family in its account of welfare provision (Bonoli, 1997:351; Bambra, 2007:1100; Isakjee, 2017:8). This thesis thus pays particular attention on the role of family and female status in the Thai pension system. Finally, the last criticism attacks the methodology. Ebbinghaus (2012:4) criticises Esping-Andersen's methodology, emphasising on how Qualitative Comparative Analysis (QCA) is more suitable for analysing typologies than Quantitative Medium-N Analysis. The researcher of this thesis asks if it is time to look at the case study with different methodological tools that might be powerful enough to analyse other modern welfare regimes. Based on these four concerns, many scholars have moved on and introduced new types of welfare regimes.

### **2.2.2 Going beyond the three worlds of the welfare state regime**

Esping-Andersen's welfare state regime typology sparked debate in the welfare state literature from the 1990s onwards, shedding light on the process of welfare state development in terms of alternative typologies. Scholars have extended the typology of welfare state regimes by analysing a range of different countries and considering gender, the role of public services, family, and the voluntary sector (Bambra, 2007:1103).

With regard to the selected case studies, Esping-Andersen's typology has been consistently criticised. Ferrera (1996:17) proposes a fourth 'Southern model' welfare state regime, based on studies of a South European welfare state. As well as Italy, which was included in the 18 OECD countries listed in Esping-Andersen (1990), Ferrera (1996:17) identifies four South European countries, namely Italy, Spain, Portugal, and Greece, as a separate welfare regime in the realm of welfare states. The Southern welfare state model can be described as embodying the 'rudimentary' character of welfare programmes in Southern European countries because it is characterised by countries' fragmented systems of welfare state provision. These systems consist of diverse income maintenance schemes that provide only limited welfare provision to those operating in an irregular or non-institutional market and are instead reliant on family and the voluntary sector (Ferrera, 1996:19; Bambra, 2007:1102). Ferrera's empirical data suggests that Southern European countries exist as 'a group of hyper-protected beneficiaries' for

employees in the formal sector (Ferrera, 1996:19). Workers in the informal sector, who have no contributory entitlements and no source of income, on the other hand, are not covered by any benefit, instead being faced with conditions of severe hardship (p.20). Therefore, the responsibility of caring for irregular income workers falls on family members (p.30). Ferrera concludes that, due to socio-economic and cultural-political factors and the historical configurations of Latin countries, the Southern model is a modification of Esping-Andersen's conservative corporatist model (1990), signalling the formation of a new regime, suggesting that Ferrera disagrees with Esping-Andersen's statements on the characterisation of Italy.

Similarly, scholars in the East-Asian welfare state debate have also disagreed with Esping-Andersen's statement and argued for a new type of welfare state that suits case studies in this region more readily, stating that each regime is unique (Holiday, 2000; Gough, 2007; Goodman and Peng, 1996 cited in Isakjee, 2017:6). Scholars have suggested that East Asian countries, notably Japan, South Korea, Taiwan, Hong Kong, Vietnam, and Singapore, form a unique cluster of welfare regimes (Cook and Kwon, 2007a; Holiday, 2000; Low, 2006). Due to their unique socio-economic and cultural-political factors, welfare states in East Asian countries have been categorised by scholars as 'Confucian welfare states' (Choi, 2007:3; Choi, 2012:277; Low, 2006:393), 'developmental welfare states' (Cook and Kwon, 2007b:7; Gough, 2007; Park and Jung, 2009:67), and 'productivist welfare states' (Holiday, 2000:706; Choi, 2012:276). Confucian welfare state involves a strong reliance on the family as a main care provider (Cook and Kwon, 2007:223), whereas the notion of the welfare state developmentalism has seen social policy as an instrument for economic development. Holiday (2000:706) argues that the productivist welfare state, which focuses on considering the implications of the East Asian experience for comparative social policy analysis, stands alongside the Esping-Andersen's three classic welfare regimes. In other words, this programme should be considered the fourth regime in the world of welfare capitalism (708). However, although welfare states in the East Asian region have been categorised using different dimensions, some scholars have argued that this regime is a combination of different classic welfare regime types. Bamba (2007:1111) emphasises that the East Asian welfare model is a mix of liberal, conservative, and Southern models.

Both Italy and Japan were in Esping-Andersen's cluster of 18 OECD countries categorised by three welfare state regime worlds. However, after some scholars had revisited the case studies and analysed them to account for differences through a new welfare state lens, which represents the concept of welfare mix, Esping-Andersen revisited the Japanese case and recast it as a fourth welfare state regime or hybrid regime (1997:180).

### **2.2.3 Esping-Andersen's fourth regime: A hybrid regime**

After a lot of criticism over concerns about the typology of a welfare state and suggestions about the combination of welfare state typologies on other case studies beyond just the European and OECD countries, many commentators proposed different types of welfare regimes to describe different cases from different backgrounds; these used the lens of a fusion welfare model. Esping-Andersen himself also proposed a new welfare typology, a combination of more than just one regime in his classic welfare model (Esping-Andersen, 1997)

Esping-Andersen (1997:179) revisited his own paper on three types of welfare state regime (1990), pointing out that the welfare state model in Japan actually exists as a fourth regime. He revisited the Japanese case and filled in the limitations of his previous study that included an unawareness of the role of women and family provision. He also considered the core element of Confucianism, arguing for it being the same concept as the Catholic-conservative welfare state, because of the notion that the family and the local community are the main providers of welfare provision. Apart from the role of the family in the Japanese welfare state, corporate occupational welfare state is another key element that Esping-Andersen considered as a component in the Japanese welfare mix. As outlined in his previous study *The Three Worlds of Welfare Capitalism* (1990), he continued to point out that market-provided welfare in Japan is very similar to that in America, as Japanese private firms are substantial and comprehensive social-welfare providers, for example, in terms of health care, private pensions and housing, whilst social expenditure on welfare state provision is very low (p.181). Because of high scores in liberalism (a low level of de-commodification) and conservatism (privileging welfare state employees and familialism), Esping-Andersen (1997:187) went on to conclude that the Japanese welfare state system, and perhaps that of other East Asian and South-East

Asian countries, represents a fourth regime, a hybrid welfare state system: conservative and liberal.

Nevertheless, some scholars in the East-Asian welfare state literature strongly suggest that the Confucian welfare state, such as the Japanese welfare state, is a combination of all three welfare state regimes, conflating liberal, conservative and social-democratic models (Isakjee, 2017:6; Walker and Wong, 2005:31). Meanwhile, some scholars in this current welfare state debate assert that the welfare state in this modern world, exclusively the multi-layered pension design, is a complex version of a Esping-Andersen's hybrid regime (Arts and Gelissen, 2002:139; Rhodes and Natali, 2003:6). From this assertion, the question once again is raised as to what typology of the welfare state in Thailand after the five-pillar pension reform? Esping-Andersen revisited a case study in his own paper almost a decade later and recategorised the case study. This is perhaps sensible for the Thai case as well.

Although many previous studies have focused on the development of the welfare state in the East Asian region, Thailand tends to be remised (Low, 2006:393). As little research has been conducted to investigate the development of the Thai welfare state compared to other East Asian countries, this research may make a valuable contribution to existing literature. To conduct this research, a background of the social protection development in Thailand is provided.

#### **2.2.4 The development of the welfare state in Thailand**

Chalamwong and Meepien (2012:231) divide the development of social protection in Thailand into five periods. Following a transition from an absolute monarchy to a constitutional monarchy, the first pension system was introduced in 1932 for the well-being of government officials after their retirement. This first period is called 'the promulgation and recognition of social protection'. The second period is 'the beginning of social protection scheme'. In the late 1970s, the first basic guarantees and protection scheme, called the Workmen's Compensation Fund (WCF), for workers in public and private sector workers in the formal labour market, was introduced to protect them from risks at the workplace. This fund included industrial medical care and cash benefits for sick workers.



In the late 1980s, 'the turning point of social protection' was acknowledged in Thailand as the third social protection period. The government initiated the Social Security Act 33 and 39 (SSA 33 and SSA 39), which offered social protection to employees in the event of accidents, sickness, disability, or death unrelated to the workplace. The beneficiaries of the SSA 33 are employees of private companies that have contributed to the WCF for no less than 12 months. The SSA 39, on the other hand, is a programme for those formerly insured under the SSA 33 (SSA, 1990).

The fourth period is 'the development of paternalistic welfare state'. After the Asian Financial Crisis in 1997, the government attempted to reduce vulnerability from the financial crisis and expand social protection schemes to different groups of people (p.234). The majority of civil servants were still in a privileged position with welfare entitlements, whereas the informal working population remained out of coverage. The combination of power, welfare interests, and the traditional paternalistic attitude towards welfare recipients led to the limited participation of employers and employees in guaranteeing social protection (Schramm, 2015:15). Because of the government's low levels of expenditures and family and community support, the Thai welfare state regime was categorised into different types of welfare state, such as a liberal welfare state (Asher, 2001), paternalistic welfare state (Chalamwong and Meepien, 2012) and a developmental welfare state (Kohler, 2014:4). However, even if these scholars have described the 1990s Thai welfare state using different terms, they have all highlighted that the social protection in the 2000s was a universal social protection period.

In the early 2000s, schemes of universal coverage of healthcare, education, and basic income were introduced. These schemes include the universal 30 Baht (£6) health care programme, the free twelve-year compulsory education programme and the universal Old Age Allowance (OAA) scheme. Accordingly, the 2000s is referred to as 'the universal social protection era' (Chalamwong and Meepien, 2012:233). Universal coverage is a basic principle of social-democratic regime, which suggests that the social-democratic regime has been introduced in Thailand. Before the 2000s, the government pushed the family, the community, and employers to support welfare provision for Thai citizens (Gough, 2001:170; Cook and Kwon, 2007a:226, 2007b:12). However, after the implementation of the five-pillar pension reform, the principle of universal social security for all Thai citizens was approved, and the Thai government's plan of promoting self-

help and voluntarism to informal workers, it is thus interesting to explore what type of welfare state in Thailand since the five-pillar pension reform actually is it? Some scholars have argued that the multi-layered pension design is a complex version of a hybrid regime (Arts and Gelissen, 2002:139; Rhodes and Natali, 2003:6). The Thai case may actually represent a complex version of a hybrid regime that syncs the expression of liberalism, conservatism and social democratism.

It appears that the Thai pension system shares similarities with those in Italy and Japan. These systems are characterised by limited social provisions from the government and an informal system of social and economic exchange within families as the main support for maintaining the well-being of the elderly. This thesis uses the hypotheses of Esping-Andersen (1997) in revisiting the Japanese welfare state regime. The Thai welfare state regime has been characterised by Esping-Andersen's three-world framework of welfare regimes and the suggestion of a fourth regime. Esping-Andersen revisits the Japanese welfare regime by affording greater attention to the roles played by the state, market, and family, considering how these elements combine in such a way as to lift the Japanese welfare state regime (p.183) from a conservative to a hybrid model. Meanwhile, some scholars have argued that the multi-layered pension design is a complex version of a hybrid regime (Rhodes and Natali, 2003:6). This body of literature has inspired the current paper to determine whether, following the five-pillar pension reform, the Thai welfare regime actually shifted to a new type of regime. Also, Thailand is not a Confucian country nor a Southern European nation. Therefore, it is notable if Thailand shares any similarities with these two models in implementing a hybrid regime.

### **2.3 A Combination of typology of social insurance institutions and macro-configurational aspect as an alternative approach**

Aside from analysing the influence of the five-pillar pension reform on the Thai welfare state regime, examining the system's capacity for the inclusion of informal workers and seeking the causal factors behind the system's partly successful outcomes are the main focuses of this paper. To explore the causal factors behind the performance outcomes of this reform, the typology of welfare state institutions and the macro-configurational aspect are examined.

This section explains how the ideal institutional types of welfare state institutions by Korpi and Palme (1998) and macro-configurational aspect of the comparative-historical analysis (Mahoney and Thelen, 2015) strengthen the weaknesses of one another, thus employed as an alternative approach. The combination of these two approaches will help analyse the nature of the five-pillar pension reform and its influences on the institutional framework of the Thai pension system, along with the effectiveness of extending pension and savings scheme coverage to informal workers. To do this, this section first reviews the concept of five different types of welfare state institutions and how these are relevant to this thesis, followed by a consideration of the macro-configurational aspect.

### **2.3.1 Five different types of social insurance institutions**

Korpi and Palme's idea of welfare state institutions, outlined in their paper, *The Paradox of Redistribution and Strategies of Equality: Welfare State Institutions, Inequality, and Poverty in the Western Countries* (1998:662), focuses on the effects of different institutional types of welfare states on poverty and inequality, leading to unexpected outcomes and redistribution paradoxes. In this paper, Korpi and Palme (1998:664) aim to examine the different types of social policy programmes of old-age pensions and sickness cash benefits in democratic capitalist countries, evaluating their effectiveness in reducing inequality and poverty. They explain that this allows researchers to study the effect of these institutional structures as causal factors in the formation of citizens' interests and preferences; and in return, examine citizens' interests and preferences affecting the institutional structures of the programmes, and the degree of poverty and inequality in a society (p.664). This implies that Korpi and Palme believe that the institutional structures of pension programmes and citizens' interests and preferences affect one another. As this thesis focuses on understanding the causal factors affecting citizens' interests and decisions as to whether to join non-contributory and voluntary savings schemes, and comprehending to what extent has the nature of the five-pillar pension reform influenced the institutional framework of the Thai pension system, the researcher thus employs Korpi and Palme's ideal-typical models of social insurance institutions to examine whether the institutional structures of pension programmes in the Thai five-pillar pension system have impacted on citizens' interests and decision to join pension and savings schemes, thus affecting the effectiveness of extending pension scheme coverage to informal workers. The clarification of the causal factors affecting the informal workers' interests and

decisions may then link to the explanation of the institutional framework of the Thai five-pillar pension system at the macro level.

Korpi and Palme (1998) proposed five different types of social insurance institutions, as follows:

(i) *Targeted model*: Based on means-tested benefits, which generate a horizontal line to reveal those who fall below a poverty line or are in need.

(ii) *Voluntary state-subsidised model*: Based on voluntary contributions that give membership in the respective schemes. This model uses tax money to provide insurance to protect members against loss with flat-rate or earning-related benefits, due to relatively low ceilings for earning replacements. The target groups are the skilled workers and the middle class, not the unskilled and the poor.

(iii) *Corporatist model*: Based on the combination of contributions between employers and employees with the state presents as a minor third party. This model includes separate social insurance programmes for different occupational categories; thus, rules of benefits can be different among the programmes. Being limited to the employment status, this model excludes housewives and others outside the formal labour force.

(iv) *Basic security model*: Based on contributions or citizenship. This model has flat-rate benefits or low ceilings on earnings replacement to leave room for high-income groups to protect their standard of living through private insurance programmes. This model aims to achieve wide or universal coverage to ensure that everyone is covered under the same programme.

(v) *Encompassing model*: Based on contributions and citizenship. It gives basic security and combine with earnings-related benefits to everyone within the same programme universally. This model not only reduces the demand for private insurance, but also has the potential of encompassing all citizens within the same programmes.

(Korpi and Palme, 1998:667-9)

The Thai five-pillar pension system operates using a multi-layered design. It provides different pension and savings schemes, utilising different pillars for different groups of people, in order to offer the most suitable model for everyone in Thai society. It is not a straightforward answer to assert which institutional model represents the Thai case. Korpi and Palme (1998:669) suggest that “we must expect to find crossbreeds, not purebreds; alloys not elements”. Mkandawaire (2005:1) also stresses that a pension system’s social policies aimed at reducing poverty for the elderly tend to lie somewhere between the two different social insurance models and are often hybrids. The question then raised is ‘Does the institutional structure affect citizens’ interests and decision making on whether or not to join a pension scheme? Specifically, how does it affect the informal working population?’ and ‘Perhaps the institutional structure of the Thai five-pillar pension system is a hybrid model among these social insurance institutions?’

Nevertheless, the five ideal-typical models of social insurance institutions by Korpi and Palme (1998) only define the institutional structures of the pension programmes on citizens’ interests and decision making; it cannot describe whether the informal labour market or decentralisation structure are also causal factors. Korpi and Palme (1998:679) point out that the institutional structures of social insurance institutions are only one of many factors affecting total income inequality among the elderly; other factors are also important, such as political traditions, labour force participation and demographic composition. In other words, welfare state institutions must be seen as embedded in larger social settings and structures of power (Kopi and Palme, 2003:431). From this assertion, this thesis engages comparative-historical analysis to help the researcher explore the case study beyond the effect of the institutional structure.

### **2.3.2 Macro-configuration in comparative historical analysis**

Comparative-historical analysis has a long distinguished history in the social science debate. These prior studies are united through historically grounded large-scale explanations and a useful consideration of change in historical trajectories (Doyle, 2013:11). Since the 1990s, studies of institutions and organisations using comparative-historical analysis have become increasingly visible (Mahoney and Rueschemeyer, 2003; Doyle, 2013; Mahoney and Thelen, 2015), indeed, researchers in this field were at the

forefront of an effort to rework the role of states as actors and institutions, a development that reoriented agendas across the social sciences (Mahoney and Thelen, 2015:1).

Mahoney and Thelen (2015:2) highlight that there are three features of comparative-historical analysis: macro-configurational research, case-based research and temporally oriented research; choosing the right aspect of comparative-historical analysis to help analyse the main research question is one of the main concerns. Mahoney and Thelen (2015:5) stresses that the comparative-historical analysis's macro-configurational aspect generates an examination of the case study by explaining large-scale political and political-economic outcomes. The case-based research aspect, on the other hand, explains observed outcomes in particular times and places. This aspect defines the causal mechanisms that enable and generate outcomes via two components: a focus on real-world puzzles and the use of mechanism-based explanation. The temporally oriented aspect studies temporal processes that are essential for the valid understanding and explanation of real-world political outcomes. The temporally oriented research aspect can be broken into two components: 1) study of temporal location shapes the effects of individual variables, and 2) study of how temporal structure of causes and outcomes matters for explanation and analysis. To describe the Thai pension system case, this thesis employs the macro-configurational aspect. The thesis pays much attention to Mahoney and Thelen's (2015) study and definition of the macro-configurational aspect.

### ***The macro-configurational aspect***

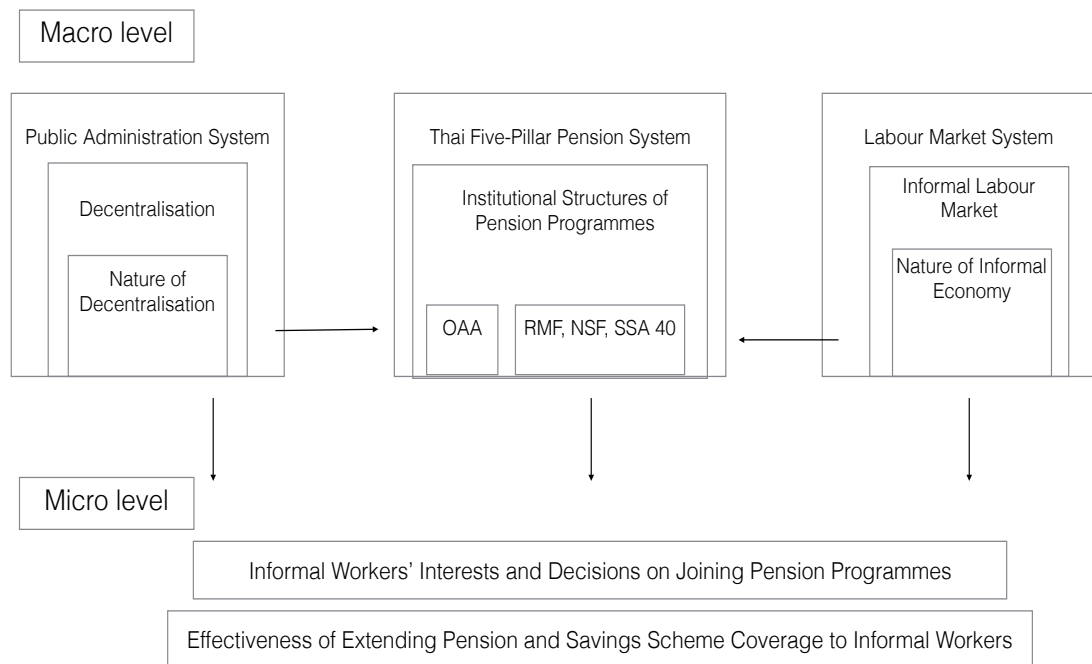
Some scholars explain that the macro-configurational research focuses on large-scale causal factors, such as broad political-economic structures (e.g. colonialism) and complex organisational-institutional arrangements (e.g. welfare regimes studies) (Mahoney and Rueschemeyer, 2003:4; Mahoney and Thelen, 2015:6). Mahoney and Thelen (2015:7) emphasise that macro-configurational aspect is an approach that assumes individual factors in a specific case are complex and therefore must be analysed as parts of a larger combination so as to review the causal factor of the case. This confirms that even though the current thesis aims to understand the nature of the transformation of the five-pillar pension model in Thailand, it is necessary to also consider other institutional factors that function in the design.

Mahoney and Thelen (2015:5) highlight that researchers cannot understand the interests and actions of key actors without appreciating the macro-structural environment in which they are situated. Even though researchers are interested in studying the effect of a single factor on an outcome, the nature of other variables that interact with a whole structure might affect the overall outcome as well (p.7). From this assertion, and regarding our own concerns regarding the transformation of the Thai five-pillar pension, it is necessary to analyse the interaction between labour markets, the decentralisation process, the institutional structure of the pension programme, and the nature of each of these. Mahoney and Thelen (2015:6) suggest that looking at case studies at a macro level, where structural features play a key causal role, can direct our attention to micro-level processes or individual-level choices and behaviours. Accordingly, this implies that the macro-configurational aspect might not only be able to explain the institutional framework of the Thai five-pillar pension system at the macro level, but also evaluate the causal factors affecting the informal workers' interests and decisions on whether or not to join these pension and savings schemes at a micro level, which links to the effectiveness of extending pension scheme coverage to informal workers. This appears to be similar to Korpi and Palme's typology of social insurance institutions in explaining the effect of institutional structures on citizens' interests and decision making. Mahoney and Thelen (2015:7) suggest researchers explore how comparative-historical analysis can be incorporated with other approaches so as to strengthen one another's weaknesses. From this suggestion, exploring the Thai five-pillar pension system through the lens of macro-configuration and welfare state institutional structures might help the researcher explain the performance of the pension system in a broader context beyond just the welfare state perspective.

### **2.3.3 An alternative approach for exploring the institutional framework of the Thai five-pillar pension system**

Based on the ideal-typical models of social insurance institutions and the macro-configurational aspect, this thesis asserts that since Thailand's five-pillar pension reform in 2009, the institution of the labour market, public administration and the Thai pension system are the three institutions which have become embodied in the institutional framework of the Thai pension system.

Figure 2.1 presents a diagram of how this thesis views the institutional framework of the Thai five-pillar pension system.



**Figure 2.1: The institutional framework of the Thai five-pillar pension system**

Mahoney and Thelen (2015:7) give an example of macro-configuration so that the effect of X on Y normally involves the context in which X operates. In other words, the other variables that interact with X possibly shape its effect on Y. From this assertion, this thesis presumes that other factors, or variables, that interact with the informal labour market and at play in the decentralisation of public administration might be influencing the effectiveness of the pension and savings schemes. More specifically, based on previous studies' arguments, this thesis presumes that the financial constraint experienced by informal workers might be the cause of savings contribution results; the decentralisation process of local governance might be a result of decentralisation affecting the outcome of OAA coverage; finally, the institutional characteristics of the pension programmes in the current five-pillar pension system might entice more informal workers to join pension and savings schemes. Moreover, Mahoney and Thelen (2015:7) emphasise that large-scale processes play a crucial role in shaping the interests of individual agents; Korpi and Palme (1998:667) highlight that institutional structures of pension programmes are the causal factors that influence citizens' interests and preferences. Accordingly, it is worth exploring whether the informality, decentralisation, and institutional structure of each pension programme can explain citizens' interests and



decisions regarding joining the pension and savings schemes. To find out whether the nature of the Thai five-pillar pension reform has formed a new institutional framework, and whether the nature of each institution functioning within this framework has influenced the extension of pension and savings scheme coverage to informal workers, this alternative approach analyses four aspects.

First, this thesis examines whether the nature of the informal labour market impacts the effectiveness of informal workers' savings contributions. Many articles highlight that the informal economy is a constraint on the labour market system and that the informal working population is a vulnerable group within the labour market system due to its very low and irregular income (Warunsiri, 2011:451; Jitsuchon et al., 2012:35). Meanwhile, some scholars emphasise that personal characteristics of the informal working population – gender, age, educational background, and hometown – and the labour-market conditions – job types and income levels – significantly impact the success of pension savings over long-term participation (Tuesta, 2014:12). Therefore, this thesis presumes that the informal economy, an element involved in the informal labour market, and the personal characteristics of informal workers may indirectly impact Thai informal workers' decisions to join the voluntary savings scheme.

Second, this thesis presumes that the nature of the decentralisation of the public administration system is another causal factor indirectly impacting the extension of pension scheme coverage. Many prior studies praise how local governance's decentralisation process has successfully extended OAA programme coverage after the programme was reformed from targeted to universal coverage (Suwanrada, 2009:59; Sakunphanit and Suwanrada, 2011:409; Suwanrada and Wesumperuma, 2013). Nevertheless, it is interesting to note that some scholars emphasise that decentralisation can be positive or negative, depending on designs, implementations, and other contextual factors (Scott, 2009; Dufhues, et al., 2011). Holzmann et al. (2005:115) highlight that administrative and implementation issues are linked with pension reform and the introduction of a multi-pillar pension scheme. They emphasise that cash flow could be decentralised and data flow remain partially or fully centralized in order to reduce administrative and implementation issues. Accordingly, this thesis explores whether the decentralisation of the public administration system exerts a wholly positive effect or if it comes with downsides.

Third, this thesis presumes that the institutional structure of the pension programme is another institution that functions in the institutional framework of the Thai pension system and is a causal factor affecting citizens' interests and decisions to join pension and savings schemes. Korpi and Palme (1998:669) point out that the institutional structure of social insurance institutions possibly impacts the formation of citizens' interests and preferences. This thesis thus presumes that the characteristics of each pension programme in the current five-pillar pension model might be additional causal factors influencing citizens' interests and decision-making. Some previous studies comment on the complexity of the savings programmes of voluntary savings schemes for the elderly and praise the achievement of OAA coverage (Jitsuchon et al., 2012:38; Chandoewit, 2013; Suwanrada and Wesumperuma, 2013); accordingly, this thesis explores whether the institutional structure of each pension programme might be relevant to citizens' interests and decisions regarding the schemes. Mahoney and Thelen (2015:7) propose 'causal packages', or a combinational approach, which assumes that the complex interactions between two or more variables and other interacting variables might shape the nature of those variables' effects on other variables that also interact in complex organisational-institutional arrangements and in determining the results of macro outcomes. To test this assumption and whether five-pillar pension reform in Thailand has formed a broad and complex institutional framework, this thesis presumes that both informality and decentralisation work together in a causal package that affects the citizens' feedbacks toward and experiences of pension programme policy design for informal workers and the capacity for inclusiveness.

Finally, this thesis posits that if those previous three assumptions are correct, the nature of the five-pillar pension reform and unique background of the Thai case have shaped a broader and more complex institutional framework. This thesis presumes that the interaction between the labour market, public administration, and pension systems is a macro outcome of the nature of five-pillar pension reform and a unique element of the Thai case. The interaction between the informal labour market and the Thai pension system is shaped by the nature of the World Bank's five-pillar pension model, which suggests making informal workers one of the target groups in the zero and third pillars. Meanwhile, the interaction between the public administration system and Thai pension system is a result of the Thai case's unique outcome: the Thai government chose to implement the decentralisation process of local governance into the policy design of the

OAA household registration system. Accordingly, the nature of the multi-pillar pension model and unique background of the Thai case may explain this broad and complex institutional framework at the macro level following the reform. At the same time, the nature of the variables – informal labour market, decentralisation, and pension system – combined in causal package has indirectly impacted informal workers' decisions on and interests in pension participation at the local level, automatically impacting the effectiveness of expanding pension and savings scheme coverage to informal workers.

To analyse the Thai pension system case study, it is necessary to briefly look its historical background.

## **2.4 The historical background of the Thai pension system**

This section reviews the historical background of the development of the Thai pension system since it was first introduced in Thailand. It is broken into two parts. First, it reviews the development of the Thai pension system before and after it was fully reformed by the five-pillar pension design. Second, it reviews the characteristics of each pension programme for different groups according to employment status.

### **2.4.1 The evolution of the Thai pension system**

This section reviews the evolution of the Thai pension system before and after it reformed according to the World Bank's five-pillar pension model.

#### ***2.4.1.1 The Thai pension system before five-pillar pension reform***

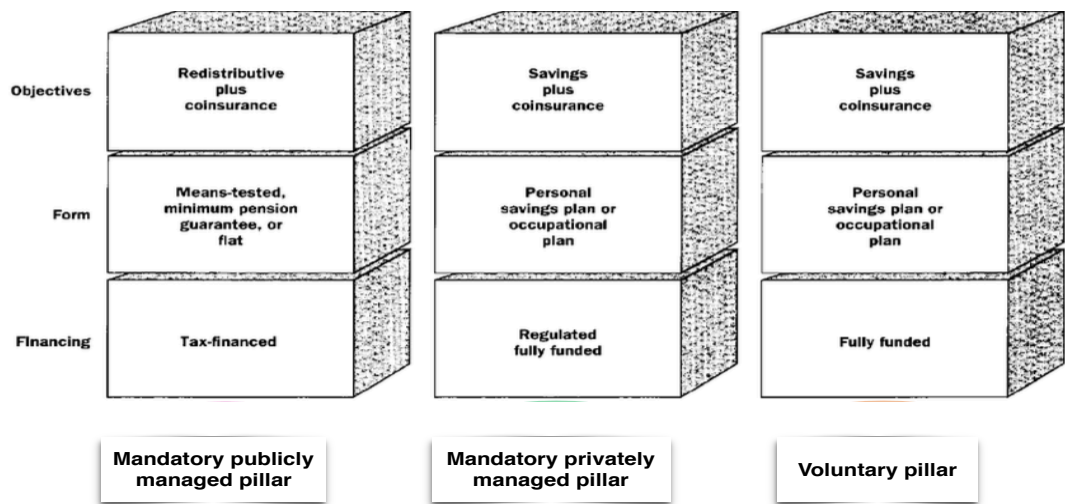
The Thai pension system was first initiated in 1902 by King Rama V for the well-being of all government officials after their retirement (GPF, 2012). The Government Pension (GP), or Old Civil Service Scheme, is known as the first pension programme that existed in Thailand. This programme was fully financed from general tax revenue, and the sum was transferable to recipients' children or relatives (Paitoonpong et al., 2010:273). However, the GP increased the pressure on the government budget, and in response, the government reformed the GP and eventually replaced it with the Government Pension Fund (GPF) in 1997, after adopting the World Bank's Multi-Pillar of Old Age Security, known as the three-pillar pension model (GPF, 2012). It is interesting to note that the first

pension system before reforming to the World Bank's three-pillar pension model, was a mono-pillar design, with only civil servants included. In other words, state employees received privileged pension provision, while the rest of the working population received no welfare state provision at all.

In 1994, the World Bank's multi-pillar model was first proposed as a three-pillar pension system that aimed at addressing the needs of diverse populations facing financial risk after retirement (Wang, et al., 2014:7). The World Bank (1994) claims that the multi-pillar design model (three-pillar model) is suitable for any country and capable of providing more flexibility than the mono-pillar model, as it is typically far more effective in addressing the needs of the main target groups in the population, whilst providing more security against economic, demographic and political risks (Willmore, 2000:3). This three-pillar pension model was adopted in the early 1990s, after the Thai government were urged to strengthen the financial sustainability of their system and provide a basic safety net to meet its citizens' needs (GPF, 2012).

The three-pillar pension design of the World Bank is broken into three different pillars:

- (i) *A public pension 'first pillar'*: a form of old-age poverty alleviation, which comes with three alternative forms: 1) means-tested programme for the poor of all ages, 2) minimum pension guarantee to a mandatory savings pillar, 3) universal or employment flat-rate benefit that covers a broader group.
- (ii) *A private pension 'second pillar'*: a fully funded and privately managed pension programme, which comes with two alternative forms: 1) personal saving accounts, 2) occupational plan.
- (iii) *A personal pension 'third pillar'*: additional saving protection for anyone who wishes to save more for better financial insurance in their old age.



**Figure 2.2: The pillars of old age income security.**

Source: World Bank, 1994:15

In the World Bank's *Averting the Old Age Crisis* article (1994:15), it reviews that the World Bank leaves each government to choose a different alternative form of pillar that is most suitable for the particular country. Hence, it is worth finding out what the three-pillar pension model in Thailand looked like.

**Table 2.1: Thai three-pillar pension system**

<b>Pillar</b>	<b>Characteristic (World Bank's classification)</b>	<b>Thailand's programmes</b>	<b>Funding/ Contribution</b>	<b>Target group</b>	<b>Benefit type</b>
1	Public pensions; mandatory publicly managed pillar	1) Government Pension (GP) 2) Old Age Allowance (OAA)	Government budget: general tax revenue	1) Civil servants served the government before 1997 2) Underprivileged Thai elderly	1) Pension 2) Means-tested benefit- minimum pension guarantee
2	Occupational pensions; mandatory privately managed pillar	1) Government Pension Fund (GPF) 2) Old Age Pension (OAP)	Contribution: workers, employers, and government	1) Civil servants served the government after 1997 2) Private employees	1) Defined benefit 2) Defined contribution
3	Personal pensions; voluntary pillar	Individual savings	Privately-financed and non-financed provision	All workers	Return to investment

Source: Adapted from World Bank, 1994:15; Government Pension Fund, 2012

Table 2.1 shows an obvious difference between the former pension system and the Thai three-pillar pension system. The former (mono-pillar pension) system included only government officials; however, the three-pillar model included both public and private employees from the formal labour market and the Thai underprivileged elderly, specifically from rural areas. Apart from the GP in the first pillar, the means-tested Old Age Allowance (OAA) programme is another pension programme in the first public pillar sponsored by the government's tax revenue. In the second pillar, there are two significant pension programmes for two different groups of employees. The Government Pension Fund (GPF) was the reformed pension programme of the GP. The GPF relates to contributions by government and civil servants who served the government after 1997, whilst the Old Age Pension (OAP) is a mandatory occupational pension scheme for formal workers in the private sector. The third pillar covers the citizen's personal savings. Its inclusion in the three-pillar model shows the government's efforts to not only strengthen the financial sustainability of the system, but also provide better inclusion for citizens. These few new pension programmes and new target groups in the Thai three-

pillar pension system represent a new aspect of welfare regime in the Thai case. The Thai pension system used to focus on just state employees, casting the family and employers as welfare supporters. The development of the Thai pension system towards the three-pillar pension model perhaps implies a radical move away from the previous welfare state of the former pension system.

A decade later, after the World Bank introduced a new multi-pillar pension design, known as the five-pillar pension model, the Thai pension system was again reformed to accommodate this five-pillar pension model.

#### ***2.4.1.2 The Thai pension system after five-pillar pension reform***

In its 2005 report, the World Bank presents the latest pension conceptual framework, known as the five-pillar pension model. The Bank occupied itself with restructuring the system's design so as to adapt the model to the principal conditions and needs of diverse populations looking to manage the risks of an aging demographic, the erosion of informal and traditional family support systems, and weaknesses in the governance and administration of existing pension systems (World Bank, 2008:2). This framework is based on the importance of individual country conditions and the flexible application of pension systems in formulating its analysis and policy recommendations (World Bank, 2008:1). The Thai pension system, by the same token, was reformed once again and can now be explained via this five-pillar pension model (Wiriyapong, 2015:4).

The five-pillar pension conceptual framework includes initial conditions, core objectives of pension systems, modalities for objectives, and primary and secondary evaluation criteria. Though there are no universal solutions to the complex array of pension issues and there is no simple reform model that can be applied in all system designs, the World Bank has developed principles of analysis and a conceptual framework to guide its work (World Bank, 2008). This framework suggests first beginning with an assessment of the initial conditions, followed by and setting out core objectives and evaluating potential modalities of pension reform designs for pension systems. These possible designs should be evaluated against a set of primary and secondary evaluation criteria (Holzmann et al., 2008). The question then raised is the following: Has the Thai government endorsed the

principles of the five-pillar system initiated by the World Bank? To answer this question, it is important to begin by taking a closer look at the assessment of these key principles.

### ***1. Initial conditions***

The reform conceptual framework starts with the initial conditions, which ‘establish the motivation for and constraints on feasible reform options’ (Holzmann et al., 2008:4; World Bank, 2008:2). This implies that the reform design of the five-pillar pension model is a two-sided coin. The assessment of initial conditions inspired the researcher to find out whether considering initial conditions is mandatory. If the government does not pay careful attention to the initial conditions, the reform’s outcome be restrained. The initial conditions include inherited systems, reform needs of such systems, and the enabling environment.

*(i) Inherited systems* deal with the existing mandatory and voluntary pension systems, the acquired rights of workers and retirees, related social security schemes, existing family and community support of retirees, old age vulnerability, and poverty prevalence.

*(ii) Reform needs* deal with fiscal costs, multiplicity of systems, labour market issues, and extended coverage. The reform needs of such systems are determined against the primary and secondary evaluation criteria.

*(iii) Enabling environment* deals with the demographic transition; macro-economic environment; capacity of administrative, regulatory, and supervisory institutions; and strong willingness to reform long-term instruments.

Holzmann et al. (2008:4) emphasise that once the initial conditions and the capacity to improve the enabling environment have been evaluated, the policy framework then focuses on the system’s core objectives and how to achieve them. Based on criticisms in previous studies, it appears that the informality, decentralisation process and design, and purpose of pension and savings programmes are main factors that might have impacted the effectiveness of the pension and savings schemes coverage for informal workers,



either positively or negatively (Suwanrada and Sakunphanit, 2013). The question then raised is as follows: Has the Thai government carefully considered the initial conditions and its capacity to improve the enabling environment before the five-pillar pension reform?

## **2. Core objectives**

The core objectives of introducing the five-pillar pension model include:

- (i) Protection against the risk of poverty in old age*
- (ii) Consumption smoothing from work to retirement in informal sector*

In setting out the core objectives of the pension system, Holzmann et al. (2005:1) suggest considering broader questions of social protection and social policy which consider poverty and vulnerabilities among citizens with different income levels. For instance, “What measures should be taken to strengthen the enabling environment that are conducive to reform options best satisfying the core objectives?” (Holzmann et al., 2005:11). The enabling environment of the initial conditions include demographic profile, macroeconomic environment, institutional capacity, and financial market status. This implies that in order to achieve the core objectives, the government has to consider the interaction between the pension system and other systems, such as demographic transition, labour market, and financial market systems.

The core objectives of the Thai five-pillar pension reform objectives are to ensure that the pension coverage and savings scheme sufficiently cover Thai citizens, guaranteeing income security and reducing poverty for Thai seniors. The pension reform also sought to promote savings among the informal working population, helping citizens to become more self-reliant upon reaching retirement age, and reducing the financial burden of the government’s future budget (Fiscal Policy Office, 2015:15). The core objectives of the Thai five-pillar pension reform appear to match those core objectives of the Bank’s five-pillar pension conceptual framework. However, the Thai five-pillar pension reform was only partly successful. It is thus important to explore how well the Thai government has considered strengthening the enabling environment so as to best satisfy the core

objectives of the Thai five-pillar pension system. More specifically, it is vital to understand the interaction between the pension system and the labour market, public administration, and financial market systems.

### *3. Modalities for achieving core objectives*

The World Bank (2008:2) explains that the multi-pillar designs provide more flexibility than the mono-pillar model. Whilst providing more security against economic, demographic and political risks, it is also far more effective in addressing the needs of the main target groups (Willmore, 2000:3). The five pillars are as follows:

(i) *A non-contributory 'zero pillar'*: a form of pension or social assistance financed by the local or national government that provides all elderly with a minimal level of protection with the aim of poverty reduction.

(ii) *A mandatory 'first pillar'*: a form of replacing the portion of lifetime pre-retirement income. It is typically financed on a pay-as-you-go basis.

(iii) *A mandatory 'second pillar'*: an individual savings account with a wide set of design options, either fully funded defined benefit or fully funded defined contribution.

(iv) *A voluntary 'third pillar'*: a compensation for rigidities in the design of other pillars. It is essentially flexible and discretionary in nature. It can either be partially or fully funded defined benefit or funded defined contribution.

(v) *A non-financial 'fourth pillar'*: a personal savings pillar that includes both formal and informal workers and provides senior citizens with access to informal intra-family or intergenerational sources of both financial and non-financial support (e.g. home ownership and reverse mortgages). This pillar also includes other formal social welfare provision (e.g. health care etc.).

**Table 2.2 : The World Bank’s five-pillar pension paradigm**

Pillar	Target groups			Main criteria		
	Lifetime poor	Informal sector	Formal sector	Characteristics	Participation	Funding or collateral
0	X	X	x	“Basic” or “social pension,” at least social assistance (universal or means tested)	Universal or residual	Budget or general revenues
1			X	Public pension plan, publicly managed (defined benefit or notional defined contribution)	Mandated	Contributions, perhaps with some financial reserves
2			X	Occupational or personal pension plans (fully funded defined benefit or fully funded defined contribution)	Mandated	Financial assets
3	x	X	X	Occupational or personal pension plans (partially or fully funded defined benefit or funded defined contribution)	Voluntary	Financial assets
4	X	X	X	Access to informal support (family), other formal social programs (health care), and other individual financial and nonfinancial assets (homeownership)	Voluntary	Financial and nonfinancial assets

*Note:* The size and appearance of x reflect the importance of each pillar for each target group in the following increasing order of importance: x, X, X.

*Source:* Holzmann et al., 2005:82

The World Bank’s pension reform conceptual framework is sufficiently flexible to address diverse country conditions (The World Bank, 2008:1). Table 2.2 shows that the target groups of each pillar are various; it implies that different pillars come with different aims. With this pension design, informal workers are eligible to join three pillars: the zero pillar, the third pillar and the fourth pillar. The inclusion of informal workers is a significant difference to the three-pillar design. This implies that every employment status is now included in the formal pension system. The World Bank provides options for every pillar of the multi-pillar pension model; any country wishing to implement this model can then choose the most suitable option. Thus, it is again worth finding out what the Thai five-pillar pension model looks like.

**Table 2.3: Thai five-pillar pension system**

Pillar	Characteristic (World Bank's classification)	Thailand's programmes	Funding/ Contribution	Target group	Benefit type
0	Public pensions; mandatory publicly managed pillar	1) Government Pension (GP) 2) Old Age Allowance (OAA)	Government budget/ general tax revenue	1) Civil servants served the government before 1997 2) Thai elderly at the age of 60 who is not in elderly public facilities	1) Pension 2) Universal coverage with multiple-rate benefit- minimum pension guarantee
1	Occupational pensions; mandatory privately managed pillar	1) Old Age Pension (OAP)	Contribution: workers, employers, and government	Formal employers in private sector	Defined benefit
2	Occupational or personal pension plans	1) Government Pension Fund (GPF)	Workers and government	Civil servants/ government officials	Defined contribution
3	Occupational or personal pension plans	1) National Savings Fund (NSF) 2) Social Security Act 40 (SSA 40) 3) Retirement Mutual Fund (RMF)	1) Workers and government (NSF, SSA 40) 2) Workers commission	1) Workers in informal sector (NSF, SSA 40) 2) All workers (RMF)	Defined contribution
4	Personal pensions; financial and non-financial assets	Individual savings	Voluntary personal savings plan; privately-financed and non-financed provision	All workers	Return to investment

*Source:* Adapted from Holzmann et al. (2005:10); Jitsuchon, et al. (2012:34); Fiscal Policy Office (2015:4)

Even though Thailand adopted the World Bank's five-pillar pension design, some components of the Thai model are different from those of the World Bank's design in an effort to make the system more suitable for the Thai case.

Table 2.3 shows that there are two pension programmes in the zero pillar. The first programme is the GP, which was the first pension programme in Thailand. The second programme is the OAA, which is a reformed means-tested old age pension provision programme from the three-pillar pension system. In the current Thai five-pillar pension system, the government offers the universal OAA programme to all Thai senior citizens at the age of 60 and above who are not in elderly public facilities or do not currently receive a permanent income from the government (Sakunphanit and Suwanrada, 2011:401). Next, the first pillar is a mandatory pension scheme with an earnings-related benefit pension programme for those private employees in the formal labour market, and known as the Old Age Pension (OAP). The second pillar is a mandatory savings scheme

with defined contribution benefits for those government officials who served the government after 1997, and known as the Government Pension Fund (GPF). The third pillar is the voluntary savings scheme. The World Bank (2008:3) explains that the voluntary third pillar can take various forms. In the Thai case, there are indeed several forms of savings programmes offered to different groups of people; three of these programmes are the Retirement Mutual Fund (RMF), National Savings Fund (NSF) and Social Security Act 40 (SSA 40). These three programmes are the savings programmes that informal workers are eligible to join. Finally, the fourth pillar includes all private savings insurances and other types of social security, including health insurance, social service and social assistance, plus a social safety net (Chalamwong and Meepeen, 2012:231; Jitsuchon et al., 2012:34; Wiriyapunpong, 2015). Only the zero pillar and the third pillar are formal pension and savings schemes to the informal sector offered by the government; the fourth pillar is a pillar that includes informal financial support and non-financial assets.

Holzmann et al. (2008:17) suggest different stylised reform choices for different types of countries to match specific reform needs with their constraints and opportunities. These considerations are linked with the development status or income level of each country. For instance, low-income countries' experience has brought into focus the need for a zero non-contributory pillar in its primary focus on poverty alleviation to extend old-age security to all senior citizens. Meanwhile, experience in low- and middle-income countries has shed light on the importance of the design and implementation of the third voluntary pillar, which can effectively supplement the basic financial elements of pension systems or reduce fiscal costs and provide fiscal replacement rates for high-income countries. Thus, the World Bank suggests that low-income countries include the zero non-contributory pillar in systems, whilst the third voluntary pillar is suggested for low- and middle-income countries. Thailand followed the Bank's suggestion for middle-income countries, providing both the zero and the third pillars (World Bank, 2017).

Holzmann et al. (2005:9) further suggest that only high-income countries can feasibly provide the full breadth of all pillars. However, Thailand is a middle-income country with a large informal labour market that offers a full breadth of all five pillars. The question then raised is whether the Thai government has clearly reached beyond its capacity. It is worth exploring whether the full five-pillar pension model is appropriate for middle-

income countries like Thailand. The study of the Thai case is a useful guideline for other case studies.

#### ***4. Evaluation criteria***

Apart from the initial conditions, core objectives and modalities for achieving objectives, the World Bank suggests that reform designs shall be evaluated against a set of primary and secondary evaluation criteria.

*(i)* The *primary criteria* include the reform's ability to maintain adequacy, affordability, sustainability, and robustness while achieving welfare-improving outcomes.

*(ii)* The *secondary criteria* are linked to the pension system's ability to support economic stability and development. This includes minimisation of labour market distortion, contribution to savings mobilisation, and contribution to financial market development.

The World Bank (2008:4) emphasises that the capacity of any pension system, including the five-pillar pension, to provide effective sources of retirement income is 'inextricably linked' to its ability to support the labour and capital market, reinforce measures to improve savings, and facilitate financial market development. This implies that, to achieve the five-pillar pension reform, the government has to consider the interaction between pension systems and other institutions. It is interesting to note that both the initial conditions and criteria evaluation emphasise the importance of the interaction between the pension system and the development of other institutions, specifically the financial market, labour market, and public administration system. Two questions then again arise: Has the government considered the initial conditions and evaluation criteria before the implementation? And has the government considered the function between other institutions and the Thai pension system?

##### ***2.4.1.3 The pension diagnostic assessments and designing reform options in Thailand***

Based on the criticisms in previous studies and this conceptual framework's pension diagnostic assessments (Holzmann et al., 2008:3), this thesis asserts that the Thai

government did not pay enough attention the World Bank's five-pillar pension reform framework.

First, this thesis posits that the Thai government did not carefully assess the initial conditions and the capacity to improve the enabling environment before implementation. Holzmann et al. (2005:114) highlight that reform needs of multiplicity of systems and reform environment of administrative capacity are linked with the implementation effectiveness of five-pillar pension reform. Most specifically, the flow of money could be decentralised, and the flow of data could be partially or fully centralised. "Leaving both flows decentralised would seriously undermine the effort to improve compliance and the efficient collection of pension contributions" (Holzmann et al., 2005:115). However, in the OAA of the non-contributory scheme case, the flow of both money and data are decentralised. Holzmann et al. (2008:4) stress that the initial conditions establish the motivation for reform and constraints on feasible reform options. Perhaps, a limited administrative capacity of decentralisation process of the OAA might have both positive and negative impacts on the OAA's performance outcome.

Secondly, this thesis presumes that the government chose an unsuitable modality for achieving its core objectives. Holzmann et al. (2005:11) highlight that each country must carefully assess whether the government has the institutional infrastructure and capacity to implement and operate publicly managed elements of a reform. The full range of five-pillar options is more suitable for developed, high-income countries. Thailand is a middle-income country, not a developed, high-income country. This indicates that the Thai government has not strictly followed the feasible reform options. This thesis, therefore, aims to examine whether the government's decision to offer the full options structure was simply beyond its capacity, consequently impacting the system's performance outcomes.

Finally, this thesis presumes that the government did not implement the Thai five-pillar pension reform against a set of primary and secondary evaluation criteria. Holzmann et al. (2005:6) emphasise that reforming the pension system for the five-pillar pension model comes with twin goals of evaluation criteria. The primary goal is providing 'adequate, affordable, sustainable, and robust retirement income' for the elderly (p.6). To fulfil the system's primary goal, the government must create positive secondary

development goals which support growth and development and minimise any possible negative impacts on macroeconomic stability and labour markets (Holzmann et al., 2008:4). Reforming the Thai pension system in 2009 to align with the World Bank's five-pillar pension design included ensuring financial sustainability, reducing poverty among Thai seniors – including informal workers, and targeting more government social protection spending to benefit the elderly poor (Jitsuchon et al., 2012:5). However, in the development of this system, the Thai government did not consider lowering any potential labour market interference on the pension system or its interaction with other institutions functioning in the current Thai five-pillar pension system. The World Bank (2008:4) emphasises that the five-pillar pension reform should support labour and capital market efficiency, reinforce measures to improve savings, and facilitate financial market development. This implies that, to achieve the five-pillar pension reform, the government has to consider the interaction between pension systems and other institutions. Accordingly, this thesis explores whether these twin reform criteria, of which the Thai government appears unaware, may be behind the current Thai pension system's results.

To conclude, the transformation of the Thai pension system into the five-pillar pension model marks an obvious change in the system. However, it is yet unclear whether the nature of this transformation influences the performance outcomes of this reform. To discover this, it is important to understand the characteristics of pension programmes for Thai seniors, who are the main foci of this study.

#### **2.4.2 The characteristics of pension programmes in the Thai five-pillar pension system**

In this section, the characteristics of pension programmes in the current Thai five-pillar pension system are presented. In the World Bank's report, *Reducing Elderly Poverty in Thailand: The Role of Thailand's Pension and Social Assistance Program*, Jitsuchon, Skoufias and Wiener (2012:8) describe the current Thai pension system as a multi-layered design of the World Bank's five-pillar pension model.



**Table 2.4: Characteristics of the retirement programme**

<i>Program</i>	<i>Eligibility</i>	<i>Sponsor</i>	<i>Type</i>	<i>DB/DC source</i>	<i>Contribution</i>	<i>Supervisor</i>
<b>OAP, SSO Articles 33 &amp; 39</b>	Formal sector	Employer	Mandatory	DB	Employers, workers and government	Ministry of Labor
<b>GPF and pension</b>	Government officials	Employer (Government)	Mandatory	DB/DC	Government and workers	Ministry of Finance
<b>PVD</b>	Formal sector	Employer (Occupational pension programs)	Mandatory if listed on	DC	Employer and workers	Securities Commission
<b>RMF</b>	All workers	Individual	Voluntary	DC	Workers Commission	Securities Commission
<b>OAA</b>	Informal sector	Individual	Universal	DB	Government	Ministry of Interior
<b>NSF</b>	Informal sector	Individual	Voluntary	DC	government and Workers match	Ministry of Finance
<b>SSO Article 40</b>	Informal sector	Individual	Voluntary	DC	government and Workers match	Ministry of Labor

**Note:** GPF and Pension are two separate programs for civil servants. Hence, there are eight programs.

\*DB = Defined Benefit, DC = Defined Contribution

Source: Jitsuchon, et al. 2012:37

Table 2.4 shows four different pension and savings programmes that the informal working population can join. The Old Age Allowance (OAA) programme is a universal programme under the non-contributory scheme as the zero pillar. This programme is for the working population in both formal and informal sectors. The voluntary savings options for the informal sector in the third pillar include three savings programmes in total: the National Savings Fund (NSF), Social Security Act 40 (SSA 40) and Retired Mutual Fund (RMF). The National Savings Fund (NSF) and Social Security Act 40 (SSA 40) are two savings programmes only for informal workers; these are based on the contributions of the government and informal workers, but supervised by different ministries. The Retirement Mutual Fund (RMF) is a voluntary savings programme for both formal and informal sectors. These four different programmes are interesting to study here as they help us analyse the development of the Thai government's efforts towards offering pension and savings scheme coverage and incentivising savings

behaviour to informal workers. Based on the target group of each pension programme, this section is thus broken into two, based on employment status: pension programmes for employees in the formal labour market and pension programmes for those in the informal labour market.

#### ***2.4.2.1 Pension programmes for employees in the formal labour market***

This section is broken into two: pension programmes for state employees (Government Pension (GP) and Government Pension Fund (GPF)) and private employees in the formal labour market (Old Age Pension (OAP)).

##### ***1. Pension programmes for state employees***

The Government Pension (GP) was the first pension programme that ever existed in Thailand. It was initially only for government employees, including civil servants and state-enterprise employees (Chalamwong and Meepien, 2012:236). Later on, it came to cover both civil servants and military servants (Paitoonpong et al., 2010:272). The GP was fully financed from general tax revenue, and the lump sum payment of the GP was transferable to recipients' children or relatives (Paitoonpong et al., 2010:273). Between 1990 and 1996, the number of retirees doubled from 154,940 to 217,733; while government expenditure on old-age income security for government officials grew by about 20 per cent annually, from 6.6 billion Baht to 19.7 billion Baht (Phananiramai 2003 cited in Paitoonpong et al., 2010:273). Due to constraints in the government's budget, the GP was reformed and eventually replaced in 1997 with the Government Pension Fund (GPF). The benefits of the GPF relate to member contributions and returns on investment (Chalamwong and Meepien, 2012:236). Both the state and government officials contribute 3% of their monthly wages to the GPF (Brustard, 2011:181). The GPF was designed to cover anyone who was in service after March 27, 1997, as the GPF was initiated on that date; government officials who were in service before March 27, 1997 had the option of either staying with the GP or joining the GPF. Again, these two programmes highlight the state's tendency to prioritise the economic security of government officials. In the 1990s, the Thai pension system covered only 18 per cent of the labour force in the market (Suwanrada, 2012:6). The high number of retired government officials was one of the vital pressures that led towards the restructuring of the pension system from the GP to the GPF, as it raised concerns about financial

sustainability. In this sense, the issues of financial sustainability and pension provision for state employees were the top concerns of the former Thai pension system.

## ***2. Pension for private employees in the formal labour market***

The Old Age Pension (OAP) was initiated in 1999 for all formal private workers including employees of businesses employing one or more employees (Jitsuchon, et al., 2012:10). Members are eligible for an annuitised pension benefit once they reach the age of 55 years. The OAP was designed to provide a financial replacement rate wage for a person who has contributed for at least 15 years (OECD, 2012:80). Those people who have contributed for the minimum period of 180 months will receive an income replacement rate of about 15 percent (Brustad, 2011:179). In other words, the contribution of the OAP requires 15 years of contributions for pension eligibility. However, if he or she contributes for less than 180 months, he or she will receive only a refund of their contributions with interest (Brustard, 2011:180; Jitsuchon, et al., 2012:17). The standard contribution rate for the OAP is 7%, consisting of 3% from employers, 3% from employees and 1% from general government revenues (Pfau and Atisphon, 2008:6; Boonpiam, 2014:13). A person's monthly pension is calculated as a percentage of salary of their average monthly income during the last 60 months before retirement (Pfau and Atisphon, 2008:6).

It is worth highlighting that there was a lot of criticism about the OAP might (or might not) turn into a financial collapse in a long-term outlook, with regard to low retirement age, rich benefit formula, and demographic transitions (Lloyd-Sherlock and Schröder-Butterfill, 2008:3; Brustad, 2011:199; Jitsuchon, et al., 2012:10). The number of the current working population who make contributions to finance their benefits will decrease, and the overall cost of the pension system as a percentage of the payroll will dramatically increase, as the number of retirees increase rapidly (Asher, 2000:10). The current pension system will experience problematic issues in 2035 and be unable to pay out full benefits by 2046 (Brustad, 2011:188; The Nation, 2014). Accordingly, it implies that both pension and savings schemes for public and private employees face financial issues. It is plausible that financial sustainability is one of the core objectives of reforming the Thai pension system to the five-pillar pension model. However, it is doubtful whether reforming is the right solution, indeed, it is worth asking if Thailand is actually ready for the full breadth of five-pillar pension design.

#### ***2.4.2.2 Pension programmes for workers in the informal labour market***

In this section, pension programmes that informal workers are eligible to join are presented. This includes the Old-Age Allowance (OAA), Retirement Mutual Funds (RMF), National Savings Fund (NSF), and Social Security Act 40 (SSA 40).

##### ***1. Old-Age Allowance (OAA)***

Under the non-contributory scheme, the Old Age Allowance (OAA) programme is a transformed programme from the former three-pillar pension system. In other words, the current non-contributory scheme in the zero pillar is an adaption of the former system's targeted OAA programme, which was initiated in 1993 as a means-tested basic income, targeting underprivileged elderly citizens (Paitoonpong et al., 2010:278; Suwanrada and Wesumperuma, 2012:195; Suwanrada, 2012:2; Lloyd-Sherlock, 2006:84). The OAA programme did not perform effectively, as the majority of the elderly did not receive the allowance, and the subsidies were far too low to ensure that the recipients had economic security (Suwanrada and Wesumperuma, 2012:165; Babajanian, 2013). In other words, the OAA programme was criticised of being led by favouritism, as many prior studies identified corruption issues in the targeting process (Lloyd-Sherlock, 2002:700; Paitoonpong et al., 2010:278; Brustard, 2011:184).

Given the original OAA programme's failings, the former Prime Minister, Abhisit Vejjajiva, decided to restructure the OAA from a means-tested programme to a universal pension programme offering coverage benefits under the non-contributory scheme. In 2009, after the transformation of the Thai pension system into a five-pillar pension model, the universal OAA programme increased its subsidies from 200 Baht (£4) to 500 Baht (£10) per month for Thai senior citizens aged 60 and above; this change was spearheaded by Abhisit Vejjajiva's government (Jitsuchon, et al., 2012:8; Chalamwong and Meepien, 2012:234). If Thai senior citizens wish to receive the allowance by the age of 60, they have to register the year before they turn 60. Registration for the OAA programme opens every year from 1<sup>st</sup> to 31<sup>st</sup> of November, and the only place where citizens are permitted to register for their senior allowance is at their relevant local authority's office or their hometown mobile unit. However, if a citizen is unable to present himself or herself at the local office, he or she can sign an approval letter for someone to register at the local

government office on his or her behalf; once they register for the system, the allowance will then automatically be transferred into their bank account, unless they wish to collect it personally from a local authority office (Sakunphanit and Suwanrada, 2011:401; Brustard, 2011:201). Also, if a citizen is unable to register at the age of 59 to receive the allowance when they turn 60, they are still able to register after they turn 60, but they will receive the allowance in the following year. The state claimed that the aims of the transformation were to alleviate poverty and provide income replacement for all Thai elderly, especially those in the informal sector (Paitoonpong et al., 2010:283; SSO, 2012).

After introducing the five-pillar pension system in Thailand, welfare provision not only covered all Thai senior citizens, but the allowance was raised as well. In 2012, the new government under Prime Minister Yingluck Shinawatra increased the amount of the subsidy to multiple-rate benefits in accordance with the age of the recipient: 600 (£12) Baht per month to citizens aged 60-69 years; 700 (£14) Baht per month to citizens aged 70-79 years; 800 (£16) Baht per month to citizens aged 80-89 years; and 1000 (£20) Baht per month to citizens aged 90 years and above (Suwanrada and Wesumperuma, 2012:153; Brustad, 2011:198). It is worth highlighting in 2009, the absolute poverty line in Thailand was 2,676 Baht (£32) per month (FPO, 2009). The allowance offered by the OAA programme has increased since 2012. However, as of 2013, 34% of the Thai elderly had an income below the poverty line, and 14.8% relied on the OAA as their main income source (TGRI, 2014:35), it remains questionable whether the allowance is sufficient to offer income security for the elderly, especially those in the informal sector. This is because despite increases, the state's current subsidies are still below the poverty line (ILO, 2016:1).

The number receiving the OAA rose after it shifted to universal coverage. When the OAA was first started in 1993, there were only 20,000 recipients. However, when the OAA transformed to universal coverage in 2009, the number of recipients rose significantly to reach 5,448,843 (NESDB, 2009). In 2014, there were 9.9 million citizens aged 60 and above out of 68 million citizens in Thailand; approximately 7.6 million of those citizens who were over 60 years old were members of the OAA programme (NESDB, 2014; TGRI, 2014:19-21). Nearly 80% of the Thai elderly have now joined the non-contributory scheme. After the targeted OAA programme adopted universal coverage, the number of Thai elderly joining the scheme grew vastly. Household registration for the OAA was

organised by the decentralisation process of the local governance. Some scholars stress that the decentralisation process of local governance together with the universal coverage formed the very successful performance outcome of the OAA (Sakunphanit and Suwanrada, 2011:408). However, some scholars emphasise that decentralisation process can be either positive or negative depending on the designs (Holzmann et al., 2005; Scott, 2009). Accordingly, it is thus worth finding out whether the change of the OAA programme to universal coverage and adoption of the decentralisation structure, which is now incorporated in the Thai pension system, offers reason for this significant success. There are four different types of local government. It is important to investigate whether the administration of local government affected the capacity for inclusion and caused the system's partly successful outcomes. The decentralisation process local governance will then be explained in more detail in Chapter 5.

## ***2. Retirement Mutual Fund (RMF)***

A Retirement Mutual Fund (RMF) has been offered in Thailand since the end of March 2001, with the aim of providing a means for the public to put aside voluntary retirement savings (Paitoonpong et al., 2010:276). RMF is offered by mutual fund management companies to all Thai citizens in both the formal and informal sectors. These companies are required to provide investors with funds of varying risk profiles, either as equity, fixed income or mixed funds. Individuals have to continuously buy RMF units for at least five years until the age of 55, unless they do not have an income in a given year (Bangkok Bank, n.d; Stock Exchange of Thailand, 2015). The savings must amount to at least 3% of their income, or 5,000 Baht (£100), whichever is lower. The amount invested in RMF may not exceed 15% of their annual income up to a limit of 300,000 Baht when combined with any other pension savings (e.g. provident funds or GPF). The only obvious benefits from joining the RMF is that participants can enjoy tax deductions on contributions or they may hope to make additional savings (Brustad, 2011:184; Bangkok Bank, n.d; Creveling and Creveling, 2016).

In 2012, the National Statistical Office (NSO) found that the average monthly income of informal workers was 5,045 Baht (£100.9) (NSO, 2012). It is obvious that the workers in the informal labour market cannot afford to put aside savings, as doing so requires at least

3% of their salary or 5,000 Baht (£100) per month, this is because informal workers' average monthly is the same amount as the minimum RMF requirement. Moreover, a special benefit of the RMF is tax deduction, which seems to benefit private employees in the formal labour market the most. In other words, a RMF seems to be a mismatch programme for low-income workers, such as the informal working population. Perhaps, two new savings programmes might be better options.

### *3. National Saving Funds (NSF)*

In 2009, the Abhisit Vejjajiva government initiated the National Savings Fund (NSF), a new voluntary retirement savings programme in the third pillar. It was intended to cover Thai citizens in the informal labour market (Schmitt et al., 2013:2). Given the efficacy of the previous means-tested pension system in Thailand, the former Cabinet Prime Minister Abhisit Vejjajiva endorsed in principle that Thailand's pension system should ensure sustainability and efficiency of funds so that all Thai senior citizens could enjoy sustainable income security after retirement; thus, the Ministry of Finance was assigned to establish mandatory saving funds (Paitoonpong et al., 2010:285-286). The new government policy aimed at ensuring Thai elderly citizens in the informal labour market would have sustainable income security in old age: this policy was first introduced as the National Pension Fund (NPF) and later renamed as the National Savings Fund (NSF) (p.283).

The NSF was not a normal voluntary pension scheme because it returned the benefits to the recipients who made the contributions. In 2011, the NSF Act allowed individuals to save for their retirement via government contributions (Prapha, 2013). However, due to the delayed process of setting the rules and regulations, the registration did not start and so no participants joined the programme (Ministry of Finance, 2015). NSF registration was then ignored by the following government. The following government, under Prime Minister Yingluck Shinawatra, promoted the Social Security Act 40 (SSA 40), another savings programme for informal workers, arguing that the NSF overlapped with the SSA 40 (Jitsuchon, et al., 2012:35; The Nation, 2014). The following Yingluck Shinawatra government was even about to abolish the NSF. Mrs Worawan Chandoevit, an academic and TDRi researcher, was interviewed by Thairath in 2013 and stressed that the major

reason why the Yingluck Shinawatra government was tempted to abolish the NSF and aim to transfer the savings idea for informal workers to the SSA 40 was mainly because the Yingluck Shinawatra government was in opposition to the Abhisit Vejjajiva government; however, this idea did not convince academics like Chandoevit (Thairath, 2013). That said, the idea of abolishing the NSF did not occur; instead, the government only ignored the NSF and promoted the SSA 40.

Nevertheless, in 2015, the following government under Prime Minister General Prayut Chan-Ocha decided to renew the NSF. The rules and regulations setting out its participation and benefits were clear. Participants are allowed to contribute a maximum of 13,200 Baht (£264) per year. The government will contribute to each participant's account according to the holder's age, with members aged 20 to 30 receiving 50% of their contribution or no more than 600 Baht (£12) annually; those aged 30 to 50 receiving 80% of their contributions, which is 960 Baht (£19.2) per year; those aged 50 to 60 receiving 100% of their contributions or 1,200 Baht (£24) annually (NSF, 2017b). It is important to note that those aged 60 and above were encouraged to register within a year following the first date of registration, which was the 25<sup>th</sup> of September 2016 (Komchadluek, 2016). The NSF encourages individuals to acknowledge the importance of savings for retirement and to start saving at an early age so as to receive more contributions from the government and have more chance of ensuring income security for their retirement (NSF Act, 2011:48). How much the savers will get from the government contribution depends on how much they contribute. This thesis found that the initiation of the NSF explains three vital development points. First, the government finally provided an opportunity for informal workers, who had previously been neglected in the formal system, by allowing them to start saving in a formal system while still working. Second, in contributing to the NSF, the government took a step away from letting citizens rely on just their family members or communities for financial resources. The state's role thus significantly changed. It is hence interesting to find out whether this reform has affected the typology of the Thai welfare state regime. Third, the NSF's core objectives appear to reflect the World Bank's secondary evaluation criteria, including improving savings mobilisation and facilitating financial market development. The question then raises whether supporting labour market efficiency was taken into account as well. In 2015, apart from renewing the NSF, Prime Minister General Prayut Chan-Ocha's government also reformed the SSA 40 (NSF, 2015).



The following review covers the development of the Social Security Act 40 (SSA 40) and explains how it and the NSF no longer overlap.

#### ***4. Social Security Act 40 (SSA 40)***

In 2011, the Social Security Act 40 (SSA 40) was introduced as a voluntary savings programme by Prime Minister Yingluck Shinawatra's government, and available only for the working population in the informal sector (Jitsuchon et al., 2012:20). It is one of the savings programmes offered by the Ministry of Labour to those not included in pension and savings schemes for employees in the formal labour market, not a member of the Social Security Act 33 (SSA 33) and never registered the Social Security Act 39 (SSA 39).

It is worth noting that the SSA 33 was first initiated in 1990, and the SSA 39 was started in 1994 (Paitoonpong et al., 2010:268). The SSA 33 is a compulsory social protection programme for those employees in the private sector of the formal labour market. This includes the event of sickness or injury, maternity, invalidity, disability, old-age, unemployment and death unrelated to the workplace (SSO, 2012). The SSA 39 is a social protection programme offered to those who used to join the SSA 33. In other words, private employees who are no longer in the formal labour market or have resigned from their jobs and are no longer included in the SSA 33 can continue securing their social protection by joining the SSA 39 (SSO, 2012). From the SSA 33 and SSA 39, it implies that since the very early 1990s, the government has striven to ensure that the labour force in the formal sector is fully protected. The government has even offered social protection for those formal workers who leave the formal labour market. These are opportunities that the working population in the informal sector did not receive until 2009.

In May 2011, two benefit options were offered under the SSA 40: one included insurance, and the other featured a pension savings benefit (SSO, 2012, 2014; Jitsuchon, et al., 2012:13). Later on, in December 2013, the SSA 40 was expanded to offer a third, fourth and fifth option, also known as pension options. Table 2.5 reviews the descriptions, contributions and benefits of options 1–5 under the SSA 40 prior to 2015.

**Table 2.5: Social Security Act 40 options 1–5**

<b>Social Security Act 40</b>	<b>Description</b>	<b>Contribution</b>	<b>Benefits</b>
Option 1	Includes only insurance benefits, but no pension nor lump-sum payment benefits	Workers contribute 70 Baht (£1.40) per month and the government contributes 30 Baht (60p) per month.	1. Contributors receive disability, sickness and death benefits
Option 2	Includes insurance benefits and lump-sum payment benefits	Workers contribute 100 Baht (£2) per month and the government contributes 50 Baht (£1) per month.	1. Contributors receive disability, sickness and death benefits, and old-age savings benefits. 2. Once the contributors turn 60, they will receive a lump-sum payment
Option 3	Includes only pension benefits	Workers contribute 100 Baht (£2) per month and the government contributes 100 Baht (£2) per month.	1. Once the contributors turn 60, they will get their pension
Option 4 (Option 1+3)	Includes insurance benefits and pension benefits	Workers contribute 170 Baht (£3.40) per month and the government contributes 130 Baht (£2.60) per month.	1. Contributors receive disability, sickness and death benefits 2. Once the contributors turn 60, they will get their pension
Option 5 (Option 2+3)	Includes insurance benefits and lump-sum payment and pension benefits	Workers contribute 200 Baht (£4) per month and the government contributes 150 Baht (£3) per month.	1. Contributors receive disability, sickness and death benefits 2. Once the contributors turn 60, they will receive a lump-sum payment and get their pension

*Source:* Adapted from the Social Security Office (2015d) (author’s translation)

The differences among these options are the eligibility requirements, contribution rates and benefits. For instance, SSA 40 option 1 is the only option that includes insurance benefits but not pension benefits; option 3 just included pension benefits; whilst options 2, 4, and 5 all offered insurance and old-age savings benefits, but are different regarding the eligibility requirements, contribution rates, and benefits. Later, in 2015, options 3, 4 and 5 were cancelled. Any contributors to options 3, 4 and 5 who wished to continue contributing had to register for the NSF; contributors were allowed to register for the SSA 40 options 3, 4, and 5 up until 20 April 2016 (SSO, 2016). Only SSA 40 options 1 and 2 now remain. The reform of the SSA 40 in 2015 clearly distinguished the NSF and the SSA 40 programmes, eliminating any overlap. The NSF offers only pension benefits; and once the contributors reach the age of 60, they will receive a pension as a series of monthly payments. The SSA 40, on the other hand, offers two options. Only option 2 offers old-age savings benefits. Once contributors to the SSA 40 reach the age of 60, they will receive a lump-sum payment. The reform of the SSA 40 reduced not only the complexity of the SSA 40, but also the confusing overlap of the two programmes under the scheme for informal workers.

To conclude, there are three savings programmes in the savings scheme for informal workers. The Thai government has reformed and renewed pension programmes so many times over the past few years. It is interesting to find out whether the reforms were perfectly explained and conveyed to the target groups. Moreover, one significant thing that we can learn from the existence of the NSF and the SSA 40 is the role of the state and how its role has changed from the previous pension system. Indeed, the Thai government has put much effort into ensuring pension provision for the Thai elderly from the informal labour market who are facing economic vulnerability. This perhaps is a sign of a shift to a new scenario of Thai welfare regime. It will be examined in the empirical section.

## **2.5 Concluding remarks**

The current chapter has reviewed the thesis's theoretical framework and given a brief historical background of the Thai pension system before and after it was reformed to the five-pillar pension design. This chapter explains why welfare state analysis and comparative-historical analysis were employed to help the researcher analyse the nature of the transformation of the five-pillar pension system in Thailand and examine the answers to the main research questions.

The welfare state regime approach was used in this study to explore whether the welfare state regime of the Thai pension system has changed since Thailand's 2009 five-pillar pension reform. The typology of the three welfare state regimes was criticised for being outdated. Esping-Andersen (1997) himself even revisited his typology and proposed a fourth regime for one of the 18 cases. Some scholars later assert that multi-layered design in this modern world represents a more complex welfare mix of Esping-Andersen's hybrid regimes (Arts and Gelissen, 2002:139; Rhodes and Natali, 2003:6). It might perhaps turn out to be the same scenario in the Thai case after the five-pillar pension reform. Nevertheless, it remains a mystery what type of welfare regime the Thai pension system actually is. Hence, this will be explored in the empirical section.

This thesis further highlights that in order to explore the obstacles in achieving the effectiveness of informal workers inclusion and the outcomes of the Thai multi-pillar pension reform, the typology of social insurance institutions by Korpi and Palme (1998)

and the macro-configurational aspect are used. The typology of social insurance institutions is an analytical tool to explore whether the institutional structures of pension programmes affect the formation of citizens' interests and decisions about joining pension and savings schemes. However, as this thesis also attempts to find out if the informal labour market and decentralisation process are causal factors, it adopts the macro-configurational aspect to strengthen what the typology of welfare state institutional structures appears to be missing. The researcher believes that to analyse the causes in the large-scale outcome of the Thai pension system, a macro perspective is required. The combination of these two as an alternative approach will clarify not only the outcome at a macro level but also the micro processes, actions and motives of individuals.

To explore the case study, the historical background of the Thai pension system has been presented. An overview of the Thai pension system before and after implementing the five-pillar pension model provides a basic idea of how the pension system was formed before and after five-pillar pension reform, and whether this reform has influenced citizens' interests and decisions to join the schemes. Moreover, the characteristics of each pension programme for Thai employees in different groups of the labour market system are also presented so as to provide a brief idea of the roles of the state, market, and family as actors in the current Thai pension system before analysing its welfare regime.

The next chapter presents the methodology of the thesis.

## CHAPTER 3

### METHODOLOGY

#### 3.1 Introduction

This chapter presents the methodology for this thesis. The previous chapter explained the theoretical framework of this thesis and how it has been shaped to define the main focus, whilst also scrutinising the answers to the research questions. The previous chapter highlighted some criticisms and suggestions as to which methodological tools researchers might consider using when they combine welfare state analysis and comparative-historical analysis. This research posits the view that both quantitative and qualitative methods have their own strengths and weaknesses. To employ the most suitable method for this research project, a mixed-methods research design was used.

Previous studies in the welfare state literature, mostly cited papers, appear to employ quantitative more than qualitative methods. For instance, in the *Three Worlds of Welfare Capitalism* by Esping-Andersen (1990), quantitative methods were used to analyse typologies of a selection of case studies. Some other studies building on Esping-Andersen's paper also chose the quantitative method to analyse welfare state regimes through different case studies (Ferrera, 1996; Talme, 2013). Korpi and Palme (1998), similarly, also employed the quantitative method to analyse their case study for the comparative study of social policies and their effects in reducing inequality and poverty. Some previous studies in comparative-historical analysis also suggest researchers use quantitative methods. Some scholars highlight that statistical analysis is a very powerful method when used in conjunction with the macro-configurational aspect of comparative-historical analysis (Mahoney, 2004; Doyle, 2013:14; Mahoney and Thelen, 2015:10). Nevertheless, some scholars employ qualitative methods to analyse the case studies instead. Ebbinghaus (2012:2) suggests that researchers can use the qualitative rather than the quantitative method to analyse the typology of welfare state regimes. Mahoney (2003:97) also notes in his conclusion that though statistical analysis is powerful when combined with comparative-historical analysis, researchers might require qualitative methods to help them analyse case studies.

In recent studies, some scholars use not only quantitative analysis, but also the qualitative approach in order to analyse the case studies. For instance, Yang (2014) used both the questionnaire and qualitative research interviews in his research project on examining the changing nature of economic security in China. In the same vein, Lloyd-Sherlock and Redondo (2009:9) also applied both quantitative and qualitative social research methods to conduct a survey of a random sample and interviews of residents from the Metropolitan Area of the City of Buenos Aires (MABA) to analyse institutional care for older people in developing countries like Argentina. Lloyd-Sherlock and Redondo (2009:10) highlight that the interviews provided a more in-depth analysis of residents' experience. They (2009) explain how quantitative and qualitative methods can help researchers analyse different aspects of a case study. This implies that some researchers see that using both methods will bring about better data analysis. Johnson and Onwuegbuzie (2004:14) point out that mixed method research design is a third research paradigm option for researchers, one that draws on the strengths and minimises the weaknesses of both methods in a single research project and across studies. Accordingly, to support the best possible data analyses of the case study, this thesis thus employs both the questionnaire and interview as methodological tools for producing primary data sources, with journal articles, books and data analysis in official statistics as secondary sources.

The data from the questionnaires will explain the large-scale outcomes related to how different institutional factors functioning in the institutional framework of the Thai pension system might have influenced the Thai senior informal workers' interests and decisions to join the pension and savings schemes. The interview data will then explain in-depth details from the perspectives of not only the Thai elderly, from both formal and informal labour markets, but also those local and national bureaucrats who were involved in the schemes. To enrich the explanation, the interview data from each group will be compared and analysed using the triangulation technique; they will be triangulated once using the questionnaire survey data and secondary sources.

This chapter is broken into six sections. The next section reviews the mixed methods research design used in this thesis. It explains the definition of a mixed-method approach and why it is used to examine the Thai case. The third section reviews the fieldwork process and explains the researcher's experience of the pilot study and how it benefited this research project before the data collection actually started. Later, in the fourth section,

the questionnaire survey is reviewed as an instrument, using the quantitative method to analyse the data. In the following section, unlike for the questionnaire survey data, the interviews data will be analysed using the qualitative method. Finally, the concluding remarks are reviewed.

### **3.2 Mixed methods research design**

In the past, research in the social science field has mainly employed the qualitative method. However, the evaluation of social science research has gradually recognised the advantages of combining quantitative and qualitative methods in an approach known as ‘mixed methods’ (Bryman, 2006, 2012). Some scholars highlight that the complex puzzles encountered in social scientific research are often best comprehended by scrutinising them through both quantitative and qualitative instruments (Brewer and Hunter, 1989; Waysman and Savaya, 1997; Burton, 2000). Several researchers, however, argue that either the quantitative or qualitative method is better than the other. Johnson and Onwuegbuzie (2004:18) summarise the main characteristics of the quantitative and qualitative methods. The quantitative method focuses on deduction, confirmation, theory or hypothesis testing, explanation, prediction, questionnaire data collection and statistical analysis; whilst the qualitative method focuses on induction, discovery, exploration, hypothesis generation, interview and observation of data collection and qualitative analysis. Clearly though, many researchers have concluded that both methods have their own strengths and weaknesses (Bryman, 2006, 2012; Cameron, 2009). Both quantitative and qualitative research designs can be informative and provide the possibility for analyses in which both types of data contribute to the analysis as a whole (Laurie and Sullivan, 1991:117). To sum up, many scholars assert that mixed methods research design can be productive because it offers a practical approach for selecting methodological mixes that can help researchers better answer many of their research questions (Johnson and Onwuegbuzie, 2004:17; Cameron, 2009:141). From this understanding, a mixed methods research design was chosen to analyse the case study and answer the research questions.

Caracelli and Greene (1997:23) explain that the evaluation of mixed methods design includes three component designs (triangulation, complementary, and expansion) and four integrated designs (iterative, embedded or nested, holistic, and transformative). Creswell (2006:59) further extends this in his paper, positing that there are four major

types of mixed methods design (triangulation, embedded, explanatory, and exploratory designs). The differences between these designs are their uses, procedures, common variants and challenges. To fulfil this research project's main purpose, we pay particular attention to triangulation design. Caracelli and Greene (1993:196) explain that triangulation seeks convergence, corroboration and correspondence of results across different types of methods. The analyses of different data types are conducted independently and then compared for convergence at the level of conclusion and interpretation (p.199). Maxwell and Loomis (2003) also developed the concept of using the triangulation approach in mixed methods research. They (2003:265) explain that the data from both quantitative and qualitative methods may supplement each other, producing a full empirical study. The triangulation technique thus was used in this thesis; the data from both primary sources and secondary sources will fill in the gap that each one alone might miss.

Creswell et al. (2003:229) classified mixed methods procedures into two major types: sequential and concurrent. Sequential procedure is when either qualitative or quantitative data is collected during an initial stage, and followed by the collection of other data; whilst concurrent procedure is characterised by the collection of both quantitative and qualitative data at the same time (Castro et al., 2010:343). Tashakkori and Teddlie (2003:705) explain that concurrent mixed methods design is classified as a triangulation process for quantitative and qualitative methods in a research practice on the basis of complementary results. As the data for the questionnaire survey and the interviews were collected separately at the same time, it implies that the concurrent procedure was used in this thesis.

Creswell et al. (2003:229) explain that the concurrent mixed method procedure allows researchers to triangulate data from separate components of their research and compensate for the weaknesses of the other; this allows them to “confirm cross-validate or corroborate findings within a single study”. In this research project, even though data collection for different instruments from different groups of participants occurred separately, they all were analysed at the same time. More specifically, both questionnaires and interviews were conducted independently and then compared with the secondary sources from previous studies and official statistics for convergence in the discussion and conclusion chapters. The current thesis uses questionnaire data, interview data and



official statistical analysis to define the same incident. Using both official data (e.g. Ministry of Finance, NESDB, NSF, NSO, SSO, TDRI, TGRI, and World Bank) together with data from the fieldwork is more reliable than judging from just one of them.

Teddlie and Yu (2007:92) suggest that there are two types of concurrent mixed methods procedures. The first type involves the probability sampling techniques that are used to generate data for the quantitative questions and purposive sampling techniques that are used to generate data for the qualitative questions. The data collection for both procedures occurs independently. The second type of concurrent procedure, on the other hand, is implemented through the joint use of probability and purposive techniques to generate data for both the quantitative and qualitative questions of the research thesis. This procedure occurs when a sample of participants are selected through the joint application of probability and purposive techniques. For instance, the interviewees are selected after responding to a questionnaire survey that contains both closed-ended and open-ended questions. Based on the process of gathering and measuring information from questionnaires and interviews using the focus groups (Thai senior citizens, local and national bureaucrats or staff), it appears that this thesis uses both types of procedure.

The first type of the concurrent procedure was used when an accidental sampling in selecting Thai senior citizens as questionnaire participants and a purposive sampling in selecting interviewees of the local and national bureaucrats' groups were conducted independently. The questionnaire survey and interviews process for local and national bureaucrats occurred separately. However, in the Thai senior citizens' interviews case, the Thai senior citizens' interviewees were those who responded to the questionnaire survey before being asked to participate in the interview process of the thesis using the purposive sampling technique. This was due to their personal characteristics and some interesting information. Hence, this is why this thesis appears to use both types of procedures, with the aim of triangulating and combining the data from both instruments and thus analysing the research questions.

### **3.2.1 Validity and reliability of the research: Triangulation**

Validity and reliability have been vital criteria in establishing and assessing the quality of research projects for many decades. In the quantitative method, 'instruments' is a

generic term that researchers often use when measuring the reliability and validity of a case study, including its tests and questionnaire surveys (Biddix, 2009). In the qualitative method, defining the concepts of reliability and validity is more problematic due to the variety of definitions for the terms (Simon, 2011). Zohrabi (2013:254) emphasises that using different procedures for collecting data and obtaining that information through different sources or groups of participants can augment the validity and reliability of both data and interpretation. Hence, the purpose of interpreting both statistical data analysis and qualitative analysis in this thesis is not only to explore in-depth detail at the macro and micro level, but also to create an intelligible and interpretable reference.

Multiple scholars highlight that credibility in qualitative research depends heavily on a high quality of validity, reliability and triangulation techniques (Lincoln and Guba, 1985; Lilleker, 2003:209; Patton, 1999:1190; Shenton, 2004:64). When triangulation is used to integrate different methods, different types of informants and different sites, it reduces any bias effect on the study and gives greater credibility in the eyes of the reader (Shenton, 2004:66,73). Zohrabi (2013:258) reviews that triangulation is one of the very powerful methods that validate the internal validity of research instruments and data. More specifically, triangulation design is the use of multiple methods and sources of data in a study regarding the same phenomenon in order to generate a process of cross-checking findings; it derives from both the quantitative and the qualitative research methods (Bryman, 1992:131; Deacon et al., 1998:47; Gaber and Gaber, 2000:164; Bryman, 2012:392). For instance, some researchers adopt triangulation in order to recheck their observations with interview questions and thus determine whether or not the researchers might have misunderstood what they saw, as well review the findings from another perspective (Bryman, 2006:182; 2012:392). In the same token, Gaber and Gaber (2006:165) state that triangulation is also known as convergence, which is the process employed in mixed-method research. The objective of the convergence model of triangulation design is to employ several methods to scrutinise a single phenomenon so as to increase the validity and credibility of researchers' results (Bryman, 1992:131; Creswell, 2006:64). If researchers obtain the same results from various sources and various techniques, it can be confirmed that the findings and the data analysis are valid (Zohrabi, 2013:258). Hence, this is why this thesis conducts both questionnaire and interviews from different groups of participants and then will compare the data analysis with the official statistics and analysis from previous studies.

Apart from validity, the reliability of the data and findings is another main concern and requirement. Lincoln and Guba (1985:288) emphasise that instead of obtaining the same results, it is better to think about the dependability and consistency of the data. In other words, the purpose is not to attain the same results, but to agree whether the findings and results are consistent and dependable based on the data collection processes (Zohrabi, 2013:259). Reliability of the results can be assured via three techniques: 1) investigator's position: to elaborate every aspect of the study; 2) triangulation: to use different procedures through different sources; and 3) audit trail: to describe in detail how the data are collected. Accordingly, to increase the reliability of data in this thesis, the researcher used the triangulation technique, elaborating and describing every aspect of how the data were collected. The different procedures and different groups of participants that make up this thesis will be reviewed in the following sections.

### **3.2.2 Case study**

This thesis employs a case study approach to investigate the implications of the multi-pillar pension system and its capacity for inclusion of informal workers in Thailand, which is a middle-income country with a large informal labour market. A case study approach is “an effort to generalise from a small number of cases to a larger population of cases” (Yin, 2003:235). Wikfeldt (2016:8) and Shareia (2016:2) emphasise that the case study approach is the study of the particular, and particularisation is the one and only way of judging something's true nature. In other words, the case study is the optimal way of studying the world. Hence, studying the Thai five-pillar pension system cannot only provide a detailed analysis of the Thai case, but it can also provide a guideline that may be useful to other governments. Wikfeldt (2016:1) summarises in her study that though the case study approach is heavily criticised by some scholars regarding generalisability, it is possible to ensure generalisability through this approach if the research is performed correctly and carefully, with great concern and accuracy. To ensure that this is achieved through optimal data validity, this study employs data collection through questionnaire surveys and interviews, document analysis and comparison of existing literature, and a survey and data triangulation technique. Accordingly, the current research carefully conducted the questionnaire and interview data collection before analysing and comparing the thesis's original survey and interview data with the existing literature and surveys to increase the study's validity.

This thesis points to Thailand as representing a case study for middle-income countries that have had a very short period of time to strengthen the pension system necessary to accommodate an ageing population in the informal labour market. More specifically, the involvement of the informal labour market can be identified as a new factor involved in the current Thai pension system. The change to this system, by including a labour force with irregular income to become included, was a challenging step. The former pension system in Thailand was criticised by many scholars for it had never shown any genuine attempt to extend pension provision to workers in the informal labour market previously, that is, prior to the five-pillar pension reform (Lloyd-Sherlock and Shroder-Butterfill, 2008:14; Chondeowit, 2014; Sangwongwanich, 2014). Accordingly, this thesis attempts to find out how well the system has done to extend pension coverage for the informal population of Thai elderly. Moreover, Thailand is one of a very few middle-income countries that implemented the full breadth of five-pillar pension design, and appears to ignore some of the World Bank's suggestions for reform options. After this reform, the Thai five-pillar pension reform was only partly successful. Hence, the Thai case study is a useful lesson for any middle-income countries with a large informal labour market, who insist on reforming their pension system to adhere to the five-pillar pension model.

Apart from choosing the right country as a case study, choosing the right sample areas is also important. The current research project takes Bangkok, the capital city of Thailand, as the location of the fieldwork case. This is because Bangkok is the hub of the economic market in Thailand. There are more employment opportunities and choices for citizens in Bangkok than in rural areas. Amidst many social and economic changes, career structure for the Thai population has shifted away from traditional agriculture (Chalamwong and Meepien, 2012:234). Many citizens from rural areas prefer to migrate from their hometown to the capital city in order to find a (better) job (Medhi, 2007:20; Thanakwang and Soonthorndhada, 2007:38). Unfortunately, those people who cannot find a job in their hometown are also the ones who tend to have poor educational backgrounds (Thanakwang and Soonthorndhada, 2007:47; Warunsiri, 2011:251). The jobs that these individuals tend to find are mostly low-paid jobs in the informal sector; as such, these people often become taxi drivers, street vendors, housekeepers and so on (NSO, 2015). Bangkok, in particular, has one of the biggest informal worker markets in Thailand (Thanakwang and Soonthorndhada, 2007:37). The percentage of the informal working population in Thailand decreased from 24.8 million of 39.6 million (62.6%) in 2012 to

22.1 million of 38.4 million (57.6%) in 2014 (NSO, 2012b, 2014). On the contrary, the number of the informal working population in Bangkok gradually increased between 5.1% in 2012 and 7% in 2014 (NSO, 2012b, 2014). The Fiscal Policy Office (FPO) of the Ministry of Finance (FPO, 2014) reviews that Bangkok has the highest rate of poverty line. Thus, Bangkok offers a substantial opportunity as a case study area; it can be further explored to see if there are any differences between the interests and preferences of the local residents and low-income migrants in the informal sector as to their decisions on joining the government's pension and savings schemes.

A group of Thai senior citizens were included as this study's sample. These participants were selected from the Lumpini Park. The Lumpini Park is located in a central area of Bangkok which blends all financial classes. Lumpini Park covers 142 acres, or 16%, of 862 acres of the Lumpini sub-district. It is the largest free public space in the area surrounded by not only working buildings, government offices, schools, hospitals and embassies, but its surrounding also include residential areas for citizens in different labour markets and different income classes. For instance, in the Lumpini sub-district, there is one council housing community for low-income families and 14 slum areas, and one of the slum areas, 7 Soi Polo (a side-street branching number 7), is opposite to the east gate of the Lumpini Park from the Wireless Road, only a 7-minute walking distance. Members of the working population in the informal sector with low-incomes tend to live in this area (City Planning Department, 2005). Meanwhile, the Government Pension Fund office is only a 5-minute walk to the park, and it is located opposite to the south gate of the park on the Rama IV Road. This confirms that there are different class groups from different labour markets living or working around this area.

Additionally, inside the park itself, there are both formal and informal sector jobs which reflect common dynamics in urban cities. Lumpini Park is a multi-purpose park that provides many activities, duties, and communities for visitors. Aside from its outdoor park area, there are many other important venues of the local area located on the property, and this has been organised by the Lumpini sub-district office under the Bangkok Metropolitan Administration (BMA). Such venues include the temple, Suan Lumpini School (a reception-primary school), BMA Lumpini Vocational Training Centre, Lumpini Library, food courts, sports complex, sport centres, Lumpini sub-district office, Lumpini Youth Centre Foundation, cosmetic shops, Sri Thai Derm Food Centre (Thai

food market), music hall, dance hall, Smiling Sun Ground (disabled communities centre), Home For Hope (refugee and homeless children centre), Bangkok Elder Citizens Clubs, and many more private activities, communities and clubs that are not organised by the local district.

It is also worth noting that the Vocational Training Centre Lumpini Park is an apprentice school that offers free lessons for anyone interested in improving their working skills and experience. The centre provides paid on-the-job training (Archeep Centre, 2010). This displays that the governor of Bangkok is aware that there are members of the low-income working population living in this area who might be unemployed or seeking to improve their working skills to obtain a better job. Thus, in addition to the senior citizens who typically spend mornings and evenings undertaking leisure activities at the park, there are number of other residents who also frequent the park for activities such as working in the government sub-district office and private companies, performing flexible or informal sector jobs, visiting the library, attending free vocational classes, and buying goods and food. Hence, for the purposes of this study, the researcher was able to recruit government officers, private employees, pensioners, senior citizens, and low-income or unemployed respondents who were trained to find (better) jobs in this area.

Official statistics from the National Statistical Office (2014) highlights that more than half of Thailand's informal working population are in the trade and service sector of the informal labour market. Some scholars further emphasise that the most common informal sector jobs in urban cities, including Bangkok, tend to be petty activities or service jobs (ILO, 1996; Lloyd-Sherlock, 2006; Warunsiri, 2011). As Lumpini Park is the largest public space in the area which interests many people for many different reasons, there are some most commonly found and new informal jobs represented in the location. These are mostly in the trade and service sector, such as housekeepers, security guards, sport coaches, taxi drivers, motorcyclists and *tuk-tuk* drivers (a three-wheeled motorised vehicle used as a taxi), mat renters, boat paddle renters, street vendors, street food stallers, waste pickers, and self-employed workers. Hence, studying the Lumpini sub-district can not only explain the phenomenon in this local area, but it can also shed light on a broader view of the informal sector workers in Thailand as a whole.

Finally, this area is a good location in which to make contact with the migrant informal worker group. ILO (1996) states that the persistence of widespread poverty, particularly in rural areas, cause some African, Latin American, Caribbean, and Asian countries in developing world to experience growth in rural-urban migration. Thailand is one of those countries, and it is now facing a growth of rural migration to Bangkok. Medhi (2007:20) highlights that many citizens from rural areas prefer to migrate from their hometown to Bangkok to find better jobs. However, they tend to become trapped in the informal labour market and earn very low income. Accordingly, it is of interest to this study to investigate whether income levels would affect migrant informal workers' decisions on joining the pension and savings schemes. Also, in the World Bank's pension systems and reform report, Holzmann et al. (2005:114) highlight that having both the flow of money and data decentralised would seriously undermine the effort to improve the system and the efficiency of pension contributions. It is worth mentioning that Yang (2014) finds that the decentralisation process of the pension household registration in China indulged local residents in urban areas to enjoy pension allowances, but that process constrained rural migrants in urban cities from enjoying the allowances as often as local urban residents. Therefore, the study of this Lumpini sub-district not only explores the impact of decentralisation on the rural-urban migration concern in the phenomenon of Thailand's multi-pillar pension system, but it also sheds light on a useful guideline for other case studies that experience rural-urban migration in the informal sector.

### **3.2.3 Data protection**

The questionnaire survey and interviews were protected in accordance with the data protection scheme in the UK. The researcher thoroughly reviewed the methodological disciplines and actual methods of data protection for the fieldwork and confirmed the current thesis's ELMPS ethics form with the Humanities and Social Sciences Ethics Committee of the University of York. On the Fieldwork Research Declaration form that the researcher submitted to the committee, the researcher highlighted that the fieldwork research was guided and restricted so as to meet the requirement that 'all personal and sensitive data must be collected and stored in accordance with the Data Protection Act 1998 of the United Kingdom' (UK). This thesis thus strictly adheres to the guidelines for conducting the fieldwork and safeguarding the protection of the data subsequently collected.

### **3.2.4 Anonymity**

Ensuring data anonymity is a core component of any data protection scheme. The name of every questionnaire respondent and interviewee was kept anonymous. For the security of the participants in the questionnaire survey, each respondent was given an initial number from 1 to 204, whilst each interviewee was given an individual code number which was printed on a separate sheet; only the researcher was allowed access to this coding sheet. All the respondents from the questionnaire data and interviews received information about the study's anonymity, stating "Your name will not be used in my research project or in any other papers. Your name, for instance, will be written as A, B, C or I1, I2, I3 (I = Interviewee)". They were briefed as to how the data were collected and stored in accordance with Data Protection Legislation. This states that all published data must use these codes and the respondents' identities cannot be revealed in any published paper. Hence, it can be confirmed that no personal information from the questionnaire respondents and no reference data pertaining to an interviewee's actual identity is reviewed in any of the written material.

During the fieldwork, the questionnaire forms were kept safely in the researcher's drawer. Meanwhile, the digital recorder audio recordings were regularly transferred to either the researcher's laptop or the researcher's computer; all recordings were encrypted with a personal identification number immediately after each interview was completed. The questionnaire survey and interviews were conducted in Thai. As the questionnaire survey and the interviews were conducted in Thai, the questionnaire data were translated into English after being analysed, whilst the interview file was translated into English after being transcribed. During the transcribing and translating process, no printed copies of these audio recordings were made, and only electronic versions of the transcripts, translations and code sheets were stored on the researcher's secured laptop or computer.

Once the researcher came back to the UK, the questionnaire survey forms were kept in the researcher's locker; the audio recordings, including the audio recordings and any copies on the researcher's laptop or computer, were then deleted once they were transferred and stored on the researcher's laptop or computer and the University of York's Filestore (personalised data storing system with encryption). After all the audio recordings were deleted, the written forms of data, which were printed out, were used



only in the researcher's office at the University of York and stored in a locked locker in that office. More importantly, the key to the locked locker was accessible only by the researcher. The building in which the documents were kept is located at the University of York. Thus, it can be assured that all information from questionnaire and interviewee has remained anonymous, with all document files kept in a safe place.

### **3.3 Fieldwork research**

The main purpose of the fieldwork in this research was to seek out the truth which cannot be gleaned from a document. In order to understand the case of the Thai multi-pillar pension system, it is necessary to identify the beliefs, opinions, and experiences of the participants. The rationale for selecting individuals from the three groups (Thai senior citizens, local and national bureaucrats) as questionnaire survey respondents and interviewees is that they are the main players in the evolutionary process of both schemes in the Thai pension system. The fieldwork for this research took place in Thailand from June 2015 to September 2015. The pilot study took place before the main survey took place. After the fieldwork was done, the researcher returned to the UK to transcribe the collected data.

#### **3.3.1 The pilot study for this thesis**

The pilot study or the trying out version of this thesis's data collection was conducted mainly to test the adequacy of the research instruments, both the questionnaire survey and interviews. Though the interview target groups are citizens and local and national bureaucrats, the questionnaire and interviews of the pilot study were collected from just the citizen group, due to limitations in contacting local and national bureaucrats or staff. Van Teijlingen and Hundley (2001:1) point out that one of the advantages of conducting a pilot study is that it may give advance warning to researchers about what they might experience before investigating the real data collection, where the main research project could fail, where research protocols might not be followed, or whether proposed methods or instruments are inappropriate or too complicated.

In this thesis's pilot study, the convenience sampling technique was used to collect questionnaire survey data from Thai senior citizens aged 50 and above before asking if

they were willing to participate in the interview process. During the pilot study, the researcher indeed experienced some difficulties regarding the questions listed in both the questionnaire and interviews. This thesis piloted a questionnaire on a small group of Thai senior citizens from both formal and informal sectors. These were as similar as possible to the target population (sample size  $n = 10$ ) and three of these questionnaire respondents were interviewed and asked for feedback on the questionnaire survey questions in order to identify ambiguities and difficult questions.

The pilot study also allowed the researcher to try out some of the proposed questions. A few participants found that the questions were too difficult for them to understand and thus insisted on finishing the form early. However, after allowing the researcher to explain the questions more carefully using simpler words, the respondents felt more comfortable and were willing to finish the entire questionnaire. The interview process not only gave some idea of Thai senior citizens' attitudes towards the pension system before the start of the actual interviews, but also how to form questions and ways of asking questions most suitable for the interviewees. Consequently, the pilot study shaped the idea of how the questionnaire survey form and interview questions should look, as well as how long the procedure for each instrument would take. In other words, a pilot study not only helps the researcher to become aware of any difficulties, and gives the researcher an opportunity to not only develop the instruments, such as re-wording and re-scaling any questions not answered as expected and discarding all unnecessarily difficult questions before the actual procedure takes place, but also estimates the time taken to complete the questionnaire and interview process.

### **3.4 Quantitative method: Questionnaire survey**

A questionnaire was one of the instruments employed in the research, and analysed via descriptive statistics analysis and the inferential statistics analysis. The questionnaire survey was used in this thesis to gain information on Thai senior citizens' personal characteristics (socio-demographic status, financial resources and labour market conditions), thus providing better and more accurate data on their decision to join the government pension and savings schemes, specifically the savings contribution scheme. To find out whether informal working population is affected by other factors in the context of the multi-pillar pension system, Thai senior citizens' views and experiences will be reviewed from the satisfactions and open-ended question in the questionnaire

survey data. The satisfactions section offers greater information on the respondents' attitudes to pension programmes under the non-contributory and voluntary savings scheme in the zero and third pillars. The satisfactions and open-ended question sections allow the researcher to find out whether, apart from informality, the decentralisation process of the local governance and the policy designs of the pension programmes influenced citizens' decisions to join the schemes. Data analysis from this questionnaire will reveal the causal factors behind citizens' decisions to join the schemes. This will then be triangulated with the interview data before analysing the answers to the main research questions and explaining the nature of the five-pillar pension reform in the Thai case.

### **3.4.1 Unit of analysis: Population and sample of the study**

The data collection method of the questionnaire survey started with collecting survey data from a focused group, Thai senior citizens aged 50 and above in the informal and formal labour market. The intended population included participants from the local area of the Lumpini sub-district, Patumwan district, Bangkok. As of 2015, the working population in Thailand's informal sector was 21.4 million or 55.9% of the working population (38.3 million), with 6.5% of these informal workers in Bangkok (NSO, 2015). The population of residents aged 50 and above in the Lumpini sub-district was made up of 6,613 residents (Official Statistics Registration System, 2015). As there are number of unknown residential informal workers, who are migrated from rural areas, the sample size of the thesis became 204 participants, regarding a reliable sample size with a 7% margin of error of the infinite population (Yamane, 1967).

Regarding the limitations of the survey sampling, the researcher acknowledges that probability sampling is a methodological approach wherein all individuals have a chance of being selected, meaning that results are more likely to accurately reflect the entire population (NSO, 2012c). However, in order to employ probability sampling, the researcher must have official contact information for the entire population in the Lumpini sub-district and that unofficial rural migrants who live in the area. The researcher was unable to access official government information on the household registration system of the elderly in the area nor migrant data. Therefore, non-probability sampling was the most appropriate technique for this study.

The methods of non-probability, alternatively known as a non-random sampling, is a method of sampling where it is not known which individual from the population will be selected as a sample. In other words, this sampling technique does not give all the individuals in the population equal chances of being selected (Bryman, 2012). Methods of non-probability sampling include convenience sampling, quota sampling, purposive sampling, and snowball sampling. The sampling method used in this paper's questionnaire survey data collection corresponds to 'convenience sampling'. Bhattacharjee (2012:69) explains that convenience sampling, also called as accidental or opportunity sampling, is a technique drawn from a sector of the population readily available or convenient to the researcher. This technique excludes those not in the area of data collection. Therefore, the generalisability of the findings is limited.

Nevertheless, this research experienced difficulties in accessing the official government information on local resident household registration and tracking migrant informal workers' geographical locations. Most importantly, even if the researcher was able to access official government information, migrant data would not be included. Neither the researcher nor the government was able to track migrants' geographical locations. Migrant informal workers, one of the main target groups in this research, are a hard-to-reach population that have always been a major challenge for systematic sampling and data collection (Agadjanian and Zotova, 2012:132). Trochim (2006) states that though most researchers prefer the probability sampling method, in some social research projects, there may be circumstances in which it is not feasible, practical, or theoretically sensible to perform random sampling. This occurs in the study of migrants. To minimise potential error, existing studies in migrant workers have employed convenience sampling in the questionnaire survey to examine areas such as Russia (Agadjanian and Zotova, 2012), Northern California (Organista and Kubo, 2005), and Thailand (Wangroongsarb, et al., 2016). Along the same lines, this thesis used convenience sampling in its questionnaire data collection.

It is worth noting, some of this study's sample over 65 years of age remain fit and active, whilst others experience acute physical illness. Woodhouse, et al. (1988:505) explain that this population can be categorised into two groups: the fit elderly and the frail elderly. The fit elderly are those living independently without receiving regular prescribed medication. Meanwhile, the frail elderly are dependent on others in daily living activities,

are not independently mobile, are often in institutional care, and may require regular prescribed drug therapy. Because convenience sampling was used as a data collection technique, the researcher acknowledged that the majority of the frail population might not be included in the survey. However, in the Lumpini Park of the Lumpini sub-district, many elderly communities and societies host events and activities every morning and evening. Many members of the frail elderly in the area tend to join activities there accompanied by their families. Though the frail population in this research represents a group of relatively high mobility, the outcome of the survey could provide a relevant result. Most specifically, if those with high mobility still experience difficulties in savings, the difficulties would be even greater for those who are less mobile. Nevertheless, this thesis focuses on labour market behaviour regarding savings and receiving old age allowance. Therefore, fewer frail population members coming to the park would not be a fundamental limitation to the study.

Moreover, the researcher acknowledges that some types of job with less leisure time, such as those who work both day and night shifts, might not be included in this data collection, as they may not have time to come to the Lumpini park. However, it is very important to highlight that apart from respondents who visit the park for leisure activities, the participants in the questionnaire survey and interview respondents also included both formal and informal labour sector workers who have less leisure time and actually work in and around the park area. There are both government and private offices located in the Lumpini Park, such as government officials who work at the BMA Lumpini sub-district office, teachers at public Suan Lumpini School, and employees at private companies inside the park including cosmetic shops, tutors and adult students at the BMA Lumpini Vocational Training Centre. Traffic through the area also includes staff from the Lumpini Library, the sports complex, sport centres, the Lumpini Youth Centre Foundation, the Smiling Sun Ground (a disabled communities centre), Home For Hope (a refugee and homeless children centre), and Bangkok Elder Citizens Clubs. These workers in the formal sector might not have enough time for leisure activities, but they spend most of their time working in the park area. Thus, the researcher collected data from these participants during their break times. As mentioned above, there are also many low-income flexible informal workers with less leisure time in this area. These informal workers tend to have less spare time to visit the park for leisure. However, they came to

the location every day to make a living. The researcher collected data from these participants during their lunch or break times.

Warunsiri (2011:451) highlights that job types in the informal sector are variable depending on individual local societies. Hence, it is difficult to cover every type of informal job. Since 2013, the NSO (2013:4, 2014:4, 2015:7, 2016:7, 2017:7) reviews that more than half of the informal working population in Thailand (55-58%) are in the trade and service sector. Since Thanakwang and Soonthorndhada's study on the economic security among Thai elderly in 2007, the majority of informal workforce in Bangkok has always been in the service sector. The trade and service sector includes any type of goods and services (Kenton, 2018). Regarding the questionnaire respondents' job types, more than half of the respondents in the informal workforce were in the trade and services sector (17.2% multiple jobs/street vendors, 17.6% in service sector, 15.7% self-employed). Despite of not being able to include all types of informal jobs in this research project, most common informal jobs found in urban cities were represented. Some informants in the recipient group (such as Interviewees R1, R5, R6, R8, R10, R12, R14, R16 and R19) who either worked two shifts a day or reported that they have less leisure time were also included in this study. Therefore, although not all types of jobs with less leisure time were represented, respondents with less leisure had provided very in-depth information on how the informal economy has affected their savings behaviours and decisions on joining the pension and savings scheme. As this thesis's main interest is citizen savings behaviours and pension and savings schemes decisions, fewer participants with less leisure time should not be a fundamental limitation.

### **3.4.2 Participant recruitment**

Questionnaire participants were recruited through the convenience sampling technique. The researcher approached Thai senior citizens at the age of 50 and above from both formal informal labour markets who qualified as potential candidates in the Lumpini sub-district, Patumwan district, Bangkok. The respondents were asked if they had the time and was willing to do the questionnaire survey; this would subsequently lead to the senior citizens' interview group. The questionnaire survey was designed to take around ten minutes to complete, or the respondents could stop at any other time. The participants were informed that their participation was entirely voluntary. Hence, they were free to

withdraw from the research at any time or choose not to answer any question without giving a reason and without any detriment to themselves or their organisations.

### **3.4.3 Questionnaire participant selection**

The population in this survey was selected to represent every Thai citizen aged 50 years and above in both formal and informal sectors who resided in a sample household area. There are a few significant reasons why these citizens are the main target groups for this study.

First, the participants aged 50 and above in this study are a reflection of the target groups of three savings pension programmes. The target groups of savings programmes under the voluntary savings scheme in the third pillar (NSF, RMF, and SSA 40) are those aged between 50 and 59 and between 50 and 54 in both formal and informal labour market sectors. The NSF Chairman Jarulok Ruangsuvan highlighted that to receive pension, contributors have to contribute a savings of 13,200 Baht per year (£264) for ten years in total, which is the rate for receiving contribution by the age of 60 (The Money Case, 2018). Mr. Korn Chatikavanij, the Finance Minister of the 2009 Abhisit government, emphasised that the 2009 government sought to specifically provide an incentive for Thai informal workers at the age of 50 to join the NSF so that they will receive pension by the age of 60 (Prachachat, 2009). The age eligibility of the SSA 40 is also between 15 and 59 years of age. However, the SSA 40 options for pension benefits were cancelled in April 2016. Any SSA 40 contributors who wished to continue contributing for pension had to register for the NSF. Meanwhile, to receive an annuitised pension benefit from the RMF, individuals (in both formal and informal labour markets) have to continuously buy RMF units for at least 5 years until the age of 55. This implies that the latest age for registration is thus 50 years of age. Accordingly, to examine the implications of the multi-pillar pension system and the effectiveness of the voluntary savings scheme, formal and informal workers aged between 50 and 59 are one of the target groups.

Second, participants aged 60 and above in the informal sector are key actors to analyse the effectiveness of savings pension scheme policy design. Because contributors have to contribute for at least 10 years in order to receive pension, NSF registration was thus extended for those citizens in the informal labour market who were at the age of 60 and

above to register within the first year (by 25<sup>th</sup> September 2016) (NSF, 2016). Thai senior citizens in the informal labour market are one of the focus groups of the voluntary savings scheme. Including informal workers at the age of 60 and above is another way to test the effectiveness and influence of the savings programme policy design. Hence, informal workers at the age of 60 and above are also a target age of this thesis.

Third, examining the experiences of senior citizens at the age of 50 and above from both formal and informal labour market is a way to determine the development of the non-contributory pension scheme. Because Thai senior citizens at the age of 59 and above are eligible to register to receive the old age allowance, this thesis aims to examine how Thai citizens at the age of 59 and above have experienced the OAA registration process and how well those aged between 50 and 58 have been made aware of the programme. This is another way to examine the impact of the decentralisation process and the local bureaucrats' actions.

Finally, in order to find out whether the decentralisation process has any impact on migrants' decisions to join either the non-contributory pension scheme or the voluntary savings pension scheme, as stated in previous studies (Chen et al., 2004), both local residents and migrants are included in this thesis. This is to compare whether there are any differences in their interests and preferences for joining one of the aforementioned pension and savings schemes.

#### **3.4.4 Construction of questionnaire**

The questionnaire has five sections: 1) general information about the participant; 2) financial status; 3) experience of the Thai pension system perspective; 4) satisfaction with different pension programmes under the non-contributory and the voluntary savings schemes; and 5) open-ended question.

The first section of the questionnaire was designed to collect details of the personal background of participants, including: gender, age, marital status, educational background, residential area, occupation, income, household and living arrangement. The second section of the questionnaire collected the respondent's financial status, including



their financial status from their own perspective, and whether they thought it was enough for the daily life. This section also included a question regarding their savings behaviour. All the information relevant to the respondent's financial status was collected in this section. Next, the third section is the section collecting the respondent's experience of different pension programmes. For instance, 'Has the respondent ever heard of the programme or joined any programme? If so, where could the respondent get that information from?' The fourth section was designed to collect respondents' satisfaction for four different pension programmes, including the pension provision programme under the universal non-contributory pensions scheme (OAA) and three savings programmes under the voluntary savings scheme (RMF, NSF and SSA 40). The rated satisfaction of each programme was comprised of three components, including policy design, local bureaucrats' actions, and overall satisfaction; each was rated on a 5-point Likert Scale (Vagias, 2006). This section helps us understand how much the citizens were satisfied with the programmes. The current thesis used a 5-point Likert scale to assess the participants' satisfaction. The scale was an equal interval and gave a value of 0.80 to each interval. Hence, score interpretations for the attitudinal scale are as follows in Table 3.1.

**Table 3.1: Rating scale of satisfaction**

Range of Mean Scale	Interpretation
1.00-1.80	Least satisfied
1.81-2.60	Less satisfied
2.61-3.40	Moderately satisfied
3.41-4.20	Satisfied
4.21-5.00	Very satisfied

There were 204 respondents in the questionnaire, including both formal and informal workers. However, not every respondent was allowed to answer every question. More specifically, for questions relevant to the NSF and SSA 40, only informal workers were included; on the other hand, both formal and informal workers were included in questions relevant to the OAA and RMF. Finally, in the fifth section, the question is open-ended. This section allows respondents to express any further comments freely. Here, the

respondents were able to say more about their views on the system. However, the questionnaire system can only provide some basic views and experiences, not in-depth information. Hence, this is why in-depth interviews were included later.

### **3.4.5 Questionnaire data analysis**

To obtain the objectives of the questionnaire survey, descriptive statistics analysis and inferential statistics analysis were adopted to describe the sample data as a quantitative method. Computer software package SPSS Version 21 was used. Gayle (2000:364) highlights that in social science data analysis there are two main statistical methods: descriptive statistics and inferential statistics. Descriptive statistics are used to summarise basic features of the data from a sample, including percentage, mean score, and standard deviation; whilst inferential statistics allow researchers to draw inferences about the population from the sample, such as testing hypotheses (University of the West of England, 2017). Most researchers in social world use a mixture of descriptive and inferential statistics (Gayle, 2000:364). In this research, likewise both descriptive and inferential statistics were used.

In this research, a descriptive analysis was used to describe the characteristics of the sample. The types of descriptive analysis employed in this research project were frequency, percentage, mean scores, and standard deviation. Frequency and percentage were used to summarise the data from the questionnaire survey, mean scores were used to demonstrate the average measurement of the respondents' satisfaction for each theme of each pension programme, and standard deviations were used to review how the measurements spread out from the average mean score. If the data has a low standard deviation, respondents' satisfaction scores leaned to the average.

An inferential statistics analysis was used to examine the relationships between the variables within the sample. This study used both cross-tabulation and chi-square. Cross-tabulation was used to determine the interactions between the dependent variable and the independent variables. The chi-square was used together with cross-tabulation to test hypotheses on the relationship between citizens' savings behaviours (dependent variable) and their personal characteristics (independent variables), including socio-demographic

factors: financial status, and labour market conditions. In other words, these methods were employed to test the statistical significance of the cross-tabulation table.

Cross-tabulation is a quantitative method used to analyse relationships between multiple variables. It is also known as contingency table analysis, which is commonly used for categorical data. A cross-tabulation is a two- or more-dimensional table that records the number (frequency) of respondents that have the specific characteristics described in the cells of the table (Qualtrics, 2016). It shows how correlations change from one variable grouping to another (Amuyunzu, 2016). The cells of the table report the frequency counts and percentages for the number of respondents in each cell. There are a few significant for of using cross-tabulation. Cross-tabulation aids researchers in making initial insights by investigating relationships between two or more variables or measuring how different variables are related to one another. Cross-tabulations are data tables that present the results of the entire group of respondents and the results of sub-groups of survey respondents (Grover, 2014). In other words, cross-tabulations allow researchers to examine relationships within the data that might not be readily apparent when analysing total survey responses. The method offers a simple method of grouping variables, which minimises the potential for confusion or error by providing clear results. Since cross-tabulation clearly maps out relationships between categorical variables, researchers can gain better and deeper insights that might have been overlooked or would have taken a lot of time to decode from more complicated forms of statistical analysis. Many researchers use cross-tabulation together with chi-square analysis. The chi-square analysis is the primary statistic used for testing the statistical significance of cross-tabulation tables (Qualtrics, 2016). Hence, the chi-square was employed in this thesis as well.

The chi-square test, also known as the Pearson chi-square test, is a non-parametric statistic tool. This methodological tool has a number of strengths and offers valuable statistics in testing hypotheses when variables are nominal (McHugh, 2013:143). It is used to determine if there is a difference between two or more groups of participants (USDA, 2018). In other words, the chi-square is used when you have two nominal variables and you want to determine whether there is a significant relationship between two nominal (categorical) variables (McDonald, 2015). Moreover, chi-square's advantages also include its robustness in terms of data distribution, its ease of

computation, and its use in studies for which parametric assumptions cannot be employed. Cross-tabulation and chi-square are powerful ways to analyse survey data (Qualtrics, 2016). However, it should be noted that like other methods, both cross-tabulation and chi-square analysis both have advantages and disadvantages.

While cross-tabulation has a number of strengths, it also has its limitations. One of the method's limitations is that it can lead to a large number of tables in the case of multiple responses, which can be cross-tabulated in many different ways. As such, it may not be clear which variables are meaningful until the researcher has performed the cross-tabulation (Michael, 2001:1). Similar to any analysis, chi-square also has limitations. One of the limitations of this method is that it only determines the probability of a relationship between two variables. In other words, it only tests whether two variables are related (Ling, 2008). However, it does not indicate the strength of the relationship. Another limitation is that for the most appropriate use of chi-square the data must be frequency data greater than 5 for each class (USDA, 2018). This implies that even though the combination of cross-tabulation and chi-square analysis brings many benefits, it might not be able to significantly allow us to explore intercorrelations among variables. The researcher acknowledges the limitations of these two analysis tools. However, using these two methods were efficient enough to explain the impact of citizens' personal characteristics on their savings behaviours. More specifically, this combination was sufficient to be able to underline the variable(s) playing important roles in shaping individuals' positions within the labour market, and thereby structuring the nature of their engagement with the voluntary savings scheme of the Thai five-pillar pension system. Although the number of respondents in some classes might be small after spreading raw data into cross-tabulation table, it remains valuable to examine relationships within the data that might not be readily apparent when analysing total survey responses.

Some previous studies use both descriptive analysis and cross-tabulation and chi-square to analyse case studies. For instance, Brindha and Priya's study (2017) conducted questionnaire survey and interviews regarding households' savings behaviour and factors influencing savings behaviour in Dingdigul district in TamilNadu. The percentage analysis, chi-square analysis, and cross-tabulation correlation were used to analyse the questionnaire data. Lloyd-Sherlock and Khumya's study (2004) regarded the economic wellbeing of the older population in poor rural and urban Thailand communities. They

employed both questionnaires and interviews in Bangkok and Chiang Rai. The data in the study were presented through frequency and percentage in cross-tabulation tables. In Hirunsathaporn et al.'s study (2013) of the efficiency of elderly citizen savings behaviours in Bangkok, and in Preecha and Lakkanawanit's (2018) research project on informal workers' savings for retirement decisions in Muang district, Nakhon Si Thammarat province of Thailand, frequency, percentage, mean scores, standard deviation, and chi-square were used as data analytical tools. Along the same lines, this thesis also aims to explore the relationship between informality and savings behaviour so as to elucidate the implications of the multi-pillar pension system and its capacity for inclusion of informal workers. Therefore, this paper employed the frequency, percentage, mean scores, and standard deviation of the descriptive statistics analysis and inferential statistics analysis.

#### ***Data analysis in each section of the questionnaire form***

The first three sections of the questionnaire form ask for the respondent's general information, financial status information and experience with the pension system. The data from these three sections were analysed by using frequency, percentage, chi-square and cross-tabulation. The first three sections of the questionnaire attempt to explore how respondents' personal characteristics might constrain the Thai senior citizens' savings behaviour. The fourth section of the satisfaction section scores both the universal non-contributory pension scheme and the voluntary savings scheme, defining the mean scores of the respondents' satisfaction; hence, mean scores and standard deviations were used. The key questions in section four review citizens' attitudes towards the pension programmes via their satisfaction rating. The Cronbach's Alpha was calculated in order to check the reliability of each scale of the questionnaire survey data. The general agreement of Cronbach's Alpha reliability at 0.70 or above indicates appropriate instrument internal consistency (Tavakol and Dennick, 2011:54). The value of the Cronbach's Alpha on the multiple Likert questions in this survey was found to be 0.881, which is clearly higher than the value recommended; hence, this implies a high degree of internal consistency in response to the questions in this questionnaire. Finally, the open-ended question section was designed to be a section for respondents to write anything freely before the researcher grouped answers into the same themes via frequency and percentage. The data from the open-ended question review any further details respondents chose to raise, before they were analysed together with the in-depth interview data.

### *Variables for chi-square test*

A chi-square test was employed to test the association of two variables: personal characteristics and savings behaviour.

Hypothesis 0 (H0) indicates that two variables are independent, whilst Hypothesis 1 (H1) indicates that savings is a variable dependent on one or more personal characteristics (independent) variables. If the p-value is less than 0.05, the null hypothesis (H0) is rejected, and H1 is accepted, indicating that there is a significant association between the two variables.

As the respondents' personal characteristics were categorised into dependent and independent variables so the relationships between their personal characteristics and savings behaviour could be observed; this section clarifies each variable and how they were coded.

#### *(1) Dependent variable*

The aim of employing a chi-square test was to scrutinise the relationships between the citizens' personal characteristics and their savings behaviour. To find out whether any factor of their personal characteristics affected their savings behaviour, the savings behaviour of the respondents is cited as the dependent variable, categorising 'No' of not savings = 0, and 'Yes' of savings = 1.

#### *(2) Independent variables*

This study assumes that the economic security of the elderly is influenced by three factors: socio-demographic status, financial support resources and labour market conditions.

The key socio-demographic factors are gender, age, marital status, educational background, hometown and living arrangement. Gender was coded as the dichotomous variable of female = 0 and male = 1. Age was also coded as the dichotomous variable of

50-59 = 1 and 60 and above = 2. Marital status was coded as the nominal variable as single = 1, married = 2, and widowed/divorced/separated = 3. Educational background was coded as the nominal variable of no education = 0, primary school level = 1, secondary school level = 2, university degree = 3. Hometown was also categorised as the dichotomous variable of rural area = 0, urban area = 1. Living arrangement was a nominal variable that categorised living alone = 1, living with spouse only = 2, living with family members = 3, living with unrelated persons = 4.

The financial resource variables are financial support from family, looking after someone else, received pension provision (OAA), and income. Financial support from family was coded as the dichotomous variables of 'No' for not receiving financial support from family = 0, 'Yes' for receiving financial support from family = 1. Looking after someone else was also coded as the dichotomous variable, 'No' for not looking after anyone else = 0, 'Yes' for looking after someone else = 1. The received OAA variable was categorised as the dichotomous variable, coded into 2 groups: 'No' for not receiving the OAA = 0, 'Yes' for receiving the OAA = 1. Income was categorised as an ordinal variable and coded into three groups. Due to the outcome of the pilot study, nearly half the respondents felt uncomfortable admitting the exact amount of their income or that they were in a very low-income position, or even categorised as poor, therefore, the income level question was adapted by using tax revenue exemption as the line category. Anyone earning less than 12,500 Baht (£250) per person per month does not have to pay tax, as they are categorised as low-income (Revenue Department, 2013). Meanwhile, those who earn a salary higher than 62,500 Baht (£1,250) has to pay 20% of their income in tax revenue (ibid). Accordingly, in this thesis, those who earn more than 62,500 Baht (£1,250) per month are categorised as high income; and those who earn between 12,500 Baht (£250) and 62,500 (£1,250) Baht per month are categorised as the middle-income group. Hence, the low-income level = 1, middle-income level = 2, and high-income level = 3. Labour market condition variables are types of labour market and types of job. Type of labour market is also a dichotomous variable, coded as informal = 0, formal = 1. Lastly, the type of job is the nominal variable, coded with formal contract = 1, multiple jobs/ street vendor = 2, service sector = 3, retired elderly/ family worker = 4, and self-employed = 5.

Based on the concept of the International Labour Organisation (ILO), the ILO international symposium classified the working population in the informal sector as five

types: 1) own-account workers (or self-employed), 2) contributing family workers, 3) employees holding informal jobs, 4) members of informal producers' cooperatives and 5) agricultural workers (such as farmers) (ILO, 2004:7). The official data of the Labour Force Survey in Bangkok between 2007 and 2015 (NSO, 2015:28) categorised occupations into nine groups: 1) legislators, 2) senior officials and managers, 3) professionals, technicians and associate professionals, 4) clerks, service workers and shop and market sales workers, 5) skilled agricultural and fishery workers, 6) craft and related trades workers, 7) plant and machine operators and assemblers, 8) elementary occupations and 9) workers not classifiable by occupation. Meanwhile, the National Statistical Office (2015:7) categorised formal and informal working population into three groups: agriculture, manufacturing and trade and service. Warunsiri (2011:451) explains that the activities of the informal sector depend on the economic environment and society in each country; with workers in the informal sector normally uneducated, unskilled and of low productivity. This implies that types of jobs in the informal sector are variable depending on the location and society of each area, and that the workers in the informal sector have to create their own activities or jobs to fit the societies in which they live. Thanakwang and Soonthorndhada (2007:25) emphasise that most informal workers in Bangkok, especially migrant workers, are in the service sector. This is why new informal jobs in trade and service sector tends to arise in urban areas like Lumpini sub-district in Bangkok. According to respondents' responses about their occupation from the questionnaire data, the current study thus classified types of jobs into the five types as stated above.

After analysing a correlation between two variables through the use of chi-square test, the cross-tabulation was then used to gain deeper insights from raw data. Most specifically, the cross-tabulation was used to explore what is the underlying cause of not being able to make savings contributions for retirement.

### **3.5 Qualitative method: Interviews**

The interviews were conducted in this thesis as another instrument. The interview is a very important data-gathering technique in this research because interviewing allows the researcher to move beyond written sources and ask probing, theoretically driven questions of key participants about the events and processes of interest. DiCicco-Bloom



and Crabtree (2006:315) state that interviews help researchers appreciate the interviewee's knowledge and understanding in the research context. Guion et al. (2011:1) also point out that the interview method is most appropriate for gathering in-depth information from complex situations. This is because researchers are allowed to ask for in-depth details about complex issues and obtain more in-depth information (Yang, 2014:85). Flick (2014:219) highlights that a key role of using the interview as a research tool is "making the interviewee's implicit knowledge more explicit". Hence, interviews were used in this thesis. The interview data will explain in-depth details from the experiences and personal knowledge of not only the Thai citizens, from both formal and informal sectors, but also those local and national bureaucrats. The data from different groups will provide a clear picture as to why the pension and savings schemes coverage did not turn out as the government expected, particularly the voluntary savings scheme. Also, the interview data will lead to the discussion of whether or not the Thai welfare state regime has shifted away from the previous welfare state regime after the 2009 pension reform.

### **3.5.1 Unit of analysis: Interviewees**

We used three groups of interviewees: Thai senior citizens aged 50 and above, local bureaucrats, and national bureaucrats. Warren (2002:99) suggests that the minimum number of interviewees that should participate in interviews in a qualitative study is approximately 20 to 30. Nevertheless, Bryman (2012:425) highlights that there is no exact sample size to support a convincing conclusion to a study. Rather, the effective number varies according to the variables in each situation, or perhaps at the point when interviewees begin repeating significant information. This study, hence, stopped interviewing upon reaching 19 participants in the senior citizen group, 5 participants in the local bureaucrat group, and 3 participants in the national bureaucrat group. This totalled to 27 key informants, which was deemed sufficient because the interviewees began to repeat significant information.

The purposive and snowball sampling methods were used in this study's interview data collection. As highlighted above, the researcher acknowledges that non-probability methods such as purposive and snowball sampling methods, may or may not adequately represent the whole population (Bhat, 2018). However, there may be circumstances in

social science research in which it is not feasible, practical, or theoretically sensible to perform probability sampling methods (Trochim, 2006). This includes in-depth interviewee data collection. In this research project, the interviewees of local and national bureaucrat groups were first approached by the purposive sampling technique, followed by the use of the snowball method.

Purposive sampling, also known as a judgemental, selective, or subjective sampling method, is a sampling technique that relies on the judgement of the researcher in selecting the units (Sharma, 2017:751). As purposive sampling is based on the researcher's judgement, it can be highly prone to researcher bias (p.752). Meanwhile, the snowball sampling technique was employed to identify cases of interest from sampling respondents who know people with similar characteristics and have experience and background knowledge in the field (Palinkas et al., 2016:534). However, this could again introduce a sampling bias (Bhat, 2018). Hence, in order to limit any disadvantages regarding the use of these two sampling methods, the researcher collected interviewee data from three different groups of interviewees. The senior citizen group includes interviewees from different backgrounds, whilst the local and national bureaucrat groups include interviewees from different departments and different levels before comparing the thesis's original interview data to the thesis's original survey data and other secondary sources. The researcher used the triangulation technique to increase the reliability of the data in this thesis.

### **3.5.2 Interviewee recruitment**

The purposive and snowball sampling methods were the interview data collection method used three groups of interviewees: Thai senior citizens aged 50 and above, local bureaucrats, and national bureaucrats. The Thai senior citizens' group was recruited with a purposive sampling technique following participation in the questionnaire survey, when they were asked if they were willing to participate in the interview process as well. Meanwhile, the local and national bureaucrats were initially gathered through purposive sampling and then through snowball sampling. Only the potential candidates from different groups were asked.

The researcher informally approached the first interviewees of local and national bureaucrat groups in December 2014 by email, telephone, and in-person to impart what the researcher has to do before carrying out interviews during summer 2015. In June 2015, the first interviewees from the local and national bureaucrat groups were formally approached again, as were all new potential interviewees. This was done via email and in-person using a participant information sheet with an invitation message, consent form and reply slip, or via telephone with a verbal invitation and information about the research project. The researcher asked the potential interviewees to confirm their interest by signing the consent form. Meanwhile, the Thai senior citizens were approached again following the questionnaire survey. These respondents were asked if they had the time and willingness to participate in interviews, each taking between 30 and 50 minutes. Before any interview took place, the participants from three groups were informed that they were free to withdraw from the interview process at any time or could refuse any questions without giving a reason and without any effect to them or their organisations. Bolderston (2012:69) emphasises that if possible, interviews should be conducted in a location convenient (and comfortable) for participants. Accordingly, in this research project, all the interviews were held at the workplaces of respondents.

The interviews were audio-recorded using a digital recorder and then transcribed and translated. As this thesis adopts the semi-structured interview, a topic guide to the core questions were prepared beforehand. Each interview used an interview topic guide to guide the interviewer throughout the interview. The researcher followed the themes given on the questions list; nevertheless, the interviewees were also encouraged to express their opinions freely and flexibly so as to gain deeper insights into their personal knowledge and experiences.

### **3.5.3 Interviewee selection**

There are three groups of interviewees: Thai senior citizens aged 50 and above, local bureaucrats, and national bureaucrats. The interviewee selection of each group of key informants is various.

The first and most important group can be identified as the Thai senior citizens. These participants were interviewed to identify their savings behaviour, interests and attitudes

to different pension programmes under both the non-contributory and voluntary savings schemes in the zero and third pillars, and regarding policy design and local bureaucrats' actions. The Thai senior citizens' group was recruited with a purposive sampling technique following participation in the questionnaire survey. Discussions with all participants were compared so as to identify any unique responses. The discussions with the interviewees in this group had significant explanatory power regarding the causal factors behind citizens' interests and decisions to join the schemes as well as the role of the state, market, and family in the modern Thai case. This implies that data explaining the causal factors behind the citizens' decisions could then be analysed to explain the research's main focus and research questions.

Second, interviews were carried out with local bureaucrats (or staff) who were in charge of the OAA under the non-contributory pension scheme and the savings programmes of the voluntary savings scheme (RMF, NSF, and SSA 40). The local bureaucrats were initially gathered through purposive sampling and then through snowball sampling. They were the only group of key informants working with both high-ranking government officials and citizens. Therefore, the answers from their perspectives are key to explaining how the evolutionary process of the Thai pension system developed. Specifically, the information from this group is key, not only for analysing the impact of the decentralisation process, but also for comparing with citizens' and national bureaucrats' data. Hence, local bureaucrats' knowledge and experiences are key factors for revealing information that cannot be found in any published paper.

Lastly, the national bureaucrats' group was the last key informant group of this thesis. The purpose of interviewing this group was to pull out any in-depth details that the other two groups of interviewees might not be able to review. The purpose of interviewing this group was also to capture personal experiences and background knowledge regarding the development of the Thai pension system, thus providing a bigger picture of the whole pension system. This research assumes that diverse interests, preferences, motivations and responsibilities reveal not only different perspectives from different key informants but also reflect different aspects of different positions by different institutions as well. Hence, national bureaucrats from different departments and at different levels were interviewed in order to compare the similarities and differences of their perspectives before comparing this to the data from other groups of interviewees and other sources.

This thesis believes that apart from providing in-depth details on the causal factors behind citizens' interests and decisions regarding joining the pension and savings schemes, the interview data will also review the formation of the institutional framework of the Thai pension system and the effectiveness of extending pension and savings schemes coverage to informal workers. Moreover, the interview data will also review the role of the state, market, and family, finding out whether they have changed, and whether this change has reshaped the welfare regime type in Thailand.

**Table 3.2: Informants in recipients' group**

Number	Name Code	Gender	Age	Hometown	Joining pension and savings programmes	Types of job
1	R1	Female	60 and above	Urban	OAA	Group 2: Multiple jobs worker/ Street vendor (Multiple jobs worker)
2	R2	Male	60 and above	Urban	OAA, SSA 40	Group 4: Family worker (Retired)
3	R3	Male	60 and above	Urban	OAA, NSF	Group 4: Family worker (Retired)
4	R4	Male	60 and above	Urban	OAA, NSF	Group 4: Family worker (Retired)
5	R5	Female	50-59	Rural	none	Group 3: Service sector worker (Maid)
6	R6	Female	60 and above	Urban	OAA, SSA 40	Group 2: Multiple jobs worker/ Street vendor (Mat hiring)
7	R7	Male	50-59	Urban	none	Group 5: Self-employed worker
8	R8	Male	60 and above	Rural	none	Group 3: Service sector worker (Van driver)
9	R9	Male	60 and above	Urban	OAA	Group 4: Family worker (Retired)
10	R10	Male	60 and above	Urban	none	Group 5: Self-employed worker (Private wushu coach)
11	R11	Female	50-59	Urban	none	Group 5: Self-employed worker (Spectacle seller)
12	R12	Female	50-59	Rural	none	Group 3: Service sector worker (Maid)
13	R13	Male	60 and above	Urban	OAA	Group 4: Family worker (Retired)
14	R14	Male	60 and above	Rural	OAA	Group 2: Multiple jobs worker/ Street vendor (Handmade shoes maker)
15	R15	Female	60 and above	Urban	OAA	Group 4: Family worker (Retired banker)
16	R16	Female	50-59	Rural	none	Group 2: Multiple jobs worker/Street vendor (Food seller)
17	R17	Female	60 and above	Urban	GP	Group 1: Formal worker (Retired state employee)
18	R18	Female	60 and above	Rural	OAA, SSA 40	Group 5: Self-employed worker (English tutor assistant)
19	R19	Male	50-59	Urban	OAA, SSA 39	Group 2: Multiple jobs worker/ Street vendor (Clothing street seller)

**Table 3.3: Informants in local and national governments' group**

Number	Name Code	Position	In Charge of
1	L1	Local bureaucrat, Deputy District, TAO (Amphur Meung Chiang Man District)	OAA
2	L2	Local bureaucrat, BMA staff (Lumpini sub-district)	OAA
3	L3	Local bureaucrat, NSF staff (Government Savings Bank)	NSF
4	L4	Local bureaucrat, SSA staff (Social Security Office)	SSA 40
5	L5	Local bureaucrat, RMF staff (Krungthai Asset Management)	RMF
6	N1	RMF staff, Securities Commission	RMF
7	N2	National bureaucrat, Ministry of Finance	NSF
8	N3	National bureaucrat, Ministry of Labour	SSA 40

### **3.5.4 Conducting semi-structured interviews**

This study employed semi-structured in-depth qualitative interviews by using face-to-face interview techniques.

Most researchers make use of interviews when they wish to obtain more detailed information on a topic than they could glean from just context (Adams and Cox, 2008:21). The more structured an interview is the less likely that a participant will feel at ease and reveal important and relevant issues; by the same token, the less structured an interview is the harder to shape its scope and analyse the outcome (Adams and Cox, 2008:21). In a semi-structured interview, the structure is flexible, but the key points that need to be discussed are still in place. The interviewer does follow a script that contains certain key points that need to be discussed, but there is still a flexibility that allows details to emerge during the discussion (Bryman, 2008:471; Adams and Cox, 2008:22).

Meanwhile, in-depth interviews are also a useful data collection technique when researchers want to find detailed information about a person's thoughts and behaviours or to explore new issues in depth (Boyce and Neale, 2006:3; Guion, Diehl and McDonald, 2011:1). This is because when researchers want to ask open-ended questions in order to elicit detailed information from relatively few people, in-depth interviews provide enough freedom for the interviewees to speak openly about the topics related to their interests (Hakim, 2000:35; Guion et al., 2011:1). Ritchie and Lewis (2003:138) further claim that the face-to-face interview is appropriate when depth of meaning is necessary and when the research is mainly focused on gaining insights and understanding. Burton (2000:323) also suggests that the most effective way of enlisting respondents is to conduct a face-to-face interview. Hence, this thesis thus employs the semi-structured, face-to-face interview. This thesis further emphasises that to offer a critical advantage, the one-to-one interview is the most suitable interview type for preventing any uncomfortable situations, as the participants may feel uncomfortable talking openly in a group or divulging individual opinions or personal information in public. For instance, key informants from the Thai senior citizens' group might feel uneasy discussing their financial status in the presence of strangers. Consequently, the current thesis decided to employ the semi-structured in-depth interview with a one-to-one meeting.

### **3.5.5 Interview data analysis**

In this research, the interview data were analysed via the qualitative method. Burnard, et al. (2008:429) explain that there are two fundamental approaches for analysing qualitative data: deductive and inductive. The deductive approach uses a predetermined framework to analyse data that researchers are already aware of and probable participant responses; whilst the inductive approach, on the other hand, involves analysing data with very little structure and uses actual data to derive the structure of the analysis; this is a common approach for analysing qualitative data (p. 429). The current thesis, thus, employed the inductive approach with thematic content analysis. The process of thematic content analysis involves analysing transcripts, identifying themes within the data, and gathering together examples of those themes from the transcript (ibid). There are several computer-assisted qualitative data analysis software programmes, including ATLAS.ti and NVivo. This thesis, on the other hand, managed the data 'by hand'. This is because those computer software programmes only manage the data and make the handling of them easier (Burnard, 1991:463; Burnard and et al., 2008:430). The aim of conducting in-depth interviews is to explore uncovered in-depth views and experiences from the key informants, therefore a using hand technique is sufficient for answering the key test. In order to carry out thematic content analysis, three types of coding framework were employed: open coding, initial coding and final coding (Burnard and et al., 2008).

In the first stage, once the interview data were transcribed, the researcher read each transcript and made notes in the margins, these were on words and short phrases summarising the main statement of each interviewee; this is known as open coding. In the second stage, the researcher collected the summary statements from all key informants onto a clean set of pages, using the initial coding framework to represent numbers of categories. Later, the final stage took the shape of form of a final coding framework. The researcher searched for overlapping or similar categories, informing the analytical and theoretical ideas developed during the data analysis process, so as to reduce the categories in the initial coding framework. To do so, the researcher allocated each of the categories with the same theme in its own colour. What the researcher achieved in employing these three coding frameworks was an organised dataset that helped identify the emerging themes in a constant search for understanding a meaning of the data.



Burnard and et al. (2008:432) highlight that there are two approaches to writing up the findings of qualitative research: simply reporting the key findings under the same theme, or doing the same but also incorporating the discussion into the findings. In Lloyd-Sherlock and Redondo's paper (2009:14), *Institutional Care for Older People in Developing Countries: Repressing Rights or Promoting Autonomy? The Case of Buenos Aires, Argentina*, they used the combined findings and discussion section approach which is easy for readers to follow. Accordingly, in this thesis, the reporting key findings and discussion section approach was employed.

The field notes taken during the fieldwork were also used in this thesis to give a descriptive account of the study. The field notes left the researcher with a vivid memory of the interviewees' reactions when the interviews were conducted, which helped the researcher to produce and analyse an in-depth understanding of the respondents' experiences and views. After collecting primary data from both questionnaire survey and interview, secondary sources were also used so as to triangulate the outcomes from three different sources and establish the reliability and validity of the research project. It is worth noting that even though open-ended question in the questionnaire survey was not part of the interview process, open-ended question data were also analysed using the same process as the interview data.

### **3.6 Concluding remarks**

This chapter summarises the research methodology design and data collection used to answer the main research questions.

This chapter explains that a mixed-method design is a suitable method for this thesis, whose questions aim for an understanding of the Thai multi-pillar pension system's barriers and the performance outcomes of the pension reform since 2009. A mixed-method research design was able to help the researcher to better examine the main focus and answer the main research questions. The questionnaire survey and in-depth interviews were used as instruments in investigating the case. The questionnaire data were analysed via the quantitative method, whilst the interview data were analysed via the qualitative method. The data from both methods will minimise the weakness of one another. The data from both methods will be compared and triangulated with the

secondary sources. This triangulation design is a methodological tool used in this thesis to provide an un-biased outcome to the research project. It increases a high level of validity and reliability for the thesis.

This chapter reviews that the pilot study conducted before the fieldwork had helped the researcher minimise some difficulties and develop the research instruments (questionnaire survey form and proposed interviews questions). The questionnaire survey data were broken into five sections. The first three sections were conducted mainly to investigate the relationships between the personal characteristics of the Thai senior citizens in the informal sector and their savings behaviour. The data from these three sections will reveal the causal factors behind the results of the effectiveness of extending pension and savings schemes coverage to informal workers, thus providing a broader picture of how the institutional framework of the Thai pension system was formed after five-pillar pension reform. The fourth and fifth sections mainly focus on the perspectives of the Thai elderly on policy design and local bureaucrats' actions for each pension programme under the non-contributory pension scheme in the zero pillar and the voluntary savings scheme in the third pillar. These two sections will reveal whether the institutional structure of each pension programme, informality and decentralisation process of local governance affect Thai informal workers' interests and decision to join the schemes.

Meanwhile, the interviews were used in this thesis as another tool to glean in-depth details from the interviewees, information that a questionnaire survey might miss. The data collection of the interviews included citizens from both formal and informal labour markets, as well as local and national bureaucrats. The data from both instruments will subsequently be analysed in order to examine the vulnerable group in the current pension system; as well as analysed to investigate the role of the state, market and family in the current Thai five-pillar pension design. Through this, it is believed that we will better understand the direction taken by Thai welfare state regimes post the 2009 reform. The data from the questionnaire survey, in-depth interviews, official statistics and prior studies will be compared and analysed. The data analysis from both primary and secondary sources will produce a full picture of the empirical study, which will then explain the nature of the five-pillar pension reform in the Thai case.

Next, in the following chapters, the findings so far are presented. Both Chapter 4 (questionnaire survey data analysis) and Chapter 5 (interview data analysis) explain and evaluate the outcomes of the fieldwork study before the data is once more analysed in the discussion chapter (Chapter 6).

## CHAPTER 4

### QUESTIONNAIRE SURVEY DATA ANALYSIS: THE EFFECT OF INFORMALITY

#### 4.1 Introduction

Chapter 4 presents the data analysis of the questionnaire survey. It includes with twin goals. First, this chapter investigates significant barriers to the expanding social protection to informal workers since the 2009 new multi-pillar pension reform. Second, to better understand the practical obstacles toward informal worker coverage and the success of pension system development, this chapter pays particular attention to the relationship between labour-market condition and informal workers' savings behaviours. The data from the questionnaire survey were analysed to evaluate citizens' personal characteristics and their satisfaction of and decision to join both pension and savings schemes. Apart from exploring the relationship between informality and savings behaviour, the data analysis in this chapter also elucidates how decentralisation and policy designs of different pension programmes are relevant to citizens' interests and decisions regarding joining such schemes. There are five sections in the questionnaire. The data analysis of the first three sections of the questionnaire mainly presents the relationship between the respondents' personal characteristics and their savings behaviours. The last two sections explore their attitudes regarding the non-contributory and voluntary savings schemes. The data from these five sections evaluate the causal factors prompting citizens' interests in and decisions to join the pension and savings schemes. However, it focuses more on the impact of informality to explain savings behaviour. This is based on the belief that respondent characteristics can better describe the outcome of savings decisions than can attitudes toward pension programmes.

This thesis presumes that since Thailand's five-pillar pension reform in 2009, informality – a major constraint the labour market system's development – has become involved in the Thai pension system's institutional framework of both the non-contributory and voluntary savings schemes and has constrained the effectiveness of pension and savings scheme coverage. However, the accuracy of this assumption is unclear. Previous studies, especially those examining Latin American countries, highlight that an informal economy

constrains pension contributions (Tuesta, 2014:25; Schclarek and Caggia, 2015:40). Some prior studies on the Thai case also highlight the impact of informality on citizens' savings behaviour decisions (Lloyd-Sherlock, 2006:81; Paitoonpong, 2008, Paitoonpong et al., 2010:266; Thanakwang and Soonthorndhada, 2007:46; Warunsiri, 2011:452). Despite abundant research analysing the development of the Thai pension system, there are virtually no explorations of the correlation between informality and the Thai pension system, specifically its current multi-pillar pension system. This could be explained by the relative newness of the multi-pillar pension model, making research studies in this area scarce. This chapter fills this gap by shedding light on the relationship between the labour market and the Thai five-pillar pension system. In order to understand whether informality is a causal factor behind the performance outcome of pension and savings schemes for informal workers, particularly the voluntary savings scheme in the third pillar, this chapter to analyses the experiences of these Thai citizens.

To further support and answer this thesis's main research questions, this chapter addresses the following guiding questions: 1) Why did many members of the Thai senior informal working population opt out of joining a scheme(s), specifically the voluntary savings scheme?; 2) How did informality affect informal workers' decisions on savings behaviour?; 3) To what extent and how was a vulnerable group in the labour market affected by informality in the context of the Thai five-pillar pension system?; and 4) What were citizens' attitudes towards the pension programmes offered by both schemes? This chapter's data analysis reveals the causal factors affecting citizens' interests and decisions regarding joining the pension programme and help the researcher picture why the non-contributory pension scheme's results were far more successful than those of the voluntary savings scheme.

The current chapter is divided into five sections. The first section is the introductory section, which outlines the overall chapter. Second, the following section reviews the frequency and percentage of respondent characteristics in each category (socio-demographic, financial resources and labour market conditions). Third, the main purpose of this section is to examine the respondents' personal characteristics (the independent variables) and their savings behaviour (the dependent variable) so as to evaluate the effect of the informal economy of the informal labour market on their savings behaviours; this should lead to an evaluation of this thesis's main research questions. This section presents

an analysis of each variable through use of a chi-square test and cross tabulation data analysis to define whether any variables are interrelated. This section also examines the vulnerable group in the current Thai pension system. Apart from reviewing the data analysis from the fieldwork, this section also compares and analyses data analysis with prior studies regarding the Thai and other cases. More specifically, it analyses the relevance of a citizen working in the informal labour market with the probability of that citizen making contributions for retirement by comparing the Thai case to others in the Latin America region. Next, the fourth section evaluates the respondents' satisfaction with the pension programmes offered and analyses the answers using open-ended question. This section gives a general idea of Thai citizens' views on the pension and savings schemes. It sheds light on how the process of decentralisation structure and local governance, as well as the policy design of each pension programme are relevant to the pension interests and decisions made by the Thai elderly. The data in this section are discussed and compared to the data in the previous sections before further analysing the in-depth interview data in more detail in the next chapter. Lastly, concluding remarks for the chapter are provided.

## **4.2 Respondents' personal characteristics obtained from the questionnaire**

Individual experience is the richest source of information for finding answers to the socioeconomic conditions that affect the final decisions of individuals to save in a voluntary savings scheme. Accordingly, before finding out which variables affected the respondents' savings decisions, in this section, the characteristics of respondents from the questionnaire survey are presented. In Table 4.1, the characteristics of respondents obtained from the questionnaire survey are reviewed as a descriptive data analysis, using percentage and frequency.

**Table 4.1: Characteristics of respondents**

<b>Variable</b>	<b>Percentage (100)</b>	<b>Frequency (204)</b>
<b>Gender</b>		
Male	42.2	86
Female	57.8	118
<b>Age</b>		
50-59	54.4	111
60 and above	45.6	93
<b>Marital Status</b>		
Single	16.7	34
Married	54.4	111
Divorced or widowed	28.9	59
<b>Education</b>		
No education	10.8	22
Primary school	27.5	56
Secondary school	33.3	68
University degree	28.4	58
<b>Hometown</b>		
Rural	33.8	69
Urban	66.2	135
<b>Financial support from family members</b>		
No	45.6	93
Yes	54.4	111
<b>Looking after someone else</b>		
No	54.4	111
Yes	45.6	93
<b>Living arrangement</b>		
Living alone	19.6	40
Living with spouse only	12.7	26
Living with family members	56.4	115
Living with unrelated persons	11.3	23
<b>Received pension provision, OAA</b>		
No	55.9	114
Yes	44.1	90
<b>Labour market</b>		
Informal	85.3	174
Formal	14.7	30
<b>Income</b>		
Low-income level	34.3	70
Middle-income level	44.6	91
High-income level	21.1	43
<b>Types of Job</b>		
With formal contract	14.7	30
Multiple jobs/street vendor	17.2	35
Service sector	17.6	36
Family worker	34.8	71
Self-employed	15.7	32
<b>Savings</b>		
No	47.1	96
Yes	52.9	108

Table 4.1 displays the 204 respondents. Overall, more women completed the questionnaire than men. There were 118 female respondents (57.8%) and 86 male respondents (42.2%). Of these, 111 respondents (54.4%) were Thai senior citizens aged between 50 and 59 years, whilst 93 of them (45.6%) were aged 60 and above. Among the respondents, more than half were married senior citizens (54.4%). Nearly 30% were divorced or widowed (28.9%), and the smallest number among marital status statistics including those identifying as single (16.7%). Regarding educational background, more than 30 per cent of the questionnaire participants had graduated from secondary school (33.3%). This was followed by those holding university degrees (28.4%) and those with a primary school level education (27.5%). Consequently, participants with less than a primary school degree were the lowest respondent population at 10.8%. Of the 204 respondents, 135 were originally from the urban area of Bangkok, amounting to about 66.2% of respondents. Meanwhile, 69 respondents (33.8%) had migrated from rural areas. The data in Table 4.1 shows that not every participant received financial support from family members. Approximately half of the respondents received financial help from their family (54.4%), while (45.6%) did not. This number roughly corresponds with those in charge of looking after other family members. Table 4.1 displays that 93, or 45.6%, of the respondents were in charge of looking after other family members, whilst the other 111 participants, or 54.4%, were mainly looking after just themselves. This implies that respondents who were looking after someone else tended not to receive any financial support from their family members, whilst those who received financial support did not have to look after someone else. The data show that Thai senior citizens are likely to live with their family members. Out of 204 questionnaire respondents, there were 115 participants (56.4%) living with their families. The remaining percentages were distributed among those who lived by themselves (19.6%), who lived with a spouse (12.7%) and who lived with unrelated persons (11.3%).

It appears that more than half of respondents did not receive an OAA subsidy from the government (55.9%), whilst 44.1% did receive a subsidy. This could be explained by the fact that more than half the respondents were not yet in the group able to receive a subsidy, as had yet to reach the age of 60 and above. It is interesting to note that of the 93 respondents aged 60 and above, 90 were receiving subsidies. This means that only three qualifying respondents aged 60 and above were not receiving government subsidies. This outcome indicates that the non-contributory scheme has achieved much of its goal of



covering all Thai senior citizens. Nevertheless, it is worth finding out why the other three respondents who were eligible to join the OAA had not yet joined. The explanation given by these three respondents as to why they did not join the scheme, together with those between aged between 50 and 59 might help the researcher clarify the reason why some Thai elderly did not join the universal non-contributory pension scheme to receive a pension allowance (NESDB, 2014).

As the current thesis mainly focuses on Thai senior citizens in the informal working population, the majority of respondents were in the informal sector. Indeed, 174 respondents were informal workers (85.3%), whilst 30 were employees with a formal contract (14.7%). Out of the 204 questionnaire participants, the majority of the respondents were in the middle-income group (44.6%), followed by the low-income group (34.3%), then the high-income group (21.1%). The respondents in the high-income group consisted of the lowest number among the groups working for wages. This could be explained by the fact that the majority of respondents were in the informal sector. Though the main focus of the thesis is the informal working population, formal employees were also included in the questionnaire data. This was done in order to determine whether a gap exists between formal and informal labour market conditions. According to the respondents' responses about their occupation from the questionnaire data and the main focus of the thesis, this thesis classified types of jobs into five types: 1) employees in the formal sector, 2) multiple jobs or street job workers, 3) workers in the service sector, 4) retired or family workers and 5) self-employed workers. Taking a closer look at the types of informal jobs in the empirical study, 34.8% of respondents were family workers, whilst the other three types of informal worker were more or less evenly distributed among service sector workers (17.6%), multiple-job workers (17.2%) and self-employed workers (15.7%).

Table 4.1 illustrates that though more than half of participants (52.9%) had begun saving for their retirement, there were still a number of respondents who had not contributed any savings or joined the voluntary savings scheme (47.1%). There were 108 respondents who admitted making a savings contribution; 30 of them were employees in the formal labour market. This confirms the fact that all the formal workers officially contributed savings for their retirement due to the requirements imposed on formal employees in both public and private sectors by the government (Boonpiam, 2014). On the other hand, in

the informal workers' sector, only 78 respondents out of 174, or 44.8% of the respondents in the informal sector, admitted saving for their retirement (Table 4.2). This indicates that citizens in the informal sector are less likely to save or contribute to their retirement than those in the formal labour market.

To find out whether being part of the informal working population constrained the informal workers' pension contributions, the next section presents data illustrating the association between citizens' personal characteristics and their savings behaviour.

### **4.3 The relationships between respondents' personal characteristics and their savings behaviour**

Based on information from the questionnaire survey data presented in section 4.2, the present section presents a wealth of information about the relationship between the personal characteristics of the respondents (independent variables) and their savings behaviour (dependent variable). The characteristics of respondents were reviewed and analysed using a chi-square test and cross tabulation data analysis. This section helps evaluate the thesis's argument on whether the informality constraint of the informal labour market might impact on citizens' interests and decisions regarding savings behaviour. The independent variables are: socio-demographic factors, financial sources and labour market conditions. The dependent variable was coded into two groups using the following savings behaviour: 1) those who contributed to saving for retirement; and 2) those who did not contribute to saving for retirement. The data are presented in Table 4.2.

**Table 4.2: Percentage distribution of Thai senior citizens in savings percentage (number)**

Variable	Not savings	Savings	Percentage (Frequency) 100(204)	Chi-square test
<i>Gender</i>				
Male	19.8 (17)	80.2 (69)	42.2 (86)	p-value < 0.05
Female	66.9 (79)	33.1 (39)	57.8 (118)	
<i>Age</i>				
50-59	62.2 (69)	37.8 (42)	54.4 (111)	p-value < 0.05
60 and above	29.0 (27)	71.0 (66)	45.6 (93)	
<i>Marital Status</i>				
Single	94.1 (32)	5.9 (2)	16.7 (34)	p-value < 0.05
Married	14.4 (16)	85.6 (95)	54.4 (111)	
Divorced	81.4 (48)	18.6 (11)	28.9 (59)	
<i>Education</i>				
No education	95.5 (21)	4.5 (1)	10.8 (22)	p-value < 0.05
Primary school	91.1 (51)	8.9 (5)	27.5 (56)	
Secondary school	30.9 (21)	69.1 (47)	33.3 (68)	
University degree	5.2 (3)	94.8 (55)	28.4 (58)	
<i>Hometown</i>				
Rural	68.1 (47)	31.9 (22)	33.8 (69)	p-value < 0.05
Urban	36.3 (49)	63.7 (86)	66.2 (135)	
<i>Financial support from family</i>				
No	65.6 (61)	34.4 (32)	45.6 (93)	p-value < 0.05
Yes	31.5 (35)	68.5 (76)	54.4 (111)	
<i>Looking after someone else</i>				
No	40.5 (45)	59.5 (66)	54.4 (111)	p-value < 0.05
Yes	54.8 (51)	45.2 (42)	45.6 (93)	
<i>Living arrangement</i>				
Living alone	95.0 (38)	5.0 (2)	19.6 (40)	p-value < 0.05
Living with spouse only	46.2 (12)	53.8 (14)	12.7 (26)	
Living with family members	20.9 (24)	79.1 (91)	56.4 (115)	
Living with unrelated persons	95.7 (22)	4.3 (1)	11.3 (23)	
<i>Received pension provision, OAA</i>				
No	61.4 (70)	38.6 (44)	55.9 (114)	p-value < 0.05
Yes	28.9 (26)	71.1 (64)	44.1 (90)	
<i>Labour market</i>				
Informal	55.2 (96)	44.8 (78)	85.3 (174)	p-value < 0.05
Formal	0	100 (30)	14.7 (30)	
<i>Income</i>				
Low-income level	78.6 (55)	21.4 (15)	34.3 (70)	p-value < 0.05
Middle-income level	42.9 (39)	57.1 (52)	44.6 (91)	
High-income level	4.7 (2)	95.3 (41)	21.1 (43)	
<i>Types of Job</i>				
With formal contract	0	100 (30)	14.7 (30)	p-value < 0.05
Multiple jobs/street vendor	77.1 (27)	22.9 (8)	17.2 (35)	
Service sector	63.9 (23)	36.1 (13)	17.6 (36)	
Family worker	32.4 (23)	67.6 (48)	34.8 (71)	
Self-employed	71.9 (23)	28.1 (9)	15.7 (32)	

Table 4.2 summarises the results of the chi-square test and the percentage and number of the association between dependent variable (savings behaviour) and independent variables (different personal characteristics). The chi-square test was employed to test the association of two variables: personal characteristics and savings behaviour. Hypothesis 0 (H0) indicates that two variables are independent; whilst Hypothesis 1 (H1) indicates that savings behaviour is a variable dependent on one or more personal characteristics (independent) variables. If the p-value is less than 0.05, the null hypothesis (H0) is rejected, and thus H1 is accepted, indicating that there is a significant association between the two variables.

In Table 4.2, the chi-square test reviewed that all personal characteristics (independent) variables, including socio-demographic factors, financial resources and labour market conditions, and saving (dependent) variable are associated. The p-value of each category analysis is less than 0.05. This result indicates that regards statistical data analysis, all the variables of respondents' personal characteristics are significantly associated with respondents' decisions to contribute or not to saving for retirement. Looking at each characteristic variable of the respondents individually in relation to their decision to save for retirement shows that more male respondents (69) claimed to be saving for retirement than female respondents (39). Moreover, the data indicate that respondents aged 60 and above (71.0%) were more likely to save for retirement than the elderly aged 50–59 (37.8%). The number of OAA pension receivers appears to follow the same direction as their age: 71.1% of those who received the OAA have already started saving for retirement; whilst 61.4% of those who have not yet received the OAA have also not yet started saving for retirement.

More than 50% of the respondents were married (54.4%, 111 respondents), and 85.6% of them had saved for their retirement, leaving only 14.4% of married elderly who were not saving. The number of divorced or widowed respondents who had contributed savings was higher (18.6%) than the number of those who were single and saving (5.9%). Likewise, the number of respondents who lived with family members was the group in which most members were saving for retirement (79.1%). More of the elderly who received financial support from family members were saving for their retirement (68.5%) than those who did not receive support from family members (34.4%). This parallels those who are looking after someone else. The respondents who claimed to look after someone

else tended to save for their retirement (45.2%) less than those who did not (59.5%). In terms of educational background, the majority of respondents with higher degrees were saving for retirement; the same was not true for those with less education. There was a huge gap in savings behaviour between those with no schooling and primary school level education and those with university degrees and secondary level education. The contribution rates were higher in groups with university degrees (94.8%), followed by secondary school level (69.1%), primary school level (8.9%) and lower than primary level education (4.5%). It is also interesting to note that the number of migrant respondents who had moved to the city and who claimed to be saving for retirement (31.9%) was significantly lower than those who originated from Bangkok (63.7%).

Type of labour market is one of the most vital factors in citizens' decision to save. Every respondent in the formal sector claimed to be saving for his or her elderly livelihood, as all the formal workers were automatically included in the savings scheme of the current system. Based on the survey data, there is a massive gap between the savings behaviour of formal and informal workers. Only 44.8% of respondents in the informal sector had contributed to saving for retirement. This could be explained by the Law of SSA 33 (Social Security Act, 1990) that states all formal employees have to contribute to the pension system formally via a mandatory savings scheme, whilst saving for retirement in the informal sector is a voluntary option. More specifically, the number of informal workers saving for retirement in each type of occupation in the informal sector (family worker 67.6%, service sector 36.1%, self-employed 28.1% and multiple jobs or street vendor jobs 22.9%) tends to be lower than the number in the formal sector. When broken into different types of occupations inside the informal sector, family workers ranked the highest among participants who were saving for retirement. Participants undertaking the other three types of informal jobs displayed less saving behaviour than did family workers. Regarding the income level in Table 4.2, the majority of respondents with high-income levels had saved for retirement (95.3%), but fewer of those with a lower income had begun saving (middle-income 57.1% and low-income level 21.4%). Notably, contribution rates, from the questionnaire these accord with income levels, indicate a vast gap between the numbers of contributors to each level of income. Two participants who earned a high-income level claimed they were not saving for retirement. Accordingly, a question seeking the reason behind the decision to not join the scheme from high-income

respondents is raised. This will thus be examined and analysed in interview data analysis in the following chapter.

To conclude, the chi-square data analysis reviewed that the p-value of each category analysis registered at less than 0.05. The statistical data analysis in Table 4.2 emphasises that all personal characteristics of respondents significantly interrelate with saving behaviour. This implies that being a worker in the informal labour market exerts a significantly impact on saving behaviour.

### **4.3.1 Labour market conditions and their savings behaviour**

The Chi-square test reviewed that personal characteristics of informal workers significantly impacted the informal working population's decision to save for retirement. The section uses cross tabulation analysis, based on data from the questionnaire survey, to further review that type of job, income level, living arrangement and financial support from family members are relevant to citizens' decision-making.

#### ***4.3.1.1 Types of job and income levels***

The data analysis in the previous section shows a huge gap between the savings behaviours of respondents from different types of occupations, income levels, and those receiving financial support from family members. This section thus first reveals the relationship between the respondents' occupations and their income levels.

**Table 4.3: Types of job and income levels**

Types of Job and Income Levels

Percentage (Number)

	<b>Total</b>	<b>Low income</b>	<b>Middle income</b>	<b>High income</b>
<b>Total</b>	100 (204)	34.3 (70)	44.6 (91)	21.1 (43)
<b>Formal sector</b>	14.7 (30)	3.3 (1)	26.8 (8)	70.7 (21)
<b>Multiple/Street jobs</b>	17.2 (35)	65.7 (23)	34.3 (12)	0
<b>Service sector</b>	17.6 (36)	41.7 (15)	58.3 (21)	0
<b>Retired/Family workers</b>	34.8 (71)	28.2 (20)	45.1 (32)	26.8 (19)
<b>Self-employed</b>	15.7 (32)	34.4 (11)	56.3 (18)	9.4 (3)

The data in Table 4.3 summarises that most informal workers appear to be low- and middle-income respondents. Only some of the respondents in the family worker or self-employed groups in the informal sector that included in the high-income group. It seems that most of the respondents in the multiple-job or street-job group tended to earn a low income (65.7%), while respondents with any of the other three types of informal occupation were mostly at the middle-income level (service sector 58.3%, retired or family workers 45.1%, self-employed 56.3%), and most of the formal workers were at the high-income level (70%). This indicates that the working population in the informal sector tends to have fewer opportunities to contribute savings for their retirement due to income constraints. The different types of jobs available in the labour market, levels of income and savings behaviour are clearly interrelated. Some studies have demonstrated that the informal working population is a vulnerable group in the labour market (Warunsiri, 2011:451). In the same vein, based on the data analysis in this chapter, this thesis suggests that informal employment is ‘vulnerable employment’ directly impacting on informal workers’ savings contributions.

As the data in Table 4.3 shows, apart from employees in the formal labour market, those in the retired or family worker and self-employed groups were also categorised at a high-

income level; the data in Table 4.2 indicate that informal workers in the family worker group have the highest percentage of savings behaviours, higher than for other types of jobs in the informal labour market. Based on this, this thesis further examines respondents receiving financial support from their family members and their savings behaviours.

#### **4.3.1.2 Informal transfers, living arrangements and savings behaviours**

Previous studies on the Thai case (Gough, 2001:170; Thanakwang and Soonthorndhada, 2007:37; Cook and Kwon, 2007a:226, 2007b:12; Knodel et al., 2013:51) and official data (TGRI, 2014) highlight that the elderly in Asia, including Thailand, tend to be financially sponsored or looked after by their children, grandchildren or other family members; even when the elderly are divorced or widowed, they tend to have children or grandchildren or other relatives in their family who look after them. From this assertion, the data analysis in this thesis also reaches the same conclusion. Although being a family worker is an unpaid job in the informal sector, the elderly who were receiving financial support from their family members, also tended to have economic security in their retirement. In contrast, other types of informal workers have the same or less financial support; hence less economic security than unpaid family workers.

**Table 4.4: Financial support from family, savings and types of job**

Financial Support from Family, Savings and Types of Job						
Percentage (Number)						
<b>Financial support from family</b>	<b>Savings</b>	<b>Formal</b>	<b>Multiple/ Street jobs</b>	<b>Service sector</b>	<b>Retired/ Family workers</b>	<b>Self-employed</b>
<b>100 (204)</b>	<b>100 (204)</b>	<b>14.7 (30)</b>	<b>17.2 (35)</b>	<b>17.6 (36)</b>	<b>34.8 (71)</b>	<b>15.7 (32)</b>
Not received	No 65.6 (61)	0	34.4 (21)	29.5 (18)	13.1 (8)	23.0 (14)
	Yes 34.3 (32)	59.4 (19)	6.3 (2)	6.3 (2)	25.0 (8)	3.1 (1)
Total	45.6 (93)	20.4 (19)	24.7 (23)	21.5 (20)	17.2 (16)	16.1 (15)
Received	No 31.5 (35)	0	17.1 (6)	14.3 (5)	42.9 (15)	25.7 (9)
	Yes 68.5 (76)	14.5 (11)	7.9 (6)	14.5 (11)	52.6 (40)	10.5 (8)
Total	54.4 (111)	9.9 (11)	10.8 (12)	14.4 (16)	49.5 (55)	15.3 (17)



Table 4.4 shows that 40 retired or family worker respondents (52.6%) who received financial support from family members claimed to have contributed savings for their retirement, followed by those in the formal sector (14.5%), service sector (14.5%), self-employed (10.5%), and multiple jobs or street vendor jobs (7.9%). This indicates that the Thai elderly in the retired or family worker group received financial support more than any other type of job, in either the formal or informal sector. It also indicates that apart from the formal working population, the percentage of retired or family worker respondents who saved for retirement is significantly higher than for the other types of informal worker jobs. Despite the data in this table showing that the elderly who received financial support from family members tended to save for their retirement more than those who did not receive family support or received less, it is important to note that they are still counted as a vulnerable group. This is because, if the family members could not look after or support them anymore, they would not be able to contribute to their savings or even earn a living.

The next section thus investigates further in-depth details regarding the vulnerable group in the current Thai pension system.

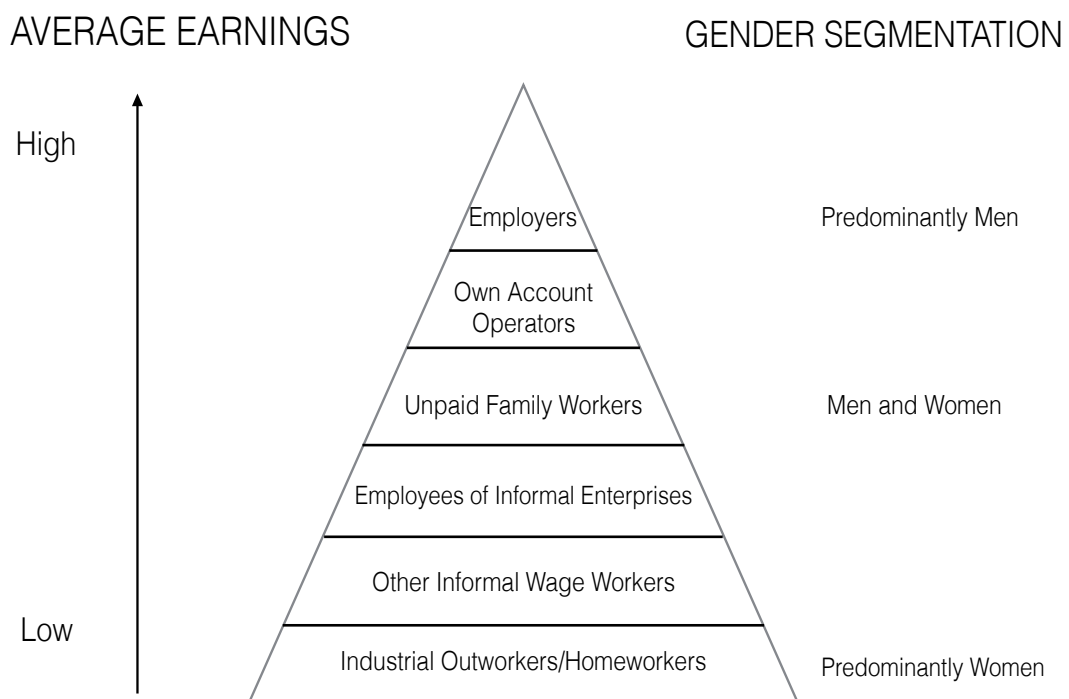
### **4.3.2 Vulnerable group in the Thai five-pillar pension system**

Many prior studies have highlighted that the Thai elderly are now facing situations of vulnerability (Paitoonpong, 2008; TGRI, 2011, 2014), especially the female elderly (Thanakwang and Soonthorndhada, 2007:47). The data in some prior studies further indicates that female citizens in the informal sector comprise a vulnerable group in the labour market (Chen, Vorek and Carr, 2004:40; Warunsiri, 2011:451). Meanwhile, some prior studies highlight that migrants from rural to urban areas tend to be less-educated, and thus get stuck in the informal labour market without other options (Thanakawang and Soonthorndhada, 2007:36). The data analysis of the questionnaire survey (Table 4.2) indicates that more male respondents than female respondents were saving for their retirement. However, it does not explain whether the Thai female elderly in the informal labour market are the vulnerable group of the current Thai pension system or not, nor does it review any relationship between savings behaviour and the identified concern around migration. From this assertion, this section aims to find out if the data analysis from the fieldwork also points out that the Thai female elderly and rural to urban area

migrants, both of whom work in the informal labour market, are the most vulnerable groups in the Thai five-pillar pension system.

#### 4.3.2.1 *Are female informal workers categorised as a vulnerable group?*

Some previous studies have explained that the informal working population not only earns less income than the formal sector population, but also suffers from a huge gender gap (Chen, 2001; Chen, et al., 2004). The average income of male informal workers tends to be higher than that of female workers due to the types of jobs in the informal sector that each gender holds (ILO, 2014). Chen et al. (2004:40) explain that in informal sectors around the world, men tend to be over-represented in the top segment, whilst women tend to be over-represented in the bottom segment, especially in unpaid jobs such as family worker; there are also significant gaps in wages between female and male informal workers. This implies that men tend to get better jobs than women in both the formal and informal sectors.



**Figure 4.1: Average earnings and gender segmentation**

Source: Adapted from Chen et al., 2004:40

Warunsiri (2011:452) highlights that traditional Thai beliefs sustain inequality in the social, work and family status of men and women. This inequality increases the number of Thai female labourers holding family worker positions in the informal sector. In official data gathered between 2002 and 2007, The National Statistical Office (NSO) (2008:61) revealed that women (460,000-330,000) tended to do work at home more than men (120,000-100,000). It appears that previous studies have also raised concerns over the gender gap in the labour market and wages globally, including in Thailand. This study builds on previous studies to further explain how the gender gap in the labour market can indirectly impact the effectiveness of extending pension and savings schemes coverage to the informal sector.

**Table 4.5: Gender, savings and types of job**

Gender, Savings and Income Levels

Percentage (Number)

Gender	Savings	Formal	Multiple/ Street jobs	Service sector	Retired/ Family workers	Self-employed
<b>100 (204)</b>	<b>100 (204)</b>	<b>14.7 (30)</b>	<b>17.2 (35)</b>	<b>17.6 (36)</b>	<b>34.8 (71)</b>	<b>15.7 (32)</b>
Male 42.2 (86)	No 19.8 (17)	0	29.4 (5)	17.6 (3)	11.8 (2)	41.2 (7)
	Yes 80.2 (69)	26.1 (18)	5.8 (4)	13.0 (9)	44.9 (31)	10.1 (7)
Total	42.2 (86)	20.9 (18)	10.5 (9)	14.0 (12)	38.4 (33)	16.3 (14)
Female 57.8 (118)	No 66.9 (79)	0	27.8 (22)	25.3 (20)	26.6 (21)	20.3 (16)
	Yes 33.1 (39)	30.8 (12)	10.3 (4)	10.3 (4)	43.6 (17)	5.1 (2)
Total	57.8 (118)	10.2 (12)	22.0 (26)	20.3 (24)	32.2 (38)	15.3 (18)

Table 4.5 reviews the link between gender, savings and job type. When broken into different types of job, the results show that female respondents were categorised as informal workers more than men in every category, with 38 respondents, or 32.2% of female respondents, working as family workers, followed by 26 multiple-job workers (22.0%), 24 service sector workers (20.3%) and 18 self-employed workers (15.3%). In the case of savings, the data significantly show that the numbers of the female elderly in

the informal sector who saved for retirement were lower than men. From Table 4.5, it can be concluded that the Thai female elderly exist mostly in the informal sector, especially in the family worker group. They heavily rely on their family members' support for expenses, and more than the Thai female elderly in other job types within the informal sector. This can be explained by the greater financial support that family workers receive from their family members (Table 4.6).

**Table 4.6: Gender, savings and financial support from family**

Financial Support from Family, Savings and Gender  
Percentage (Number)

<b>Financial support from family</b>	<b>Savings</b>	<b>Male</b>	<b>Female</b>
<b>100 (204)</b>	<b>100 (204)</b>	<b>42.4 (86)</b>	<b>57.8 (118)</b>
Not received	No 65.6 (61)	18.0 (11)	82.0 (50)
	Yes 34.3 (32)	65.6 (21)	34.4 (11)
45.6 (93)			
Total	45.6 (93)	34.4 (32)	65.6 (61)
Received	No 31.5 (35)	17.1 (6)	82.9 (29)
	Yes 68.5 (76)	63.2 (48)	36.8 (28)
54.4 (111)			
Total	54.4 (111)	48.6 (54)	51.4 (57)

In Table 4.6, the data indicate that more female than male respondents received financial support from family members. However, the number of males who received financial support from family members contributed to their savings more than did women. Lloyd-Sherlock and Khumya (2004:6) stress that older men in Thailand are less likely to receive financial support than women. The current study builds on this argument and further highlights that however receiving financial support from family members does not guarantee that the elderly will automatically be able to save for their retirements. That said, the number of male elderly who are managing to save for their retirement is significantly higher. No matter if the Thai male citizens received or did not receive

financial support from their family members, they are still more likely to make savings more than women.

Some prior studies indicate that in most countries in East Asia, the family is the core source of ‘social welfare and service delivery’ (Gough, 2001:163 Cook and Kwon, 2007a:226, 2007b:2; Choi, 2012:3; Kuypers, 2014:12). Thai seniors are typically married and reside with at least one child (Thanakwang and Soonthorndhada, 2007:47). This implies that social security and income security for the Thai elderly unofficially tends to be a responsibility shouldered by family members (Knodel et al., 2015:5). Senior employees in the formal sector are able to look after themselves, as they have already contributed to retirement plans while working. For most Thai seniors in the informal sector, however, economic constraints may be reduced if they live with family members or are regularly supported by them (Knodel and Teerawichitchainan, 2017:6; Thanakwang and Soonthorndhada, 2007:47). The senior women in the family worker group, for example, would not be able to live with income security or contribute savings for their retirement unless they were receiving (enough) financial support. Thanakwang and Soonthorndhada (2007:46) conclude that Thai women tend to face economic vulnerability when they are older and more likely to be dependent on family members for financial support. This appears to be true in the data analysis undertaken in this research. In short, from this perspective, without informal support and services from family members or a governmental old age allowance, informal workers, specifically Thai female, face substantial economic vulnerability.

Taking a closer look at respondents’ gender and income levels, the data seem to be relevant to their savings behaviour.

**Table 4.7: Gender, savings and income levels**

Gender, Savings and Income Levels  
Percentage (Number)

Gender	Savings	Low-income	Middle-income	High-income
<b>100 (204)</b>	<b>100 (204)</b>	<b>34.3 (70)</b>	<b>44.6 (91)</b>	<b>21.1 (43)</b>
Male	No 19.8 (17)	41.2 (7)	47.1 (8)	11.8 (2)
	Yes 42.2 (86)	11.6 (8)	50.7 (35)	37.7 (26)
Total	42.2 (86)	17.4 (15)	50.0 (43)	32.6 (28)
Female	No 66.9 (79)	60.8 (48)	39.2 (31)	0
	Yes 57.8 (118)	17.9 (7)	43.6 (17)	38.5 (15)
Total	57.8 (118)	46.6 (55)	40.7 (48)	12.7 (15)

Table 4.7 displays income level in terms of participants' savings behaviour and gender. Although all the female respondents at a high-income level (15 respondents) contributed to saving for their pension, more than half the female respondents were categorised at a low-income level (55 respondents) and middle-income level (48 respondents). Only 17 of the middle-income female respondents and only 7 of the low-income female respondents reported that they were saving for their retirement, whilst the majority of low-income (48 respondents) and middle-income (31 respondents) female respondents had not started saving yet. In the case of the male respondents, majority of male participants in all three income levels claimed to be saving for their retirement. Only 2 high-income male respondents were not saving for their retirement; the other 26 high-income male workers were saving for their retirement. This suggests that a high income may not be the only reason for Thai senior citizens deciding whether or not to save for retirement; many other factors may be behind their decisions. It is worth noting that the questionnaire data indicated that some participants have to look after someone else, for instance, this is one of the reasons why they could not afford to save for their retirement. In the family workers at high-income level case, if their family members earned a higher income, the female elderly in family worker group would be able to save for their

retirement. However, if their family members could only provide financial support for their daily lives, it would be impossible for the dependent elderly in the family worker group to contribute savings. By the same token, even though some informal workers are able to earn a high-income, they might not be able to save for their retirement due to personal issues, such as looking after someone else. This will be further discussed and analysed after the interview data analysis in the following chapter.

Regarding the data in Table 4.2 showing a significant gap in respondents' saving behaviours at different levels of educational background, when taking a closer look at the respondents' genders, types of job, and education, there are some interesting data worth highlighting.

**Table 4.8: Gender, types of job and educational levels**

Gender, Types of Job and Educational Levels

Percentage (Number)

<b>Gender</b>	<b>Types of job</b>	<b>Lower than primary school</b>	<b>Primary school</b>	<b>Second day school</b>	<b>University</b>
<b>100 (204)</b>	<b>100 (204)</b>	<b>10.8 (22)</b>	<b>27.5 (56)</b>	<b>33.3 (68)</b>	<b>28.4 (58)</b>
Male  42.2 (86)	Formal 20.9 (18)	0	0	5.6 (1)	94.4 (17)
	Multiple/Street jobs 10.5 (9)	22.2 (2)	11.1 (1)	66.7 (6)	0
	Service sector 14.0 (12)	0	41.7 (5)	58.3 (7)	0
	Retired/Family worker 38.4 (33)	6.1 (2)	6.1 (2)	27.3 (9)	60.6 (20)
	Self-employed 16.3 (14)	0	14.3 (2)	64.3 (9)	21.4 (3)
Total	42.2 (86)	4.7 (4)	11.6 (10)	37.2 (32)	46.5 (40)
Female  57.8 (118)	Formal 10.2 (12)	0	0	16.7 (2)	83.3 (10)
	Multiple/Street jobs 22.0 (26)	15.4 (4)	61.5 (16)	23.1 (6)	0
	Service sector 20.3 (24)	4.2 (1)	45.8 (11)	50.0 (12)	0
	Retired/Family worker 32.2 (38)	21.1 (8)	26.3 (10)	34.2 (13)	18.4 (7)
	Self-employed 15.3 (18)	27.8 (5)	50.0 (9)	16.7 (3)	5.6 (1)
Total	57.8 (118)	15.3 (18)	39.0 (46)	30.5 (36)	15.3 (18)

The data in Table 4.8 show that the informal working population in the Thai case tend to be women more than men. The data in Table 4.8 also show that the Thai female elderly in the informal sector tend to have a lower educational background than men. Male respondents were outnumbered by women at most educational levels, except the university degree. Based on the data in this table, it is further indicated that workers in the formal labour market tend to hold higher educational qualifications than those in the informal labour market; and women in all the informal job groups appear to hold a lower educational status than men. It can be concluded that the Thai female elderly tend to have a lower educational background and be categorised in the informal labour market.

Because of their personal characteristics and their types of job, these female senior citizens have fewer opportunities to save for retirement. In other words, the Thai female elderly appear to have fewer opportunities to contribute to their retirement savings and thus enjoy less economic security in their later life than men, as most of the formal workers tend to be well-educated. It is interesting to note that Cook and Pincus (2014:11), analysing data on the educational level of the female labour force in South-East Asia region, concluded that Thai women (10%) in the labour force who have completed secondary education ranked at the bottom, significantly lower than women in Singapore (50%), Malaysia (50%), Indonesia (20%), and the Philippines (38%). Based on their analysis, this implies that Thai female labourers are now in an urgent situation internationally. If they remain less-educated citizens, this will limit their job options in the labour market and thus affect their opportunities to earn a higher income, reflecting on their savings behaviour.

In summary, based on the data analyses in this section, it can be concluded that the Thai female elderly with low-educational background in the informal labour market constitute a vulnerable group in the current Thai five-pillar pension system, with fewer opportunities to save for retirement. The causal factor underlying an important role in shaping an individual's position within the labour market and thereby structuring the nature of their engagement with the pension system is not gender, but education.



#### 4.3.2.2 *Are migrant informal workers categorised as a vulnerable group?*

Lloyd-Sherlock and Khumya's (2004) research paper focuses on the economic well-being of the Thai elderly in poor rural and urban communities. They stress that living in a rural location and extreme old age are strongly associated with economic vulnerability. There is a large gap in economic well-being between rural and urban areas. The current chapter builds on the summary and further highlights the similarities and differences that exists between migrants in the informal sector who come from rural areas and informal workers who are local residents of urban area like Bangkok. Many previous studies on the Thai case have given their attention to informal workers in rural areas, where the majority of the informal workforce resides (Thavorn et al., 2013). This focus, however, has led to ignorance regarding those low-income migrant informal workers who have moved to urban areas and those low-income local residents who could also be categorised as facing with economic vulnerability, just like those workers in rural areas.

Due to the country's development process, Thailand's economy has shifted from a reliance on agriculture to a reliance on the industrial sector. Accordingly, the Thai people's career structure and ways of working have also shifted, especially with regard to a moving away from traditional Thai agriculture. Warunsiri's (2011:451) study on '*The Role of Informal Sector in Thailand*' highlights that when the demand for an agriculture workforce becomes lower than the supply of labour, the jobs of the informal sector in urban areas play a distinct role in absorbing the surplus labour workforce from rural areas, as workers strive to survive and escape the poverty and underemployment rampant in the rural areas. Indeed, many informal labour workers have migrated to urban centres for work opportunities, particularly Bangkok, as it is the capital city and Thailand's most well-developed city (ibid.). Thanakwang and Soonthorndhada's (2007) study on the '*Determinants of Economic Security among Thai Elderly*' come to the same conclusion as Warunsiri's study. They (2007:35) stress that rural migration to Bangkok has expanded the informal workforce in Bangkok's service sector. This could be because most labourers from rural areas are employed in the agriculture sector, and normally the workforce in the agricultural sector is considered to be unskilled and less educated (Warunsiri, 2011:451). In other words, the skills of most migrants from rural areas do not match labour market demands in urban areas, especially in the formal sector. Hence, those who have migrated from rural areas are unlikely to obtain jobs in the formal sector, which requires a higher level of education and more relevant skills.

As mentioned above, the data analysis in the previous studies were made almost a decade ago. If their conclusions are relevant to contemporary times, rural migrants with lower educational background in urban cities are the vulnerable group in the current pension system. This is because they earn less income and thus have less opportunity to contribute savings for retirement. An explanation of the relationship between hometown, types of labour market, educational levels, and income levels is required to confirm this.

**Table 4.9: Hometown, types of labour market, educational levels and income levels**

Hometown, Types of labour market, Educational Levels and Income Levels  
Percentage (Number)

Hometown	Labour Market	Income level	Education			
			Lower than primary 10.8 (22)	Primary 27.5 (56)	Secondary 33.3 (68)	University 28.4 (58)
<b>100 (204)</b>	<b>100 (204)</b>	<b>100 (204)</b>				
Rural migrants 33.8 (69)	Informal 92.7 (64)	Low 48.4 (31)	19.4 (6)	41.9 (13)	38.7 (12)	0
		Middle 50 (32)	15.6 (5)	43.8 (14)	40.6 (13)	0
		High 1.5 (1)	0	0	0	1.6 (1)
		Total	17.2 (11)	42.2 (27)	39.1 (25)	1.6 (1)
	Formal 7.2 (5)	Low 0	0	0	0	0
		Middle 20 (1)	0	0	0	20 (1)
		High 80 (4)	0	0	0	80 (4)
		Total	0	0	0	100 (5)
Local residents 66.2 (135)	Informal 81.5 (110)	Low 34.5 (38)	21.1 (8)	50.0 (19)	21.1 (8)	7.9 (3)
		Middle 46.4 (51)	5.9 (3)	19.6 (10)	58.8 (30)	15.7 (8)
		High 19.1 (21)	0	0	9.5 (2)	90.5 (19)
		Total	10.0 (11)	26.4 (29)	36.4 (40)	27.3 (30)
	Formal 18.5 (25)	Low 4 (1)	0	0	4 (1)	0
		Middle 20 (5)	0	0	8 (2)	20 (5)
		High 68 (17)	0	0	0	68 (17)
		Total	0	0	12.0 (3)	88.0 (22)

Taking a closer look at the correlations between hometown, labour market, income level, and educational level, the data in Table 4.9 show that most of the respondents who held university degrees from both rural and urban areas overwhelmingly earned high income. Meanwhile, those with lower educational backgrounds tended to get stuck in the informal sector with lower income levels. This includes both rural migrants and local residents from rural areas in the informal sector.

The data in Table 4.9 show that respondents in the formal sector held the highest number of educational degrees compared with respondents in the informal sector. Only respondents with a secondary level and university degree education were employed as formal workers, whilst participants in the informal sector tended to finish their education at the primary and secondary school level. Taking a close look at the relationships between participants' hometown and the type of labour market that they participated in, it appears that hometown does not have any significant impact on respondents' opportunities to find a job in a formal labour market. The data analysis in Table 4.9 shows no significant gap between the percentage of local resident respondents and rural migrant respondents in joining either the formal or informal labour market. Instead, the level of education has a significant impact on the type of labour market in which respondents were included.

Some previous studies highlight that most of labourers from rural areas who earn a low income are part of the informal labour market and mostly have attained only lower levels of education (Paitoonpong, 2008; Thanakwang and Soonthornhdada, 2007; Warunsiri, 2011). The current study supports this argument. It is true that most migrant informal workers who moved to urban areas are likely to end up in the informal sector and earn low and irregular incomes. However, taking a closer look at the data in Table 4.9, it appears that both local residents in urban areas and rural migrants to urban areas with lower educational backgrounds ended up working in irregular jobs and earned unfixed income in the informal sector. None of the lower than primary and primary education respondents from neither the urban area nor the rural areas were categorised as formal workers. The respondents with low educational backgrounds were only able to find jobs in the informal labour market. This outcome, however, does not apply to those who hold high educational degrees. Local respondents from the urban area in the formal labour market are overwhelmingly at the university level. Rural migrants with university degree,

in the same vein, were either formal workers with fixed incomes or informal workers with high incomes. This could explain the fact that higher education is an advantage for anyone who wishes to get a job in the formal sector in an urban area, while a low education tends to trap workers in the informal sector. This indicates that the respondents' hometown is not a constraint that obstructed them from finding higher-paying and more secure jobs or from thereafter saving for retirement. Again, the educational level is a significant personal characteristic constraint that affects opportunities to find regularly well-paying jobs.

Based on the data analysis, it could be concluded that the chance for those respondents with lower educational background to be categorised as part of the formal working population is slimmer than it is for those with higher educational backgrounds. Official statistics and prior studies show that rural migrants in the informal sector face economic vulnerability. Indeed, they represent the most vulnerable group in the labour market (Thavorn et al., 2013). Nevertheless, this thesis further highlights that the relationships between education and income level significantly impact citizens' economic security. Low educational backgrounds for both local residents in urban areas and rural migrant informal workers indirectly led them to earn lower income levels. This low educational background group was therefore not able to afford to contribute to the savings programme. The chance for citizens categorised as informal workers to face economic vulnerability is higher than it is for those who work in the formal sector. As a consequence, the chance for them to contribute to savings for retirement is slimmer as well. Hence, it is plausible that most of the respondents with lower educational backgrounds tend to get stuck in the informal sector, earn lower income, and have a lesser chance to save for retirement. This group typically has not yet joined Thailand's voluntary savings scheme.

#### **4.3.3 Discussion: The influence of low-income on savings behaviours can be explained by educational background**

A number of previous studies on the Thai context have found that informality has a significant negative impact on informal workers in terms of savings contributions. This is especially true for female seniors and migrants, who are the vulnerable group in the market (Thanakwang and Soonthornhdada, 2007; Warunsiri, 2007; Thavorn et al., 2013). This thesis also supports the view that informality has a significant impact on informal workers' savings behaviours. However, based on this study's questionnaire data, this study found that neither the gender nor the hometown of informal workers is a main

personal characteristic constraint on their savings behaviour. Instead, not holding a university degree has a significant impact on their savings decisions.

This study concludes that among the personal characteristics of informal workers, income and education levels are the major constraints on their decisions whether or not to join savings schemes. The data analysis shows that most informal workers with lower educational backgrounds than university degrees tend to receive low or irregular income, unlike those in the formal labour market. Thus, most informal workers are not able to contribute savings for retirement. Education is significant in relation to formality when discussing respondents with higher education, but it is not significant or even insignificant in respondents that do not have university education. Informality is widespread across all educational levels, except university levels, for both migrants and non-migrants. This finding implies that the role of low education is widespread in terms of informality, which affects citizens' decision to join savings schemes. Due to low educational backgrounds, a chance for informal workers to find a job with fixed and regular income in the formal labour market is difficult. Therefore, the likelihood for them to make savings contributions is even slimmer. This study thus concludes that the influence of low income on informal workers' decisions to make savings for retirement can be explained by informal workers' lower educational levels.

This chapter further concludes that the true vulnerable group in the Thai pension system are those who have lower educational backgrounds. Many prior studies emphasise that Thai female seniors and migrants in the informal labour market are those who have the least capability to make savings contributions (Thanakwang and Soonthorndhada, 2007). Some scholars highlight that Thai female seniors and migrants who have moved to bigger cities to find better jobs tend to be categorised as informal workers and earn low and irregular incomes with fewer opportunities to make savings contributions (Warunsiri, 2011). The data analysis in this study also suggests that female seniors and migrants in urban areas are those who face difficulties in savings for retirement. However, the findings from the questionnaire further reveal that low educational background is actually the underlying cause of not being able to make savings contributions. Those female and migrant informal workers who were not able to contribute savings for their retirement are those informal workers who held low educational backgrounds. The data analysis in this chapter (Table 4.9) further demonstrates that both migrants and local residents in urban

areas are equally likely to experience economic vulnerability if they have lower educational background. Both rural migrants and local residents in urban areas with university degrees, on the other hand, were either part of the formal working population with regular incomes or informal workers with high incomes. Opportunity is scarce for those citizens with lower educational backgrounds to be categorised as formal workers, earn higher incomes, or achieve enough financial support to contribute the savings for their retirement. Educational level plays a vital role in shaping an individual's position within the Thai labour market, thereby structuring the nature of their engagement with the contributory savings scheme. If an individual has a lower education level, the individual tends to be in the informal market with little opportunity to save funds.

It is interesting to note that the World Bank (2008:7) suggests that clients, especially middle-income countries, first pay attention to the reform needs of labour market issues and secondary evaluation criteria regarding lowering labour market distortion before implementing the five-pillar pension model. However, if any country's government does not pay attention to these suggestions before reform, the initial conditions – including inherited systems, reform needs, and the enabling environment – might constrain the system to achieve reform designs' core objectives (p.2). According to the World Bank's reform conceptual framework, it implies that the World Bank is aware of the interaction between the pension system and the impact of the labour market system. This chapter's data analysis confirms that the Thai government reformed the pension system but not the labour market system. The nature of the informality significantly impacted the effectiveness of expanding pension coverage to the informal sector, and unintentionally formed vulnerable groups in the current pension system. This implies that, in an attempt to reach the core objectives of pension reform, an assessment of the initial conditions and secondary evaluation criteria is required. In other words, to achieve the capacity for inclusion of informal workers, the government should consider the interaction between the pension system and other institutions functioning in the design.

In summary, this section shows that informal economy of labour market and educational level significantly negatively impacts the informal workers' pension savings decision-making. Such workers have vulnerable employment, which indirectly makes them a vulnerable group in the Thai pension system. Informal workers at the low educational background and low-income are by far the most vulnerable groups in the Thai five-pillar pension system. Because the majority of the working population in the informal sector

earns a lower income than those in the formal sector, it is virtually impossible for senior citizens in the informal sector to contribute to the voluntary savings scheme. Based on this chapter's data analysis, this thesis presumes that other middle-income countries may also face the same situation.

#### **4.3.4 Informality and savings contribution: The Thai and Latin American cases**

In *The World Bank's Old Age Income Support in the 21<sup>st</sup> Century*, Holzmann et al. (2005:17) stress that Latin America has influenced some European and Central Asian countries' efforts to reform and develop innovative approaches to design and implement multi-pillar pension reform. However, one of the most crucial problems that Latin America and the Caribbean region is now facing in term of pensions is the relatively low level of savings, specifically the informal working population (Tuesta, 2014; Schclarek and Caggia, 2015). This section thus aims to assess whether or not there are any similarities or differences between the Thai case and other case studies that are relevant to informality and informal workers' savings contributions.

Schclarek and Caggia (2015:2) point out that countries in Latin America and the Caribbean have relatively low levels of savings compared to other parts of the world due to informality. In their paper, the authors compare the savings behaviour of the formal and informal working population in Chile by using a financial household survey. They scrutinise (2015:40) the socio-economic and financial characteristics of these workers. The data analysis in their paper indicates that citizens in informal households save less than those in formal ones. Income level is found to be the most relevant variable in relation to savings behaviour. One interesting point to note in their paper is that the informal working population in Chile mostly prefers to have lower savings rates than the population in formal households, this is due to the often low and unstable income they receive from temporary employment. The challenges of the informal sector's inclusion in the Chilean case appear to align with the challenges in the Thai case discussed in the current thesis. The Thai senior respondents in the informal sector tended not to contribute any savings for retirement due to the irregular income from their flexible jobs. Based on these findings, this thesis concludes that no matter which part of the world is involved, employment informality tends to generate economic vulnerability and make it difficult to make any savings contributions.

Apart from Schclarek and Caggia's (2015) paper, a few other prior studies have also focused on the relationship between informality and savings for retirement. Tuesta (2014) discusses the informal economy and its constraints on pension contributions in Latin America, focusing on Brazil, Chile, Colombia, Mexico and Peru. Tuesta (2014:20) reports that more than 68.8% of the labour workforce in Peru works in the informal sector, which is one of the highest percentages in Latin America and the Caribbean; and the most negative constraint on pension contributions in Peru (Tuesta, 2014:21). Comparing citizens in the formal and informal sectors, Tuesta (2014:25) further highlights that informal workers save less money than formal workers because they are less financially included in the formal system. Comparing the Thai case to those cases in Tuesta's study, there are many points that shed further light on the same conclusions. In the Thai case, the 2015 official statistics from the Fiscal Policy Office deduced that there were 39 million Thai citizens in the labour market, with 22 million in the informal sector; 19 million of these informal workers, or 86%, did not save for their retirement (Wiriyapong, 2015:8). This implies that only 3 million informal workers, or 14%, have prepared for their retirement by saving. On the other hand, 17 million of the formal workers in the labour market joined the mandatory savings programmes of either the first or the second pillar of the pension system. It is obvious that employees with a formal contract have a much higher probability of contributing to the pension savings system than informal workers do.

Tuesta (2014:25) further emphasises that being a woman and from a rural area and having a low educational background have a significant negative statistical impact on the probability of pension contributions. The data analysis in this thesis also shows that both the Thai female elderly and senior migrants in the informal sector with a low income and low educational level face economic vulnerability. However, this thesis has further demonstrated that a low educational background actually is the underlying cause of trapping citizens in the informal labour market with low and irregular income; this threat leads to less opportunity to enjoy economic security for retirement. In other words, they tend to have fewer opportunities to contribute savings for their retirement. Comparing the Thai and Peruvian cases, it is once again confirmed that most informal workers struggle to save for their retirement globally.



Above all, the data analyses in the Thai case and other case studies in Latin America confirm that informality and savings behaviour for retirement are significantly related. No matter which part of the world, the informal working population are a significant vulnerable group in the labour market that has now become a vulnerable group in the pension systems. Informality tends to generate economic vulnerability and make it difficult to make any savings contributions. Based on this assertion, even if the Thai pension system has been reformed, that is, by introducing a universal old age pension programme and contributory savings programmes to informal workers, the effectiveness of extending savings scheme coverage to the informal sector is still minimised due to the potential negative impact of informality on saving behaviour. If the state wants to secure full pension coverage and substantial and long-term income security for the Thai elderly in the informal sector via the current five-pillar pension system, it first needs to take action regarding the relationship between informality in the labour market and the five-pillar pension system.

Apart from reviewing how informality has indirectly impacted the effectiveness of voluntary savings scheme coverage, this thesis further explores whether the decentralisation structure of the public bureaucracy system has had any significant impact on the performance outcome of the non-contributory pension scheme and the voluntary savings scheme. To find out, this thesis analysed both respondents' satisfaction with each pension programme of both pension and savings schemes and the answers from the open-ended question. These will be considered in the following section.

#### **4.4 Respondents' satisfaction with, and attitudes to, the Thai pension system**

The aim of this section comes with twin goals. This section first aims to determine and compare participants' level of satisfaction with different programmes under the non-contributory scheme and voluntary savings scheme of the current pension system; measuring satisfaction is one way to determine citizens' interests and preferences on whether to join schemes; this then leads to an evaluation of the effectiveness of extending pension and savings scheme coverage to informal workers. The data in this section will later be compared and triangulated with other parts of the thesis.

#### 4.4.1 Respondents' satisfaction levels

An exploration of participants' satisfaction towards different pension programmes of the non-contributory pension scheme and the voluntary savings scheme subsequently highlighted the strong and the weak points of the system, defining areas that may need improvement. There are two pension and savings schemes in the current Thai five-pillar pension system that include the informal working population: the Old Age Allowance (OAA) that exists under the non-contributory scheme and the Retirement Mutual Fund (RMF), National Savings Fund (NSF) and Social Security Act 40 (SSA 40), which run under the voluntary savings scheme. The OAA is a pension provision programme for both formal and informal workers. Even though the RMF is not a savings programme just for informal workers like the NSF and the SSA 40, it is still worth assessing in order to compare people's satisfaction with it to the satisfaction they experience with the two other savings programmes. The comparison between the RMF and the other two savings programmes (NSF and SSA 40) helps evaluate the development of the voluntary savings scheme for informal workers.

The current thesis uses a 5-point Likert scale to assess participants' satisfaction with the pension programmes. Satisfaction with the four pension programmes in these two pension and savings schemes was measured on a scale of 1 to 5.

**Table 4.10: Satisfaction rating scale**

Range of Mean Scale	Interpretation
1.00-1.80	Least satisfied
1.81-2.60	Less satisfied
2.61-3.40	Moderately satisfied
3.41-4.20	Satisfied
4.21-5.00	Very satisfied

The questionnaire had 204 respondents from both the formal and informal working population. Evaluating the satisfaction of the respondents from both sectors of the labour market might reveal interesting information about the satisfaction of each sector with the system. The OAA and RMF are offered to workers in both sectors, whilst the voluntary savings scheme outlined in the NSF and SSA 40 programmes was designed only for the informal sector. Accordingly, answers related to the OAA and the RMF emerged from all 204 respondents. On the other hand, answers regarding the NSF and the SSA 40 voluntary savings programmes came from only 174 respondents from the informal labour market.

Data from the questionnaire satisfaction section are presented via three different themes regarding Thai seniors' satisfaction levels: satisfaction with policy design, local bureaucrats' actions, and overall satisfaction. Satisfaction with the policy design aims to understand whether the policy of each pension programme exerted any significant impact on citizens' decision to join the programmes. Satisfaction with the pension provision provided by universal OAA coverage, with the RMF tax deduction, and with the government contributing to the NSF and SSA 40 savings programmes were ranked as being satisfied with the policy design section. As this thesis contends that low and irregular income is a causal factor for most of the informal working population have not yet joined the voluntary savings scheme, it is interesting to explore the citizens' perspective on contributory policy design; that is, whether they were pleased with the government's savings contributions as much as they were pleased with the pension provision. Regarding how the local bureaucrats or staff delivered and advertised the pension system and pension programme information relevant to Thai citizens, the data were scored a satisfaction in the local bureaucrats' actions section. The overall score of satisfaction with each programme was analysed to understand the respondents' perspectives towards the programmes as a whole.

The overall satisfaction score is first presented and followed by the satisfaction score of the policy design and local bureaucrats' actions.

#### ***4.4.1.1 Overall satisfaction***

Table 4.11 shows the overall level of satisfaction with each programme (OAA, RMF, NSF and SSA 40).

**Table 4.11: Overall satisfaction**

Overall Satisfaction	Mean	Standard Deviation
OAA (204)	3.93	0.74
RMF (204)	2.56	0.66
NSF (174)	2.80	0.62
SSA 40 (174)	2.85	0.80

The highest overall score for satisfaction belongs to the OAA of the non-contributory scheme. It is worth noting that only the OAA produced satisfaction at the satisfied level (3.93); the other three savings programmes inspired only moderate satisfaction and less satisfaction. The SSA 40 scored 2.85 and the NSF scored 2.80 at the moderately satisfied level, whilst the RMF scored 2.56 at the less satisfied level. The standard deviation of each satisfaction score appears about the same, between 0.62 and 0.80. It seems that Thai senior citizens tend to be more satisfied with the OAA than with the voluntary savings programmes. This could be because the OAA is a programme of the non-contributory scheme that provides an allowance for them, whilst the voluntary savings scheme is a scheme that requires the citizens themselves to contribute savings.

#### **4.4.1.2 Satisfaction with policy design**

**Table 4.12: Satisfaction with policy design**

Satisfaction with Policy Design	Mean	Standard Deviation
OAA (204)	4.09	0.74
RMF (204)	2.67	0.84
NSF (174)	2.99	0.74
SSA 40 (174)	2.91	0.83

Table 4.12 reviews satisfaction with the policy of each programme. The mean satisfaction score with the policy of the OAA again provided the highest score. The satisfaction score of the OAA policy was ranked at the satisfied level (4.09), followed by the NSF (2.99), SSA 40 (2.91), and RMF (2.67), which were all rated at the moderately satisfied level. The standard deviation of each satisfaction score once again was about the same, between 0.74 and 0.83. This indicates that the respondents tended to rate their satisfaction with the policy of each programme at the same level. One thing that is certain is that most of the respondents were satisfied with the idea of the government providing an OAA pension provision as a social safety net for the elderly. The ranks of satisfaction with the policies offered by the voluntary savings programmes were significantly lower than the rank of satisfaction with the non-contributory scheme. It is interesting to explore what influenced the respondents to express these levels of (dis)satisfaction. Also, it is also helpful to find out why satisfaction with NSF and SSA 40 policy designs were ranked higher than for the RMF. These curiosities will be explored after the open-ended question is clarified, and will be analysed again after analysing data from the in-depth interviews.

#### **4.4.1.3 Satisfaction with local bureaucrats' actions**

**Table 4.13: Satisfaction with local bureaucrats' actions**

<b>Satisfaction with Local Bureaucrats' Actions</b>	<b>Mean</b>	<b>Standard Deviation</b>
OAA (204)	3.78	0.91
RMF (204)	2.45	0.67
NSF (174)	2.61	0.71
SSA 40 (174)	2.79	0.90

Table 4.13 shows that satisfaction levels relating to local bureaucrats' actions regarding the OAA were ranked higher than satisfaction levels with the other three programmes. The mean satisfaction with the OAA was rated at the satisfied level (3.78), while the SSA 40 (2.79) and the NSF (2.61) were ranked at the moderately satisfied level. The mean score for satisfaction with the RMF emerged at the less satisfied level (2.45). The local

bureaucrats for each programme are those who closely communicate with Thai citizens. If satisfaction with local bureaucrats was rated at the moderately satisfied or less satisfied level, the local bureaucrats of that programme might have impacted on citizens' decisions not to join the programmes. The standard deviation of the mean satisfaction score of each programme appears at more or less the same level, between 0.67 and 0.91, which again means that the satisfaction scores for local bureaucrats' actions in each programme ranked by the respondents were fairly similar.

The mean scores of three different themes clearly state that citizens in both formal and informal sectors are more satisfied with the OAA than with the voluntary savings programmes. Even though the satisfaction rating of the three different savings programmes produced fairly similar scores, it is worth highlighting that the RMF received the lowest mean score among the three, despite it being introduced first to society. Paitoonpong (2008) stresses that the RMF tended to promote low awareness, given other savings options. It is thus plausible why it ranked lower than the other two savings programmes. Another interesting point to note here is that the SSA 40 local bureaucrats' action score and the overall satisfaction score with SSA 40 were higher than the NSF's. Perhaps, this was because the data collection occurred during the renewal process of the NSF; hence, NSF staff were not well-prepared for the advertisement; at the same time, the SSA 40 had already been in existence for four years. These are the puzzles that the researcher will explore in the following chapter after the interview data are reviewed and the official data analysed together.

#### **4.4.2 Open-ended question data**

The open-ended question section in the questionnaire survey was provided to give an opportunity for the respondents to express further comments.

**Table 4.14: Participants who answered and did not answer the open-ended question**

<b>The Open-Ended Question</b>	<b>Number</b>	<b>Percentage</b>
1. Answered open-ended question	93	45.59
2. Did not answer open-ended question	111	54.41
Total	204	100

Table 4.14 presents the number of the participants in two groups: those who answered the open-ended question and those who did not answer it. A total of 204 participants completed the questionnaire, there were 93 participants (45.59%) who answered the open-ended question, while 111 (54.41%) left it blank. From the top five comments given to the open-ended question, several interesting issues arose that are worth noting.

**Table 4.15: Open-ended question comments**

<b>Further Comments on the Open-Ended Question</b>	<b>Number</b>	<b>Percentage</b>
1. Very interested in the savings pension scheme, but I do not have enough money to afford it.	35	37.63
2. Very good policy, but it needs to be better clarified. (savings pension scheme)	23	24.73
3. Not interested. Family support is better and can find something superior.	13	13.97
4. Local bureaucrats were very helpful. The citizens themselves need to be more active.	12	12.90
5. Happy with the subsidies of the OAA	10	10.75
Total	93	100

Table 4.15 divides the open-ended question data into five themes. First, analysis of the responses shows that 35 out of 93 participants (37.63%) explained that although the state's voluntary savings scheme is interesting, they cannot afford to join it due to personal financial issues. The second most mentioned theme from respondents' concerned clarification. There were 23 respondents (24.73%) who agreed that the pension and savings schemes, which the state adopted for the informal working population under the current five-pillar pension system, are very good policies; however, these participants also argued that the pension programmes of these schemes still need to be better clarified to Thai citizens, specifically the voluntary savings scheme. A number of senior respondents felt that the voluntary savings scheme was too complex for them to understand due to the very limited amount of information they had received about it. From this assertion, it would be interesting to scrutinise further in the interview data analysis why some respondents had not received enough useful information. Thirdly, 13 participants (13.97%) clarified the reason for their disinterest in the pension scheme(s) is their belief that they could find something superior, such as better interest rates from their personal savings bank account, their family support or their own savings before retirement. This answer highlights that the financial background of each informant is another factor to be considered. Fourthly, 12 respondents (12.90%) claimed that recipients need to be more active in obtaining information about the system, as accessing the system is their right. These respondents stressed that local bureaucrats were very helpful and good at explaining about the programmes. If the recipients were not aware of what the pension programmes contained, they needed to take more action and find out. Lastly, 10 respondents (10.75%) claimed that they were happy with the subsidies provided by the government. The least number of informants claimed that they were very pleased with the allowance that the government provided for them via the non-contributory scheme.

#### **4.4.3 Discussion: Citizens' attitudes towards the pension and savings programmes**

Regarding the satisfaction of the respondents and their answers to the open-ended questions, there are some similarities that both sections share. These similarities are relevant to the impact of the informal economy, the effect of local bureaucrats' actions, and the complexity of policy designs.



First, the answers from both satisfaction and open-ended question sections revealed that the informal economy significantly impacted informal workers' decisions around joining the non-contributory pension scheme and voluntary savings pension scheme. The empirical data indicated that some informal workers were very interested in the savings pension scheme. However, due to their financial issues, these informal workers were not able to contribute to the contributory savings scheme. Moreover, the satisfaction of some respondents with the subsidies of OAA supports the assumption that citizens, especially in the informal labour market, tend to be more satisfied with receiving the allowance rather than contributing savings. Though some respondents claimed that they were not interested in joining the savings scheme as they have found superior options, others were very happy with the allowance the government provided. It is worth noting that only the OAA satisfaction scores were all at the satisfied level. The other three programmes were ranked between moderately satisfied and less satisfied. This indicates that the respondents were more satisfied with the non-contributory scheme than with the voluntary savings scheme. Based on the respondents' personal characteristics, this could be because the majority of respondents were categorised as senior informal workers with irregular incomes. Although they were interested in joining the savings programme, the financial constraints around being informal workers inhibited them from making savings.

Second, local bureaucrats' actions seemed to be another concern, causing respondents to split into two groups. Based on the open-ended answers, some respondents were very pleased by the local bureaucrats' actions regarding providing information about the pension and savings schemes relevant to their lives. Meanwhile, some participants were disappointed with their actions and wanted local bureaucrats to improve in their jobs, or take more action in terms of providing detailed information about the pension programmes. Regarding the satisfaction with local bureaucrats' actions, OAA was rated at the satisfied level whilst the savings programmes were rated at the moderately satisfied and less satisfied levels. Perhaps satisfaction with local bureaucrats' actions around different programmes may be the reason why respondents' satisfaction answers were split into two groups.

Lastly, because some respondents explained that they were very pleased with the policy design of both the non-contributory pension scheme (OAA) and the voluntary savings scheme for informal workers (NSF and SSA 40), perhaps the policy design of each

pension programme might have captured the citizens' interest in terms of joining the programmes. Many respondents were significantly satisfied with the OAA policy design. Meanwhile, some respondents stated that they were interested, but they required more information and better clarification before they would allow themselves to commit to any savings programme. This implies that the policy design of each pension programme caught the citizens' interest in terms of joining the programmes, but other factors might have made them hesitant to join the programmes. It is possible that informality and the decentralisation process may have worked together as a causal package that affects the citizens' decisions around joining the programmes.

To conclude, the data in this section show that most Thai senior citizens in the informal sector are very pleased with the OAA pension provision – more than they are with the savings provision – due to their own financial constraints. The data further suggest that local bureaucrats' actions and policy designs are also taken into consideration. This thesis thus presumes that the interactions among these three factors might be the causal cocktail behind the performance outcome of the system. The data in this chapter merely provide a brief window into the effect of the decentralisation process of local governance and the policy design for each programme. Hence, these issues are further analysed and discussed in Chapters 5 and 6.

#### **4.5 Concluding remarks**

This chapter explores the causal factors behind informal workers' interests and decisions on whether to join the pension and savings schemes. It pays particular attention to the relationships between respondents' personal characteristics and their savings behaviours, so as to analyse the effect of informality on extending pension and savings scheme coverage and explore the causal factors behind the multi-pillar pension system's partly successful outcomes.

To begin with, this chapter's data analysis revealed that the informality has a significant, negative impact on informal workers' savings behaviours, and automatically impacting the effectiveness of pension coverage. The findings indicate that the nature of informality has deterred them from making pension contributions, in turn weakening the economic security of informal labourers. The research in the current thesis confirms past findings

whereby the informal working population faces vulnerable employment. It further explains that, within this vulnerable population, those at the low level of education and income level in the informal labour market have indirectly been transferred to the vulnerable group in the current Thai pension system, and clearly have had less opportunity to contribute to retirement savings. Based on the data analysis, educational level and income level have a strong correlation with savings behaviour. This is particularly true regarding higher educational attainment such as a university degree and working in the formal labour market. Education provides people with more opportunities to choose among various work options and provides them with the capacity to access a higher income. This gives them a chance to contribute to saving for retirement. The informal working population, on the other hand, constitutes those with low educational backgrounds and irregular and low income, which means that they tend to be least able to save for retirement. It is worth noting that whilst formal employees contribute to the pension system in a formal way, for the informal labour market, saving for retirement is only an option via the voluntary savings scheme. Accordingly, the working population in the formal sector is less likely to experience economic insecurity, since the stability they achieve in their working years continues into their elderly lives. However, due to unfixed salaries and a low income, most informal workers tend not to contribute to retirement savings. This tendency is a crisis scenario occurring in many middle-income countries with large informal labour markets, such as Thailand and Latin American countries.

In terms of satisfaction with pension and savings schemes and the open-ended question section, the data shed some light on Thai senior citizens' perspectives regarding the programmes of both the non-contributory and voluntary savings scheme. The Thai senior elderly were mostly satisfied with the OAA, whilst they ranked the programmes of the voluntary savings scheme (RMF, NSF and SSA 40) at either the moderately satisfied or less satisfied level. The three savings programmes of the voluntary savings scheme either mismatched citizens' interests, did not come with enough clarification, or were unlikely to catch their attention, due to citizens' financial issues. It is worth noting that the satisfaction scores of the NSF and SSA 40 savings programmes were higher than the satisfaction scores of the RMF; though the number of the respondents has to date remained fairly low. This implies that the development of the pension system in Thailand, regarding pension coverage and economic security for informal workers, is gradually getting better. However, due to the nature of informal economy, the decision-making

capabilities of informal workers, in terms of whether or not they should make regular savings contributions has been affected.

Apart from problems of informality, the questionnaire data also show that local bureaucrats' actions and policy design are another two factor affecting citizens' interests and decisions. However, data from the questionnaire was unclear and difficult to clarify whether the nature of decentralisation and policy designs are the other two factors affecting informal workers' interests and decisions. The data barely explains how the decentralisation structure might be mostly coherent with the effectiveness of the universal non-contributory pension scheme, or whether the institutional structures of the pension programmes affected citizens' interests and decisions in terms of joining the programmes. Hence, the next chapter will evaluate in-depth information that provides detailed information from the interviews in order to clarify citizens' and local and national bureaucrats' perspectives towards the pension and savings schemes and answer the main research questions.

## **CHAPTER 5**

### **INTERVIEW DATA ANALYSIS: THE EFFECT OF DECENTRALISATION**

#### **5.1 Introduction**

As examined in Chapter 4, the informality constraint on labour market systems has impacted Thai informal workers' decisions to save for retirement. The informal workers at the low level of education and low-income are the vulnerable groups in the current Thai five-pillar pension system due to their personal characteristics and financial constraints; the effect of decentralisation and policy design of pension programmes in the current multi-pillar pension system has barely been examined in previous chapter. This chapter therefore scrutinises in-depth details of not only the impact of labour market conditions, but also decentralisation structure on expansion of pension and savings schemes coverage to informal workers. More specifically, this explores whether the nature of decentralisation has fundamentally affected citizens' interests and decisions regarding joining the non-contributory pension scheme and voluntary savings scheme. The experience of Thai senior citizens and local and national bureaucrats' groups reveal in-depth information that the questionnaire data from the previous chapter might have missed.

In 1997, Thailand reformed its public administration from centralisation to decentralisation and introduced four new administrative types of local government. Thailand is currently categorised as a decentralised state, with much of the control over policy implementation having transferred from national to local governments. There are four different administrative types in local government, so it is necessary to examine whether local government administration affected Thai informal workers' decisions to join pension and savings schemes and form any kind of a vulnerable group in the current pension system. Due to decentralisation elements inherent in the government, each city and area's local government individually responded to the policy designed by the central government. This implies that the local government's ability to take responsibility and efficiently implement social policies is vital for social security and long-term development, including the non-contributory and voluntary savings schemes of the

current Thai five-pillar pension system. Some scholars have praised the decentralisation process for successfully expanding pension coverage for OAA (Sakunphanit and Suwanrada, 2011:408). Despite this success after switching universal coverage, there is still room for improvement. Most but not all Thai senior citizens have registered for OAA. Some scholars state that decentralisation has both positive and negative impacts, especially when it is combined with other institutions (Scott, 2009; Dufhues et al., 2011). In the same token, Holzmann et al. (2005:114) highlights that reform needs of multiplicity of systems and reform environment of administrative and implementation issues are linked with five-pillar pension reform. Most specifically, the flow of money could be decentralised and the flow of data partially or fully centralised; otherwise it might be a constraint on feasible reform options. Based on these scholars' concerns and the World Bank's five-pillar pension reform framework, it is important to find out whether the nature of decentralisation, which appears to codetermine the pension system after the five-pillar model reform, is another causal factor affecting citizens' decisions to join pension programmes and subsequently the effectiveness of pension scheme coverage.

This chapter scrutinises in-depth information and perspectives related not only to Thai senior citizens in formal and informal sectors, but also to local and national bureaucrats in charge of pension programmes of non-contributory and voluntary savings schemes. To support the main focus of this thesis and answer the main research questions, this chapter's guiding questions are as follows: 1) Why was the number of citizens joining the non-contributory pension scheme significantly higher than that of the voluntary savings scheme?; 2) How did the decentralisation process affect informal workers' decisions to join these two schemes' pension programmes?; 3) To what extent and how was a vulnerable group in the labour market affected by the administrative and implementation issues in the context of the Thai five-pillar pension system?; and 4) What were citizens' attitudes towards the pension programmes of both schemes?

This chapter is broken into five sections. The chapter starts by briefly introducing the main foci of this chapter and outlines the overall argument. Secondly, the processes of decentralisation and local governance are explained, so as to shed light on how these might affect citizens' decisions to join the schemes. Thirdly, the following section provides the Thai senior citizens' perspectives on the pension programmes of the two pension and savings schemes. Apart from reviewing the interview data analysis from Thai

citizens, this section builds on the previous chapter to further look at the most vulnerable group in the current Thai pension system; it also compares and analyses the effect of decentralisation in the Thai and Chinese cases. Next, in section four, data on local and national bureaucrats' views of the pension system are reviewed, and are later compared to data from citizens, as well as from the previous chapter and previous studies. Finally, the chapter concludes by summarising the causal factors presented in this chapter and explaining how data culled from the interviews and questionnaire can track back to the main research questions, which will be discussed in the following chapter.

## **5.2 The decentralisation process and the local system of autonomy**

One important resolution in the areas of decentralisation and local governance was that Thailand reformed its public administration from centralised to decentralised and introduced four new administration types of local government. The overview of the Thai local government's historical development in this section explains how the distinctive characteristics of local government systems in both urban and rural areas are vastly different in many ways. This section thus clarifies those differences and highlights the nature of decentralisation so as to build on the results from the survey data and interviews.

### **5.2.1 Four new administration types in local government**

The history of local autonomy in Thailand dates back to 1932, when the Constitutional Revolution abolished the absolute monarchy and instead introduced democracy. The establishment of basic local authorities in rural areas did not materialise until the 1990s. The Administrative Law of 1933 primarily established three layers in the Thai administrative structure: central or national administration, provincial administration and local administration (Chardchawarn, 2010a).

In October 1997, the Constitution was promulgated, and decentralisation was therein defined as a basic national policy. The local system of autonomy then largely transformed from one of centralisation to decentralisation through the involvement of provincial, district and sub-district offices. To facilitate the decentralisation process, the central government announced four different types of local government to be supervised by the Ministry of Interior: Provincial Administrative Organisations (PAOs); Thesaban;

Tambon Administrative Organisations (TAOs); and a special form of local government, including the Bangkok Metropolitan Administration (BMA) and the Pattaya City Administration, due to their fast socio-economic development (Nagai, Funatsu, and Kagoya, 2008). Officials in local Thai administrations are either directly elected by the people or directly appointed by the government, depending on the type of local administration and the positions (Sopchokchai, 2001:2).

PAOs were established to take responsibility of local administration in rural provinces. Thesaban, or district administration organisations, are the municipalities of Thailand's local autonomy system. There are three levels for municipalities: Thesaban-nakorn (city-municipality), Thesaban-muang (district-municipality) and Thesaban-tambon (sub-district municipality). TAOs, or sub-district administrative organisations, are the local administration organisations at the sub-district (Tambon) level, they plan and manage community development affairs in sub-district areas and are the main organisers of local management (Rajchagool, 1999:29). Only Bangkok and Pattaya are not included in the PAOs, Thesaban and TAOs. Instead, due to their fast socio-economic development, both Bangkok and Pattaya are treated as special municipal entities, being designated as special self-governing cities. This thesis thus categorises Bangkok and Pattaya as urban cities in Thailand, and others as rural cities. Some scholars have explained that the decentralisation process is aimed at encouraging autonomy and blocking direct interventions in local authority management from the Ministry of the Interior (Sopchokchai, 2001:3; Nelson, 2002:219; Nagai, et al., 2008:3; Chardchawan, 2010b:6). Some also explain that decentralisation of the local government in Thailand has not only returned the decision-making power of the central administration to local people, namely people at the sub-districts and village levels, rather than to bureaucrats, but also contributed to the building of closer relationships between local governments and local residents, providing more effective and efficient public services (Nagai and Kagoya, 2015:214). As there are four types of local government, only Bangkok and Pattaya are directly controlled and supervised by the Interior Minister, whilst other provinces are supervised by their local governments; the latter are controlled and supervised by the Interior Minister at the national level. Given these different types of local government, it is worth examining the extent to which different types of decentralisation create coherence or conflict in relation to social policy design. It is also necessary to note its relation to the effectiveness of the

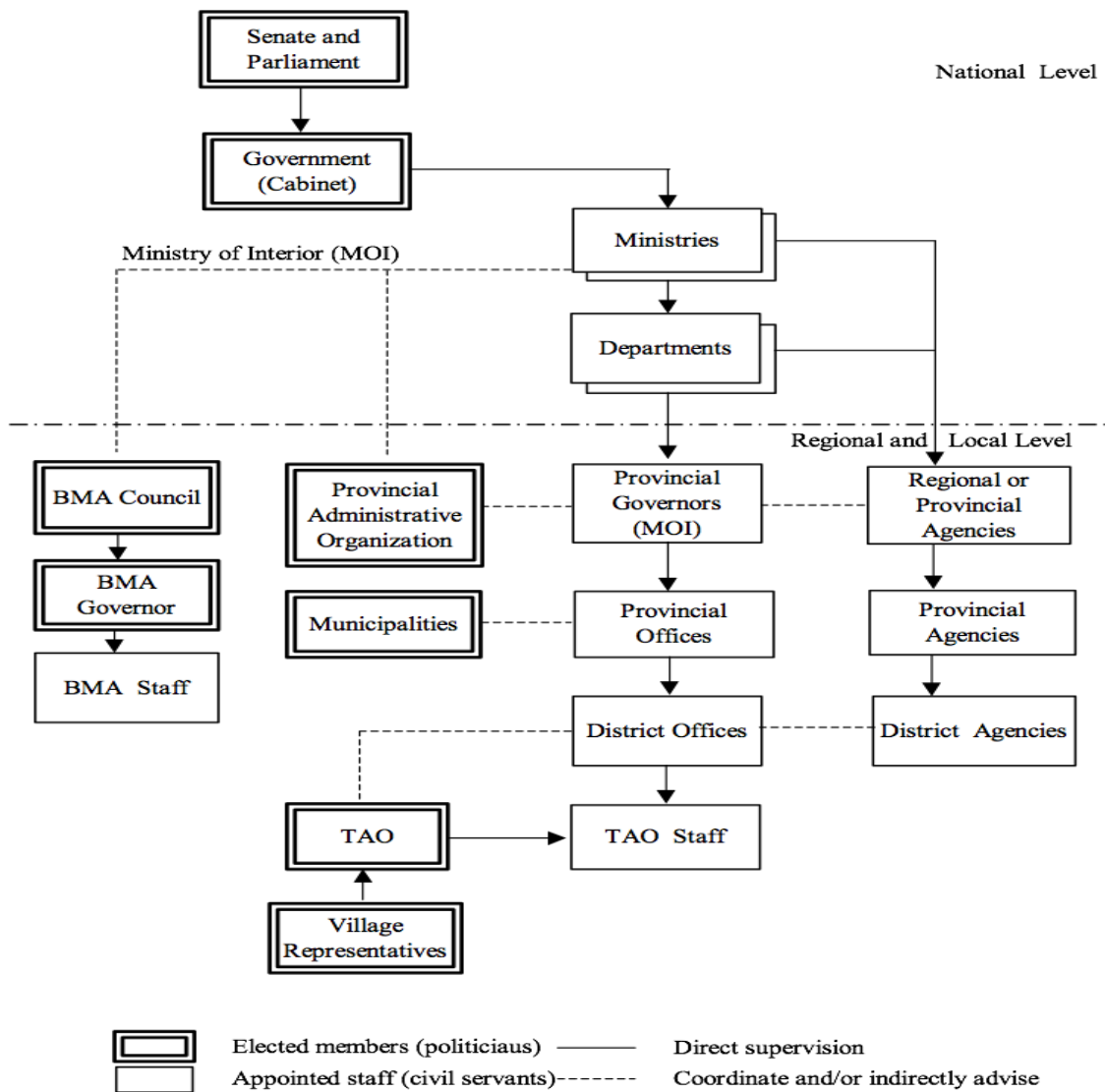


non-contributory and the voluntary savings schemes, in terms of extending pension and savings schemes coverage to the informal sector.

### **5.2.2 Differences between local governments in rural and urban areas**

There are vast characteristic differences between urban and rural areas at the local administrative level, however, the main difference between Bangkok and other provinces at the local government level is the selection of local representatives.

Bangkok is one of two Thai cities with directly elected executive governors, the other being Pattaya. Local residents elect the governor of Bangkok, also known as the chief executive of the BMA, to a four-year term. The chief executive or city mayor in other provinces is appointed by the central government. Although citizens in other provinces do not elect the city mayor in local areas, they do elect village and district-chief officers. Every Tambon (sub-district) is subdivided into villages and supervised by a Kamnan, a sub-district-chief officer, and every village is supervised by a village leader. The Kamnan and village leaders, known as agents of the central government, are representatives of the local residents' respective constituencies (Rajchagool, 1999:33). A Kamnan is elected from among village leaders in that sub-district area and serves a five-year term. Local residents elect a village leader by popular vote once every five years. Kamnan and village leaders are influential persons in local areas (Nagai, et al., 2008:5), because their duties range from communicating the orders from central government to the residents to managing resident registration and maintaining public order. Both Kamnan and village leaders communicate to the citizens all political information, including information about the pension system. As the TAO does not exist in urban areas (Nagai, et al., 2015:215), Kamnan and village leaders, whom are selected by local residents and who communicate and have a close relationship with citizens, are not present in Bangkok.



**Figure 5.1 : Structure of government division in Thailand**

Source: Sopchokchai, 2001:6

Chart 5.1 shows that local residents in rural areas vote for village representatives who communicate key information to them. Local bureaucrats who work with citizens in Bangkok, on the other hand, are instead appointed by the BMA. It is interesting to find out whether, when communicating with citizens, local bureaucrats' actions have any significant impact on the elderly's interests and decisions to join pension and savings schemes. If the local bureaucrats' actions did exert any significant impact (positive or negative) on Thai senior citizens' interests and decisions to join the schemes, this implies that decentralisation of public administration is another causal factor affecting the results

of extending pension and savings scheme coverage to the informal sector. It is important to note here that only the OAA is supervised by the Ministry of the Interior, whilst the RMF is supervised by the Securities Commission, the NSF is supervised by the Ministry of Finance, and the SSA 40 is supervised by the Ministry of Labour. The local staff of these three aforementioned savings programmes might take different sorts of action from the OAA. To support this examination, interview data from residents' perspectives on pension and savings programmes of the non-contributory and voluntary savings schemes were collected individually. This data are presented in the following section.

### **5.3 Data on residents**

In this section, Thai senior citizens' perspectives on the non-contributory and the voluntary savings scheme are presented. This section examines the causal factors affecting informal workers' interests and decisions in joining the schemes, especially the effect of decentralisation, before comparing and analysing the effect of decentralisation in the Thai and Chinese cases.

#### **5.3.1 Interview data on senior respondents' perspectives**

The interview data on senior respondents included 19 interviewees. Though the main focus of this thesis is the informal working population, employees in both formal and informal sectors were included in the interview data. This is because receiving different comments from different groups can shed some light on new aspects that might be invisible to just one group of respondents. Also, the comments from both labour markets provide a clearer understanding on the role of the state, market, and family in the current Thai pension system, which is very helpful for analysing the main research questions.

Table 5.1 provides summary data on recipients' responses. This data from different groups of recipient sheds light on some intriguing information that it might not yet have been disclosed.

**Table 5.1 : Informants in recipient group (19 recipients)**

Number	Name Code	Gender	Age	Hometown	Joining pension and savings programmes	Types of job
1	R1	Female	60 and above	Urban	OAA	Group 2: Multiple jobs worker/ Street vendor (Multiple jobs worker)
2	R2	Male	60 and above	Urban	OAA, SSA 40	Group 4: Family worker (Retired)
3	R3	Male	60 and above	Urban	OAA, NSF	Group 4: Family worker (Retired)
4	R4	Male	60 and above	Urban	OAA, NSF	Group 4: Family worker (Retired)
5	R5	Female	50-59	Rural	none	Group 3: Service sector worker (Maid)
6	R6	Female	60 and above	Urban	OAA, SSA 40	Group 2: Multiple jobs worker/ Street vendor (Mat hiring)
7	R7	Male	50-59	Urban	none	Group 5: Self-employed worker
8	R8	Male	60 and above	Rural	none	Group 3: Service sector worker (Van driver)
9	R9	Male	60 and above	Urban	OAA	Group 4: Family worker (Retired)
10	R10	Male	60 and above	Urban	none	Group 5: Self-employed worker (Private wushu coach)
11	R11	Female	50-59	Urban	none	Group 5: Self-employed worker (Spectacle seller)
12	R12	Female	50-59	Rural	none	Group 3: Service sector worker (Maid)
13	R13	Male	60 and above	Urban	OAA	Group 4: Family worker (Retired)
14	R14	Male	60 and above	Rural	OAA	Group 2: Multiple jobs worker/ Street vendor (Handmade shoes maker)
15	R15	Female	60 and above	Urban	OAA	Group 4: Family worker (Retired banker)
16	R16	Female	50-59	Rural	none	Group 2: Multiple jobs worker/Street vendor (Food seller)
17	R17	Female	60 and above	Urban	GP	Group 1: Formal worker (Retired state employee)
18	R18	Female	60 and above	Rural	OAA, SSA 40	Group 5: Self-employed worker (English tutor assistant)
19	R19	Male	50-59	Urban	OAA, SSA 39	Group 2: Multiple jobs worker/ Street vendor (Clothing street seller)

Four themes arose from the interview data: impact of decentralisation, informality, complexity of pension scheme design and superior options constraints.

### **5.3.1.1 Impact of decentralisation**

This section explains the importance of local bureaucrats' actions on senior citizens' decisions to join the schemes. The data reviewed both the positive and negative impact of the decentralisation process on citizens' interests and decisions regarding joining the schemes. The positive feedback is first reviewed, then analysed; this is followed by the negative feedback.

*1) Positive feedback on the decentralisation*

Some key informants from both urban and rural areas expressed a positive point of view towards bureaucrats at the local level. Their answers are categorised using their hometown.

*a) Local resident from urban area*

There were seven informants (R1, R2, R4, R6, R7, R13 and R15) who were originally urban citizens and knew about the pension and savings schemes; however, they had received information from different sources.

Interviewer: How did you know about the pension system, both the OAA and the SSA 40?

Interviewee R2: The local government came to our house and knocked on our door with a leaflet to tell us about it. And if you were not there, they left the leaflet on the gate so it would be received. Apart from that, I personally love listening to the news on the radio while driving and cycling, and I always watch TV and read newspapers, so I get lots of information from many sources, including my family and friends. Tomorrow, I'm going to a local community meeting hosted by the local government, explaining the change of the savings scheme from the SSA 40 to the NSF. I currently am part of the SSA 40, and if it's going to be cancelled and moved to the NSF, then I have to be there at the meetings.

Apart from R2, the other six informants (R1, R4, R6, R7, R13 and R15) also expressed the same conclusion. They all received information from local bureaucrats and knew which programme(s) they had joined at that time. R1, R13, and R15 mainly received information about the OAA. Despite both R2 and R6 claiming they had joined the SSA

40, they could not confirm which savings option, from 1 to 5 of the SSA 40, they meant. Both interviewees admitted that the options they chose were for insurance and pension benefits. However, the information was unclear enough to confuse the outcome, that is, whether it was option 3, 4, or 5. Unlike R2, R6 did not know that SSA 40 contributors needed to resign and re-register with the NSF. R6 explained that she did not know this as her local bureaucrats had not mentioned it when they visited her home. The interview data from these interviewees explain how important the local bureaucrats' role is for the Thai people. In particular, R1 and R6 both claimed that they could not read and did not own a television. The ways they could receive information were from the radio and through friends, neighbours and local bureaucrats. R7 saw the benefits of both pension and savings schemes. He had not yet signed up for old age pension provision, as he was not permitted to join the OAA due to his age. However, he insisted that once he turned 59, he would register for the scheme. Meanwhile, the savings programme proved an obstacle for him due to receiving unclear information and experiencing financial constraints.

*b) Rural migrants to urban areas*

Some informants (R5, R8, R14 and R18) had migrated from rural areas to work in the city. These people were very satisfied with their local government's actions. They claimed that they had received all the information they needed about the pension system, and that the information had mainly come from local government, family members and friends or neighbours. One difference between migrants who never contact anyone in their hometown (R12 and R16), and those who still have family in rural areas, is that the second group still travels to visit their family in their hometown from time to time (R5, R8, R14 and R18); any information that they missed during this time would normally be provided by their family and neighbours when they return home. Only one interviewee, R8, claimed that he knew about both the non-contributory and the voluntary savings schemes, but had joined neither. His answer is worth noting.

Interviewer: Have you joined any pension and savings schemes, specifically the OAA?

Interviewee R8: I have not joined any pension scheme yet. But I have heard about it. The local government in my hometown visited our village and told everyone. Everyone in my family also knows that. My cousins have already joined the OAA. However, my wife has not joined as she is only in her mid-50s. I know that I have to go back home, so I will wait till next time when I have a chance to go back home. Now I live in Bangkok by myself to earn a living and send money back to my family. My wife works at home. You can say that I am the breadwinner of the family. I have to look after my own family, my parents and my niece as well. My work is a day-by-day job: if I stop one day, it means I will lose money on that day.

Interviewer: Have you ever heard of the NSF or SSA 40? Or are you currently in either of these two savings programmes?

Interviewee R8: I might have heard, but not sure. In my hometown, I think everyone might know about it. I think this is what my wife has mentioned earlier last time, but I'm not sure. I finished only year 4, so my reading is not good. I don't read newspapers. I wake up very early and get back home very late. So the only source of information that I have is my family when I have a chance to go back home.

Interviewer: Will you join the OAA next year? And will you join the savings programme?

Interviewee R8: This year I'm 61. I know that I missed the registration of last year. I might go back home and register this year. I will see. I don't think I can save any money for myself (my savings). My income is for my family and my health issues. I spend most of my money on my health issues. I just live day by day.

Information from some key informants provided positive feedback on the decentralisation of the pension system. They highlighted how important their local bureaucrat's role in their lives is and how close these bureaucrats' are to other local residents. All the updated information that they received came mainly from these local bureaucrats. Even though

some migrants did not live in their hometown anymore, they still had an opportunity to receive updated information from their family when they visited home. Nevertheless, some negative feedback was also given. A couple of interviewees, who lost contact with family or friends in their hometown, explained that they had never heard about the programmes of these two pension and savings schemes before.

## 2) *Negative feedback of the decentralisation*

The negative feedback appears to be revealed by migrants from rural areas.

### a) *Rural migrants to urban areas*

Interviewer: Have you heard of the OAA, NSF or SSA 40? If so, where did you get the information from?

Interviewee R12: No, I am not sure what you are talking about... that sounds really interesting, where can I register? How can I do it? I am very keen to join the OAA, but the savings one, I don't think I can. My income is not enough for my daily life. I have to look after my son as well. He's now in year 3. There are lots of things I have to care about. I have no time to think about myself... I work two full-time jobs for whole days, two jobs. I don't have time to listen to the news. I don't have T.V. at home. I finished only year 3, so my reading skills are not good as well. If I am going to get any information, I will get it from my friends.

Interviewer: Are you originally from Bangkok?

Interviewee R12: No, I'm from Kalasin (northeast of Thailand). I moved to Bangkok many years ago now. I work here as a maid; it's a day-by-day job to get paid.



Interviewer: Have you ever heard or received any information from the local government in your hometown/local area before?

Interviewee R12: For me, it is a 'no'. The local government might have been to my village in my hometown, but I have not gone back for ages, so I don't know. If any are here in Bangkok, I also don't know. They might have been to my place while I was working, or perhaps they might have not. I don't know.

Respondent R16 shared an answer almost identical to that of R12. She had also migrated from a rural area to a city to find a job. Both interviewees work daylong shifts and had not heard or received any information about the pension system before the interview. They were both undereducated with low incomes. R12 and R16 were interested in joining both the OAA and the savings programme but claimed that their chance of joining the savings programme was fairly slim, due to their personal financial constraints.

Interviewer: Have you ever heard of or joined the pension programmes?

Interviewee R16: I have never heard anything about these programmes before. You were the first person who told me about it. I am very much interested in the OAA, and the savings as well. But I have to see if I could or could not afford it (the savings programmes).

Interviewee R16 was only in her 50s, which means that she still has time to learn more about the OAA and can register when she is aged 59. However, the situations of R12 and R16 reflect the issues caused by the decentralisation structure and the influence of financial constraints of labour market conditions impacting the performance outcome of the pension system. Some of the Thai elderly have not yet joined both pension and savings schemes because of the irregular types of job they do, earning a day by day income, whilst some of them have not yet joined the OAA. This is mostly the migrants and due to the decentralisation process of OAA household registration.

### ***5.3.1.2 Impact of labour market conditions***

Apart from the questionnaire survey data, the interview data also revealed how informality can be a negative constraint on both the non-contributory pension scheme and the voluntary savings scheme.

#### *1) Informal workers with less security*

What is interesting from interviewees R5, R8, R12 and R16 is that together with the informality constraint, rural migrants in the informal labour market, who receive an irregular income and have little to no contact with anyone in their hometown for several years, may have had receiving less information from the local government. This finding suggests that both informality and decentralisation could be pension system constraints.

Interviewer: You are still in your 50s, not yet eligible for the OAA, but you are now eligible for the savings scheme. Will you consider joining the OAA or the savings programmes that the government offers in the near future?

Interviewee R5: Now, I'm on the disability living allowance, so I will definitely join the OAA, but not the savings. I think the savings scheme is quite interesting, but because my income is not high nor stable. The money that I earn it is not even enough for me and my brother to live happily. My brother is in his 70s, and we both mainly rely on our disability living allowance, my income, and my brother's OAA as our main income source.

R8, R12 and R16 came to the same conclusion. Despite finding the savings scheme interesting, the reality of their financial situation forced them to reconsider. More interestingly, R7 is one of two self-employed workers in the informal labour market claiming to earn a salary in the high-income level range. However, he admitted that he had not yet started saving for his retirement. This is because he is a leader of a family, looking after his wife and three children. The data from R7 once again reflects the concept of a breadwinner in Thai culture and how informality heavily constrains informal workers' decisions on whether or not to contribute to the savings programmes. Indeed, as long as

they are in the informal labour market, there is no guarantee of economic security for them, even if they earn a high income.

## *2) Formal workers with more security*

The interview data from interviewees indicated that once Thai citizens have a chance of getting a job in the formal labour market, they are more likely to be able to enjoy more economic security than those comprising the informal working population.

The answer from R19, a former employee in a private company, who is now a self-employed worker in the informal sector, highlights that once you are in the formal sector, you are often guaranteed income security even if you later leave.

Interviewer: Are you currently in any savings programmes under the voluntary savings scheme? NSF or SSA 40?

Interviewee R19: I am currently in a savings programme, but not these two (NSF and SSA 40). I'm in the SSA 39. This is because before I retired, I used to work in a private company, and I joined the SSA 33 before. Even though I am not working as a worker for the company anymore, I got a chance to choose whether I wished to continue savings, so I switched to the SSA 39. And I am very happy because it covers insurance for health issues as well.

R19 also claimed that he read a lot of newspapers and listened to the radio and also kept himself up to date with any updated information related to the pension system. He thus joined the SSA 39 instead of the SSA 40 or NSF, which is for informal workers who have never entered the formal labour market. Interview data from R19 indicates that even though employees in the private sector of the formal labour market may not receive as privileged welfare provision or welfare coverage as government officials, they still have a better option than the informal workers. Nevertheless, interview data from R3, also a former employee in a private company, highlighted how formal employees in the private

sector might have the possibility of enjoying less economic security in their retirement, just like the informal working population. The interview data from R3 is thus worth noting.

Interviewer: Are you currently in any pension programmes? The NSF or SSA 40? Or the SSA 39, as you used to work in the formal sector?

Interviewee R3: I am now in the NSF. I used to be in the SSA 33, because I used to work for a small company, but I didn't know at first that after we quit the job we were still allowed to continue the savings (by registering for the SSA 39). Once I realised that I could continue the savings but it had to be through the SSA 39 instead, it was too late, because there is a time limit as well. But I can't remember how long it was, maybe a year or... I don't know. So that's why I am now in the NSF, because I saw it advertised on the TV and newspapers, saying that this is for anyone who has not yet joined the SSA 40. Because one cannot join both the NSF and SSA 40 anyway. So I joined the NSF, and I think it'll be good for me. And I know that I have to be quick, because anyone who is older than 60, like me, is allowed to join only in the first year.

This key information from R3 shows that it is possible for formal workers in the private sector to be in the same position as informal workers, once they are no longer actively included in the formal labour market. R17, on the other hand, highlighted the privilege enjoyed by state employees in Thailand, as she explained that the only pension programme of these two pension and savings schemes that she was aware of was the OAA. She explained that the other three savings programmes had nothing to do with her life. She had nothing to be worried about, as she would receive state pension provision (GP) for the rest of her life. The answers from R3, R17 and R19 support the idea that employees in the formal labour market typically have more opportunities to achieve income security than informal workers, even if formal workers in the private sector might not be as secure as those in the public sector. The interview data support the idea that informal workers are a vulnerable group in the labour market, and that informal workers tend to enjoy less economic security in their retirement than formal labourers, specifically state employees. It is worth noting here that the data from these three interviewees regarding state employees as privileged class in the labour market lighten up the role of the actors (state,

labour market and family) operating in the welfare state regime. More specifically, it emphasises how the government officials have, from the first pension system until now, always received privileged welfare state provision, no matter how many times the pension system has been reformed.

### ***5.3.1.3 Complexity of pension and savings schemes design***

Apart from informality and decentralisation concerns, the complexity of policy design seems to be another important issue. Both pension and savings schemes have their own unique policy design drawbacks.

#### *1) Complexity of the OAA household registration system*

Most Thai citizens have joined the OAA, with only a few of the interviewees not being registered. Some key informants' answers (R8 and R10) highlight that registration time and location can be identified as potential issues preventing citizens from joining. This is a drawback of the policy design.

Interviewer: You have not joined the OAA yet, but have you considered joining?

Interviewee R10: Yes, I have thought about it. And maybe I will join this year.

Interviewer: Why have you not joined the OAA yet, may I kindly ask?

Interviewee R10: I knew about the OAA last year, but I was too late to join the scheme, as I had to register the year before if I wanted to receive the allowance when I turn 60. The time of registering is very limited. I was really busy at that time. Once I was free, the registration time had closed. This year I will try to remind myself not to forget it again.

The registration time of the OAA is between 1st and 30th November in any given year. It is understandable why some respondents lamented this short registration period. Two interesting issues on this point were raised by R9.

Interviewer: Are there any other comments you would like to add?

Interviewee R9: One thing that I really don't like about the OAA is the registration system. For the last two years, I went to the local office to register but they said that it was too late, the registration had already closed for the last year; which means that I had to wait until the following year. I think it is a bit too complicated and complex for citizens like me. I have now moved to the Lumpini sub-district to live with my wife rather than in the area where I'm officially a resident. It would be better if we, me and my wife, could register at a local area. Also, I think the OAA was delayed. What I mean is I checked my bank account, the money was transferred after the date it should be transferred. So, please jot down these three issues: time limitation of the registration, location of the registration, delayed allowance transfer. Also, if the allowance could be higher that would be great.

Due to its time and location limitations, R8, R9 and R10 felt that the OAA registration system was not really a beneficial opportunity for the elderly looking to receive income security from the government. Nevertheless, it is interesting to note that R18, who now worked in Bangkok, claimed that she was originally from Narathiwat province (a province in the Southern part of Thailand). She did not find the OAA registration system was too complex for her at all. On the contrary, she pointed out how convenient the process was as she only had to take the train back to her hometown once, and that the allowance would be transferred to her bank account every month. She also stressed that local staff in her hometown were very helpful and provided clear information about the pension system to everyone in the area.

Apart from R9, R1 also stressed that the OAA transfer was delayed.

Interviewer: Are there any other comments that you would like to raise?

Interviewee R1: I really love the OAA. It is very helpful to someone like me, no proper job in my 70s. I would like to say thank you to the government for providing this kind of welfare provision, but can you help me explore or inform anyone who is in charge of the OAA, and ask them for me why my allowance of the last three months has not yet been transferred to my bank account? The allowance normally transfers to my bank account every month, but I don't understand why the three months were not transferred into my account yet. Do you think that someone might steal my money? Do you think the government might corrupt the elderly OAA? I went to the bank this morning again to check my account, but the money was not there yet.

Even though many citizen interviewees had already joined the OAA, there were still a number of who found the allowance too low (R6, R8, R9 and R11). Moreover, according to R1 and R9, apart from the OAA being too low for senior citizens to survive on, OAA transfers are also often delayed. Regarding the delayed money transfer issue, the Ministry of Social Development and Human Security (MSDHS) explain that the OAA might be delayed for some months due to insufficient and delayed annual government budget (Thairath, 2015). It is worth highlighting that a concern over an historically poor record of disbursing funds has been previously raised by some scholars (Wheway and Punmanee, 2017:146). This highlights that not only the Thai pension system but also other systems in the country are undergoing periods of slow development and reaching more or less the same outcomes. This may be the reason why Thailand has continued to be categorised as a developing country. That is, even though the system has already been developed, there is still room for further expansion.

## *2) Complexity of the voluntary savings scheme*

A few key informants claimed that the programmes of the voluntary savings scheme were too complicated for them to understand (R2, R4, R7 and R11). R4 talked specifically about the change from the SSA 40 to the NSF. The development of the voluntary savings scheme has clearly led to some complexity and confusion and thus impacted the effectiveness of extending scheme coverage.

Interviewer: You mentioned earlier that you are joining the voluntary savings scheme. Is it the SSA 40 or the NSF?

Interviewee R4: I'm not quite sure what it is called, but I know that I joined the scheme after I watched the news on the TV. It was two or three years ago. It was introduced by Khun Korn (Minister of Finance) or Yingluck became Prime Minister, I'm not sure. And it has changed again. That's a bit confusing.

The interviews highlighted that the complexity of the voluntary savings scheme, due to too many reforms, was causing confusion among citizens. Some interviewees (R2, R4, R6, and R18) claimed that they had already joined the savings programmes, but could not name which programme nor which option they registered for. They were only able to describe the benefits they received.

R2 acknowledged the change of savings programmes under the voluntary savings scheme, from the SSA 40 to the NSF. However, even R2 himself claimed that the voluntary savings scheme offered by the government is a bit complicated and confusing, making it difficult for citizens to follow. He had to go back to the local bureaucrats' office to ask them to clarify a few times. Based on this, for those citizens less proactive than R2, who searched for all the information he wanted, it is understandable why they might not want to join the savings scheme, indeed for them, it appears too complex and perhaps unreliable.

Interviewees R11 and R7 are examples of citizens who have not yet joined the savings programme of the voluntary savings scheme due to the information they received being insufficient or unclear.

Interviewer: As you are not yet 60, will you consider joining the OAA?

Interviewee R11: Definitely, yes, it is my right. I definitely am going to join the OAA.



Interviewer: How about the voluntary savings schemes: SSA 40 or NSF? Have you ever heard about them or are you joining any of them?

Interviewee R11: I think I know one savings programme. It was the one that opened for the registration last year or last few years, and there were tons of elderly queuing up to register. The NSF is a new thing that the government is now introducing, but I haven't got that much information yet, so I can't tell you whether I want to join the savings scheme or not. I am also saving some money for my retirement. If the savings scheme is not that interesting, I would rather not. It might be interesting, but I need time to do some research on it first.

R7 also claimed that he needed more information if he really was going start saving. Most of the interviewees (R1, R2, R3, R4, R6, R7, R9, R11, R13, R15, R18 and R19) claimed that joining the OAA is their right. However, whether or not to join the savings programme is also an option. If this option has not yet been clearly clarified, they would rather not allow themselves to commit to a financial programme that seems unclear.

#### ***5.3.1.4 Superior options***

Along with the informality, decentralisation and complexity of the policy designs constraints, some appear to have found better options, and thus chose not to join the voluntary savings scheme.

Interviewer: You are now joining the OAA. What about the savings programmes, the SSA 40, the NSF, or maybe the RMF?

Interviewee R13: The OAA is my right. I definitely joined it. If I didn't join the OAA then I must be stupid. The government gives me the money, and it's for everyone. It's not that much, but it's my right. I have to get it. However, the savings programme is a different story. For the RMF, I know that I have to contribute the same amount of money for five years. I don't like that kind of commitment. And the other two programmes did not catch my attention at all. Although the interest of the SSA 40 and the NSF was higher than the interest of

saving with a bank, it is still too low for me. My children can give me more than that. And if I want to contribute to something for many years, like those programmes [of the voluntary savings scheme] that the state provided, I would just invest in the stock market. But yeah, I have my children to look after me, so there is no need to be worried about my future.

In the same vein, R15 admitted that she also had only joined the OAA. The reason she gave for not joining the voluntary savings scheme is noteworthy.

Interviewer: You are now joining the OAA. What about savings schemes like SSA 40, the NSF, or maybe the RMF?

Interviewee R15: Before I retired, my husband and I worked as bank managers. We know a lot about the RMF. I advertised it to lots of customers. For me, I don't think it is a good programme. Why do you have to commit to something for five years? I mean, if you wish to you can, but if you have enough financial potential to contribute to the RMF, I believe you can find better options than the RMF. About the NSF, I believe that it is a very good programme, but it's quite new; it needs to be advertised more and citizens need more information about it. I think the NSF is a very good way to help the poor learn how to save their money. It is good for someone who works day-by-day. Frankly speaking, it is suitable for those very low-income workers, like street vendors or farmers, but not for me. I have my children to look after me, and I also saved some money for myself since I started working... The OAA is a very good programme, and the government should continue doing it.

Informants R13 and R15 supported the questionnaire survey data and some previous studies suggesting that those receiving enough financial support to contribute to the voluntary savings scheme tend not to join it, insisting that they can find better options. It is interesting to note that though some interviewees (R11 and R14) claimed that they had not found any savings options superior to the savings scheme, they had already started saving before the savings scheme for informal workers was introduced. Hence, they were not bothered about switching their personal savings to the savings scheme. This suggests

that apart from the government's savings scheme, Thai citizens also have many private saving options to choose from.

### **5.3.2 Discussion: The interaction between the pension system and other institutions**

Based on the interview data analysis from the citizen's perspectives, there are four main points that require further attention. These four main points appear to be relevant to the questionnaire survey data in Chapter 4, and evaluate the guiding questions of this chapter, all of which are relevant to the main research questions.

First, the decentralisation process appears to facilitate the majority of Thai senior citizens joining the OAA of the non-contributory pension scheme, except for migrants. That said, the OAA registration time limit and location deterred some citizens from registering and receiving OAA pension provision. The majority of the Thai elderly, including the questionnaire's respondents and interviewees, had joined the OAA, at the same time, most Thai senior citizens were pleased with local bureaucrats' actions on advertising and their ability to provide information about the pension system for them. However, the drawback of the decentralisation structure has constrained a small number of Thai citizens from joining the OAA. Some key informants revealed how complex the process of registration is. The registration time is very limited, open only from the 1<sup>st</sup> to the 31<sup>st</sup> of November each year, while the only place where citizens are permitted to register for their senior allowance is their relevant local authority office or hometown mobile unit. Even though senior citizens can sign an approval letter for someone to register for them at a local government office, some claimed they did not know about this; overall, the process was too complicated for them to understand. The data analysis in this chapter indicates that the decentralisation process of local governance not only facilitated but also constrained the effectiveness of extending pension and savings scheme coverage to informal workers. This implies that the nature of decentralisation is two-sided, something the government does not seem aware of. Decentralisation appears to be one of the causal factors behind the results of coverage for pension scheme. Also, the decentralisation process behind the OAA's household registration system constrained some low-income rural migrants in the informal sector from registering for the programme and receiving any pension provision. This implies that it unintentionally formed a vulnerable group in the pension system.

This finding supports Scott's argument (2009:19) that decentralisation can be positive or negative when it bonds to other institutions as social networks. Moreover, regarding the World Bank's conceptual framework for reform options, the World Bank emphasises that to match reform needs with constraints and opportunities for middle-income countries with emerging reform, the reform needs of the multiplicity of systems and the reform environment of the administrative capacity are required (Holzmann et al., 2008:18). This implies that the World Bank suggests the client countries to be aware of the interaction between the pension system and other institutions, including the public administration. Holzmann et al. (2005:115) emphasise that the "from the point of view of social security institutions, the flow of money could remain decentralised, while the flow of data could be partially or fully centralised. Leaving both flows decentralised would seriously undermine the effort to improve compliance and the efficient collection of pension contributions." This implies that the decentralisation process is a potentially powerful approach for the cash transfer process, but not for the data. However, in the Thai case, both the data of the OAA registration and the allowance transfer are decentralised. Based on the data analysis, it implies that the Thai government were not aware of the interaction between the pension system and the nature of the decentralisation that functioned in the institutional framework of the Thai pension system after implementing the five-pillar pension reform, which is one of the World Bank's concerns regarding reform criteria. In other words, the Thai government did not actually pay attention to the World Bank's conceptual framework before implementing the five-pillar pension design.

Second, this chapter demonstrates that informality and decentralisation work together as a 'causal package' that negatively impacted on informal workers' inclusion. Apart from being a constraint on their savings behaviour, informality is another reason why some received less information. These citizens worked all day and had no chance of obtaining any information on pension possibilities, even if local bureaucrats visited their locales. More specifically, those migrant informal workers who do not return to their hometown or regularly contact anyone in their local area, and who also have flexible working times, seem to experience an issue with receiving information about the pension and savings schemes available for them. This chapter sheds further light on concerns regarding the vulnerable group, indicating that senior informal migrants are now also facing economic vulnerability. This is because apart from not being able to afford to contribute to the savings programme, some migrant interviewees claimed that they had not yet joined the

OAA because they could not skip a day's work to visit the local office in the official residential area and register.

Lloyd-Sherlock and Khumya's study (2004:4), exploration of the economic vulnerability of the Thai elderly in rural and urban areas, found that the elderly in rural areas are at a disadvantage in terms of cash transfers, this is because the children and other relatives of most elderly in rural areas have migrated to urban areas, which is far away from the elderly. This study, on the other hand, has shifted its focus and highlighted that those migrants have also lost the opportunity to receive any updated information on pension and savings schemes. If any of the migrants in the informal sector did not contact anyone in their hometown, the opportunities for them to receive any updated information will be less than supposed. This implies that being migrants in the informal labour market can be seen as a great disadvantage in terms of joining pension and savings schemes in the five-pillar pension system.

Third, the complexity of policy design seems to be another drawback. The interview data show that the complexity of the OAA non-contributory pension scheme lay in limitations of time and location, as mentioned earlier. If only citizens were allowed to register in any convenient local area, the number of OAA recipients would be higher; and thus the effectiveness of the pension coverage would make it more successful. Moreover, the data further highlight that the policy design for the voluntary savings scheme is far more complex for the average citizen to understand. In particular, although the voluntary savings scheme has been reformed several times with several different options and programmes, there has been no clear clarification of each programme. A few interviewees stressed that the complexity of the voluntary savings scheme was too complicated for them to understand. Some interviewees in the informal labour market even claimed that due to their lower educational background, it was very difficult for them to get any updated information by themselves. The interview data show that those acknowledging the NSF clearly tended to be those with higher education or those simply keen to seek for information themselves, using the TV, radio, newspaper, or visiting the local office (interviewees R2, R3, R7, 18 and R19). Meanwhile, those who acknowledged their understanding of the SSA 40 tended to get the information mainly from local bureaucrats, but could not tell which options they had chosen or understood (interviewee R6). Some prior studies stress that older people with little education and limited family support were

less likely to acknowledge or understand pensions, especially ones offered in highly complex programmes like the voluntary savings scheme (Jitsuchon et al., 2012:35). This is also visible in the Argentinian case. Lloyd-Sherlock (2002:707) highlights that the survey of Buenos Aires' shanty towns found that those elderly "with poor mobility, little education and little family support were less likely to have knowledge about pensions, and were less able to fulfil the complex and onerous bureaucratic application process". This implies that informal workers across the world tend to have lower educational backgrounds, while facing the same scenario of economic vulnerability.

Fourthly, the prospect of superior options lured some citizens' attention away from the voluntary savings scheme. Some interviewees exemplify how some middle- and high-income informal workers decided not to join the voluntary savings scheme because they found better options, including financial support from family members and better interest rates from private institutions. The two new voluntary saving scheme programmes, NSF and SSA 40, did not attract middle- and high-income informal workers due to their very low contribution-based benefits. The superior options factor reflects how personal characteristics and labour market conditions are relevant to decision-making. This again implies that informal workers with low and irregular income did not have superior options and ended up with fewer opportunities to contribute to pension savings.

To conclude, this section's data shed light on how the informal labour market, decentralisation structure, and complexity of policy design can impact Thai informal workers' decisions and by extension the effectiveness of the current Thai pension system. The data analysis emphasises how the nature of each institution can obstruct pension reform and inclusion of informal workers. It also confirms the importance of considering both initial conditions and evaluation criteria to reach pension reform's objectives. Moreover, this section's data stressed that migrants in the informal sector comprise a vulnerable group in the current pension system due to the nature of informality and decentralisation. Accordingly, the next section further analyses and compares the effects of decentralisation of the household registration system in the Thai and Chinese cases.

### **5.3.3 The negative effect of decentralisation in the Thai and Chinese pension systems**

The previous section explained how the decentralisation process of the OAA household registration system has exerted a negative impact on the interests and decisions of some migrants in the informal sector to join the pension programme. This section aims to clarify that even though the government has reformed the pension system, by co-opting the decentralisation process into the pension system to increase citizens' potential coverage, there is still a tiny spot of negative impact from decentralisation that the Thai government has not previously been aware of. China and Thailand share a similar issue: the policy of the household registration system seems to be one of the constraints inhibiting rural migrants' registration, mostly in the informal sector; this has unintentionally created new vulnerable group.

Yang's research project (2014) highlights that the existing social security policies in China have largely failed to protect senior migrants regarding the household registration system related to pension insurance in Tangshan (p.154). This is because the citizens are allowed to register to make contributions and receive a state allowance depends on where the citizens officially reside. Yang (2014:154) reveals that the two-tier social security system of household registration in China is disadvantageous to rural residents. More specifically, Chinese rural migrants, working in urban cities, would have to return to their hometown or official local residence, not just to register for pension insurance, but also to collect their social security benefits (p.217). He points out that the household registration system in China not only treats rural migrants unequally compared to local residents in urban areas, but also shapes them into becoming a new vulnerable group within the system.

Based on Yang's data analysis on the China case and this current thesis on the Thai case, it appears that rural migrants in both cases now face the same obstacle. The household registration system of the pension system is deterring those citizens who are interested in joining the pension programmes from doing so. Even though the majority of Thai senior citizens have already joined the OAA, there are still some Thai elderly who have not yet registered. The data analyses in this thesis indicate that the OAA household registration system remains one of the obstructions that are blocking migrants from easily registering at any local area. Those senior citizens who want to join the OAA have to register at the

official local area that is defined by their official household registration system. Senior migrants in the informal sector thus had to decide whether or not to join the pension scheme; this indirectly diminished their chance to gain some income security and thus be more economic secure, as defined by the government. The picture of the current Thai multi-pillar pension system captures the main drawback to senior migrants living in an urban area; this is, that the OAA household registration system is impacted by the nature of decentralisation. It is interesting to note that both the Thai and the Chinese cases offer support to Holzmann et al. (2008), Scott's argument (2009), and the World Bank's five-pillar pension reform framework (2008) regarding the positive and negative side effects of decentralisation. Holzmann et al. (2008) and Scott (2009:15) emphasises that decentralisation may not just reduce conflict and strengthen social networks, but also increase conflict and damage social cohesion, depending on different factors relating to implementation and context.

This thesis concludes that decentralisation has positive and negative elements. It can either support or damage the whole system's results after functioning in a new context. More specifically, decentralisation could affect migrant informal workers' decision to join the pension programme; thus, it automatically reflects the effectiveness of extending pension scheme coverage to informal workers. The concern decentralisation's impact is evident not only in Thailand but in other countries as well, such as China. This suggests that governments should be aware of the nature of other institutions that function alongside the pension system. Most specifically, this thesis concludes that it is very important to carefully consider the World Bank's reform conceptual framework.

Data from local and national bureaucrat interviewees were collected alongside the data analysis of senior citizen interviews. The data is analysed in the next section.

#### **5.4 Data on local and national bureaucrats**

The previous section reviewed senior citizens' perspectives towards the pension system via in-depth interviews. This section further reviews local and national bureaucrats' perspectives. There were 8 key informants in total: 5 informants were from the local bureaucrats' group, and 3 informants were from the national bureaucrats' group. Both local and national government bureaucrats from different pension programmes were



interviewed to find similarities and differences among their answers, and their answers in turn were compared with the answers from the resident group, the questionnaire survey data and data from previous studies. This section first analyses the data analysis regarding the OAA, followed by three different savings programmes.

**Table 5.2: Key informants of local and national government group**

<b>Number</b>	<b>Name Code</b>	<b>Position</b>	<b>In Charge of</b>
1	L1	Local bureaucrat, Deputy District, TAO (Amphur Meung Chiang Man District)	OAA
2	L2	Local bureaucrat, BMA staff (Lumpini sub-district)	OAA
3	L3	Local bureaucrat, NSF staff (Government Savings Bank)	NSF
4	L4	Local bureaucrat, SSA staff (Social Security Office)	SSA 40
5	L5	Local bureaucrat, RMF staff (Krungthai Asset Management)	RMF
6	N1	RMF staff, Securities Commission	RMF
7	N2	National bureaucrat, Ministry of Finance	NSF
8	N3	National bureaucrat, Ministry of Labour	SSA 40

#### **5.4.1 Local and national bureaucrats' perspectives on the non-contributory pension scheme**

There is only one pension programme in the non-contributory pension scheme that informal workers are eligible to join. Thus, only data analysis for the OAA is presented here.

##### **5.4.1.1 OAA staff**

The data from both the questionnaire survey and Thai senior citizens' interviews highlight that local bureaucrats' actions significantly impact citizens' decisions to join the pension and savings schemes. L1 and L2 explained that they work very closely with citizens. L1 claimed that the OAA staff visit residents' houses in their local areas to explain any update information that may be useful for them. L1 further highlighted that village leaders and

sub-district representatives are selected by residents, so these leaders know everyone in the community. L1 also confirmed that he certainly knows the local residents in his area very well. It is thus very easy for him to communicate with citizens. Though L2 was not a village leader or local representative selected by local residents, she claimed that she and her colleagues went to local residents' houses and knocked on their doors to provide them with information leaflets. Both L1 and L2 claimed that if anyone had any further questions, they could visit the local office at any time during office hours. Further, both L1 and L2 claimed their prior responsibility as ensuring that local residents have access to the latest most relevant information. The interview data from L1 and L2 confirmed that after the OAA was reformed to universal coverage, the inclusion of OAA coverage achieved a fairly successful take-up phenomenon.

Based on interview data from L1 and L2, some previous studies also express the same conclusion. Indeed some scholars point out that because of the universal approach, the number of recipients for the OAA has significantly increased (Sakunphanit and Suwanrada, 2011:407; Suwanrada, 2012; Suwanrda and Wesumperuma, 2012:158). Nevertheless, though the official statistics reveal that nearly 80% of the Thai senior elderly have already joined the OAA, there are still approximately 20% of this demographic who have not yet registered (NESDB, 2014). Thai senior respondents' interview data reveals that due to decentralisation, it is mostly Thai senior migrants working in the informal sector, who have yet to register for the OAA. Again, this implies that decentralisation not only facilitates but also constrains pension coverage, shaping a new form of vulnerable group in the current Thai pension system.

#### **5.4.2 Local and national bureaucrats' perspectives on the voluntary savings scheme**

In this section, local and national bureaucrats and staff related to the RMF, NSF and SSA 40 and those familiar with the voluntary savings scheme were interviewed.

##### ***5.4.2.1 RMF staff***

The RMF was introduced in Thailand prior to the implementation of the five-pillar pension model. RMF staff appear to have much experience in the evolution of the Thai pension system, and their comments are worth highlighting.

Interviewer: Could you explain any differences between the RMF and the other two programmes (NSF and SSA 40)?

Interviewee L5: As far as I am aware, only informal workers are eligible for registering the NSF and SSA 40. The RMF, on the other hand, are available to all workers from both formal and informal sectors. Another issue, from my perspective, is that the target group for the NSF and SSA 40 are low-income informal workers. However, the RMF is more suitable for middle-income and high-income level workers. This is because you have to commit yourself to contributing the same amount of money every month per year for five years. Contributors will not be able to withdraw the funds until they attain retirement age at 55 years old. RMFs catch the eyes of many people who are working in private companies in the formal sector, as contributors can claim tax deduction of their income up to a maximum of 500,000 Baht (£10,000). Another group of people is those who are not working, or you can say housewives, as they can invest some money without taking a high risk like investing in the stock market.

Informant L5's response explains that the existence of the voluntary savings scheme does provide an opportunity for informal workers to contribute their money to a retirement fund. However, whether or not they are able to contribute to the savings scheme is another issue. N1 confirmed that although the RMF is open to everyone, the target group is middle-income and high-income private employees; mostly those who have already invested in the stock market or are interested in investment but do not want to take too high a risk. Clearly, the comments of L5 and N1 confirm that the RMF is not the right programme for informal workers with a low-income level. It becomes plausible why, in the questionnaire data, participants admitted they were least satisfied with this savings programme.

#### **5.4.2.2 NSF staff**

After interviewing some members of the NSF staff, a number of interesting issues arose that should be highlighted.

Interviewer: The NSF has just been introduced again. What is the reaction to the programme among citizens?

Interviewee L3: It has been only a month since the NSF registration date started (20<sup>th</sup> August 2015), however, many people have already signed up for the programme. It has been a very positive sign.

Interviewer: As the NSF was just introduced, has there been lots of work to do?

Interviewee L3: It was very busy over the last few months. We all have to learn everything new.

Interviewer: Were there any difficulties regarding the shift of the SSA 40 to the NSF?

Interviewee L3: All contributors to the SSA 40 wishing to continue contributing to the voluntary savings scheme will have to register before 23 March 2016. Some of the SSA 40 contributors have already registered with the NSF. A few of the SSA 40 contributors came to us and asked about the similarities and differences between the NSF and the SSA 40. I can tell them what I can tell. But if I can't tell them something, I tell them to ask the officials who work for the SSA 40, who can provide better information than I can. But I think it will be cancelled soon, and it shouldn't be any problem.

Interviewer: As the news reported, citizens aged 15–59 in the informal sector are eligible to register for the programme, and those who are older than 60 are eligible to register only the first year after the programme was introduced. Is that correct?

Interviewee L3: Yes, it was supposed to be like that. However, at the moment, those who are older than 60 are not yet permitted to register for the NSF, as there

is a technical problem. Once citizens aged 60 and above are allowed to register, the announcement will be made. But we're not quite sure yet when will that be.

Interviewee L3's comment indicates that even though the voluntary savings scheme claims to have switched from one programme to another, the system is not as ready as its campaign suggested. The NSF advertised that any Thai senior citizen in the informal sector aged 60 and above was allowed to join the programme only in the first year after the programme was introduced. However, what actually happened was that even though registration for the NSF has now started, there is only registration for contributors aged from 15 to 59. Any interested senior citizens aged 60 and above have to wait for the announcement that registration for this age band is open. This reflects an ill-prepared registration system. Citizens aged 60 plus were allowed to join the NSF within the first year that the programme was introduced, but the registration system for the elderly was not ready at the same time as for those aged between 15 and 60. This suggests that NSF registration is another example of a period of slow development in Thailand.

Further, another interesting point to note is that NSF staff could not clearly explain the differences between the NSF and the SSA 40. The staff misunderstood the cancellation of the SSA 40; as it was claimed that the SSA 40 would soon be cancelled. However, it was only SSA 40 options 3, 4, and 5 that were cancelled, with SSA 40 options 1 and 2 still in existence. Though NSF staff (L3) were not in charge of the SSA 40, it would be better to acknowledge this basic information; as they were in the process of transferring from one savings programme to another savings under the same savings scheme. Nevertheless, it is understandable why L3 had misunderstandings over the cancellation of the SSA 40. Indeed, many newspapers used the news that the SSA 40 would be cancelled as a headline (ASTV, 2015; Bangkok Biz News, 2014). They did not clearly clarify that this only related to options 3, 4, and 5. This misunderstanding perhaps the main reason why there was a lot of criticism from SSA 40 contributors who did not want to transfer to the NSF (Bangkok Biz News, 2014). Reforming several times and giving out unclear information are both likely barriers deterring citizens' interest. The data from N2 also confirms that the NSF was still very new to everyone. There were a lot of things to learn, not only for the citizens but also the staff members themselves, as well as a lot of things to explain and advertise about the programme. Nevertheless, N2 claimed that the NSF is a very good

savings programme, creating both financial sustainability and a savings option for informal workers.

#### **5.4.2.3 SSA 40 staff**

The data from SSA 40 staff also reveal some interesting information that is relevant to the focus of this thesis.

Interviewer: The SSA 40 will be cancelled soon. Was it hard for you to communicate or explain this to citizens?

Interviewee L4: The SSA 40 will be cancelled, only options 3, 4 and 5. However, SSA 40 option 1 for insurance benefits and option 2 as a savings option for lump-sum payment benefits are still available. The contributors to the SSA 40 option 2 will get a lump-sum payment after they reach 60 years of age. The main differences between options 2, and 3, 4, and 5 were the amount of money that they would have to contribute in each year and the benefits. However, as options 3, 4 and 5 will be cancelled soon, the only savings option with old-age benefits is option 2. For anyone who is interested in joining the programme from now on, I, as a staff, will recommend option 2; because the contributors will get both insurance and lump-sum payment benefits. All the SSA 40 contributors to options 3, 4, and 5 who wish to continue contributing must register for the NSF instead; because we only accept contributors between the ages of 15-60. There were some confusions at first, but I just explain it to them (citizens).

L4 stressed that she and her colleagues also went to the local area from time to time to provide residents with the latest information about the programme. L4 even stressed that SSA 40 staff bring leaflets and registration form with them in case anyone is interested and would like to register right away. This implies that SSA 40 staff pay much attention to providing updated information and giving the population the most convenient way to register. This does not happen with regards the NSF.

Interviewer: Were there any confusing issues that citizens noted?

Interviewee L4: There were a lot, actually. There were lots of elderly people coming to us and asking why they had to move from the SSA 40 to the NSF. Protests even occurred earlier. However, everything is settled now.

Interviewer: Does it mean that you have to work with those in charge of the NSF at all? Do you have to provide information about the NSF to the citizens who inquire information?

Interviewee L4: I don't have to work with them. We are in different departments, supervised by different ministries. There is no point for us working together. I just do what my boss tells me to do. Some asked about the differences between SSA 40 and the NSF. However, I could not answer them. I could only tell them information about the SSA 40.

One interesting point to highlight from L4 and N3 is that SSO staff and NSF staff work independently. This supports the data from L3 and N2 (NSF staff). Regarding the interview data from NSF and SSA 40 staff members and senior citizens expressing their opinions on the SSA 40, there were some significant misunderstandings. Many citizens, and even NSF staff, thought that the SSA 40 would be cancelled; however, what actually happened was that this only happened to options 3, 4 and 5. The saving with lump-sum payment benefits of the SSA 40 is still available using option 2. That said, without the interview data from L4 and N3, it would be hard to clarify the confusion of the SSA 40 during the beginning of transferring and cancelling the process. Additionally, both L4 and N3 confirmed that the decentralisation process also occurs in the Social Security Office (SSO), with the Ministry of Labour supervising the SSA 40; there are some SSO staff who are in charge of the SSA 40 in different local areas. This can be confirmed by 80 SSO local units in different provinces across Thailand and 12 different areas across Bangkok (SSO, 2009). On the other hand, those NSF staff, who communicate with Thai citizens, work in local offices and do not visit local areas as do SSO staff.

The current picture of the voluntary pension scheme is the result of the 2015 government's effort to reduce the complexity of having two savings programmes in the voluntary savings scheme for informal workers. If informal workers wish to receive a

lump-sum payment and insurance benefits, they have to join the SSA 40; if they wish to receive a pension, they have to join the NSF. After reforming both programmes several times, the development of the voluntary savings scheme in 2015 marked the first time the government had taken an actual step towards establishing an effective voluntary savings scheme for these informal workers. The interview data from NSF and SSA staff clarify why the questionnaire respondents were more satisfied with the SSA 40 local bureaucrats' actions.

### **5.4.3 Discussion: The effect of decentralisation and policy design**

From local and national bureaucrats' perspectives, there are two main points worth noting: the decentralisation effect and the complexity of policy design. These two main points appear to be relevant to the data from the questionnaire survey presented in the previous chapter as well as senior citizens' interview data.

First, the interview data from local and national bureaucrats confirm that the decentralisation process significantly advantages the effectiveness of extending pension and savings schemes coverage (OAA and SSA 40). Local and national bureaucrat interviewees expressed that updated information was delivered to local residents. This also expressed by most senior interviewees. However, migrants in the informal sector, specifically those with a lower educational background, tended to get less information and were also constrained by the OAA household registration system. Based on this, the nature of decentralisation is shown to have significant impact on extending pension and savings scheme coverage to informal workers, both positively and negatively.

Second, providing two different programmes supervised by different supervisors in the same voluntary savings scheme is one of the constraints on the effectiveness of extending coverage to the informal sector. Although the latest reform of the SSA 40 programme in 2016 reduced confusion among citizens, the origin of the savings scheme itself was still too complex. Many people were unsure of what actually had happened, including both recipients and local bureaucrats supervising other programmes or other pension and savings schemes. There has been very limited communication and ongoing lack of clarity about the respective roles played by the NSF and SSA 40, why two programmes are needed and what criteria informal sector workers should use to choose between them. It



appears that the two different savings programmes of the voluntary savings scheme are competing with each other. While the Ministry of Finance is busy introducing and promoting the NSF to informal workers, the Ministry of Labour is busy promoting the SSA 40. This problem is something that has been raised before in prior studies (Brustard, 2011; Jitsuchon et al., 2012). In 2012, Jitsuchon et al. (2012:26) recommended the government phase out some savings options for informal workers, including RMFs and SSA 40 option 2, as the NSF could support consolidation; the authors also recommended reducing the number of ministries regulating pension programmes to just one or two. So far, only a year after Jitsuchon et al. (2012) commented on this, another three savings options under the SSA 40 have been introduced in December 2013, while registration for the NSF stopped. Then, in 2016, SSA 40 options 3, 4 and 5 were cancelled, and the NSF was renewed. The development of the savings scheme has mostly returned to its position at the time of Jitsuchon et al.'s criticism. It appears that the voluntary savings scheme for informal workers has gradually come full circle, moving from confusing to more complex to less complicated. It is not a bad thing to provide options for citizens, but this system might prove simply too complex for anyone with little education, little family support and limited information from local bureaucrats about pension and savings schemes.

In summary, Chapter 4's questionnaire survey and comparison of the interview data from the citizen groups to the local and national bureaucrats shows that decentralisation and the complexity of the policy design of the non-contributory and voluntary savings schemes both affect informal workers' decisions to join the programmes. The nature of informality, decentralisation and the complexity of the policy design is a barrier to the system's capacity for inclusion. It significantly impacts informal workers' decisions around joining pension programmes; it therefore automatically affects the expansion of pension and savings scheme coverage. The data confirm that, following the transformation of the five-pillar pension model, the informal labour market, decentralisation system and pension system are now functioned in the Thai five-pillar pension system's institutional framework.

## **5.5 Concluding remarks**

The data analysis in the previous chapter shows that informality significantly affected informal workers' decisions on whether to join the Thai pension programmes. The interview data in this chapter further demonstrates how the nature of informality has

significantly impacted informal workers' decisions on joining the pension and savings schemes, and thus the effectiveness of extending pension and savings scheme coverage to the informal sector. This chapter also shows that the effect of decentralisation is another significant causal factor affecting informal workers' interests and decisions, and thus affecting the general effectiveness of the pension and savings schemes' coverage.

The data analysis in this chapter shows that the nature of decentralisation has, in many respects, caused both advantages and disadvantages to occur in the pension system. On the one hand, the decentralisation process has helped citizens to receive updated information about the way the pension system works, with both rural and urban citizens receiving the most updated information about the OAA and savings programmes quite consistently from local staff. The process advertising the pension and savings schemes appeared better than before the decentralisation process was underway in the institutional framework of the Thai five-pillar pension system. This supports some previous studies' arguments on how decentralisation has contributed to the successful performance outcome of OAA coverage (Suwanrada, 2009; Suwanrada and Wesumperuma, 2013). On the other hand, the decentralisation process appears to be pulling some citizens back from joining the OAA. More specifically, rural migrants, who have moved into the informal labour market after locating to cities, have tended not to join the OAA. The decentralisation process of the OAA household registration system has created an obstruction for rural migrants, allowing them to register only at their official local area office, and within a short time frame. This causes difficulties for many migrants in the informal sector. If senior citizens were simply allowed to register at their closest registration station, a major obstruction to those migrant informal workers' accessing the allowance would disappear; and thus the number of citizens joining the programme would possibly be higher.

The in-depth interview data confirm that the decentralisation structure is another causal factor unintentionally shaping a vulnerable group in the Thai pension system- migrant informal workers with low educational background and low-income level. Together with informality, decentralisation appears to be creating a powerful constraint on citizens' decisions to join the pension programmes, and also forming the vulnerable group in the pension system. The negative impact of decentralisation has occurred in many cases not just Thailand, for example, in China. The data analysis in this chapter confirms that the

Thai government not only ignored the interaction between the Thai pension system, labour market system, and public administration, but carelessly follow the World Bank's conceptual framework for the pension reform options as well. This could be the reason why the pension and savings schemes coverage for informal workers was only partly successful.

Apart from informality and decentralisation constraints, policy design and superior options are a further two causes in terms of citizens' interest in joining the pension programmes. First, providing two different savings programmes caused a lot of complexity and confusion for Thai senior informal workers. Even though both programmes were finally reformed to a less complicated version in 2016, the confusion remains, as clarification of the development has been poor. Second, some middle- and high-income classes in the informal labour market were not interested in joining the savings programmes. Those informal workers with enough financial resources to make a savings contribution tend to be able to find superior options from their family supporters; while those low-income informal workers who remain interested in the savings contribution programmes, are unable to afford the payments. The superior options reflect how the respondents' personal characteristics and labour market conditions have a significant impact on their experience and decision making.

In the following chapter, the data from Chapters 4 and 5 will be analysed and discussed in order to evaluate the main research questions.

## CHAPTER 6

### DISCUSSION

#### 6.1 Introduction

The previous chapters (Chapter 4 and Chapter 5) evaluated the effects of informality and decentralisation on informal workers' decisions to join the pension programmes of Thailand's non-contributory pension scheme and voluntary savings scheme. The data in Chapter 4 show that informality significantly constrained informal workers' savings behaviour, clearly impacting the effectiveness of extending voluntary savings scheme coverage to informal workers. The informal working population, a vulnerable group of the labour market system, has now become a vulnerable group in the pension system, particularly those with low educational background and low-income level. Chapter 5 not only confirmed that the impact of informal workers' low income on their savings behaviour has been influenced by the low level of educational background, but also concluded that the nature of decentralisation is double-sided. The decentralisation structure significantly encouraged most citizens to join OAA; however, the OAA household registration system's decentralisation process constrained some rural migrants in urban areas, specifically those in the informal sector, from registering for the programme and receiving any pension provision. Both Chapters 4 and 5 emphasised how informality and decentralisation are causal factors affecting informal workers' interests and decisions regarding joining pension and savings schemes, and automatically affecting the effectiveness of pension and savings scheme coverage of the informal sector. However, these two chapters did not reveal whether the institutional structure of each pension programme also affects informal workers' interests and decision-making, or whether the new multi-pillar pension model's design has formed a broader and more complex institutional framework. Furthermore, it is unclear whether the implication of the five-pillar pension reform has formed a new Thai welfare state regime. Given the Thai situation, Chapter 6 examines the effect of institutional pension programmes on citizens' decisions, the Thai pension system's institutional framework, and the Thai welfare state regime following this reform.

This chapter evaluates three main research questions: 1) What are the constraints on the effectiveness of extending pension and savings scheme coverage to informal workers?; 2) To what extent has the nature of five-pillar pension reform influenced the institutional framework of the Thai pension system?; and 3) To what extent has the implication of the five-pillar pension reform formed a new Thai welfare state regime? To answer these questions, this chapter integrates data analysis from previous chapters using different approaches regarding welfare state and comparative-historical analysis.

To answer the first two questions and evaluate the case, this chapter employs five different ideal types of institutional structures of welfare state institutions (Korpi and Palme, 1998), along with the macro-configurational aspect of comparative-historical analysis, as analytical tools. These two approaches examine the causal factors affecting informal workers' interests and decisions around joining the schemes and clarify the influences of five-pillar pension reform on the Thai pension system's institutional framework. The answer to the third question, on the other hand, evaluates the typology of the welfare state in Thailand since the five-pillar pension reform. This helps the researcher clarify whether the evolutionary process of the Thai welfare state regime has been influenced by the nature of the five-pillar pension reform and perhaps its unique historical background. The answers of these questions will lead to this thesis's main focus: to examine the implication of the multi-pillar pension system in Thailand and its capacity for informal workers' inclusion.

This chapter is broken into five sections. An outline of the overall chapter and its main foci are reviewed in the first section. Next, the institutional structures of the pension programmes in the Thai five-pillar pension system are analysed and discussed so as to examine whether the institutional structure of the pension programme is another causal factor affecting informal workers' interests and decisions around joining the schemes, and thus influence the effectiveness of pension and savings schemes coverage. Even though the case studies in this thesis are the pension and savings programmes that exist in the non-contributory zero pillar, along with the voluntary savings scheme in the third pillar, this section also evaluates different pillars of other pension programmes so as to make a comparison and clarify the case study more clearly. Next, the third section examines how five-pillar pension reform has influenced the institutional framework of the pension system and the effectiveness of extending pension and savings scheme

coverage to informal workers; by integrating and analysing the data analysis in Chapters 4, 5 and the previous section, the answer to the first two main research question should be reached. This section explains how the informal labour market, decentralisation, and institutional structures of pension programmes are relevant to the evolutionary process of the Thai pension system, and can possibly influence the effectiveness of pension and savings schemes coverage on the informal sector, following five-pillar pension reform. In the fourth section, the typology of the Thai five-pillar pension system is analysed and presented. This section briefly tracks back to the historical background of the Thai welfare state regime, before paying attention to the evolutionary process of the welfare state in Thailand since the five-pillar pension reform. Finally, the conclusion section is presented before leading to the final chapter of the thesis.

## **6.2 Korpi and Palme's different types of welfare state institutional structures in the Thai case**

The data analysis from previous chapters (4 and 5) reveal the causal factors affecting informal workers' decisions to join the Thai pension and savings schemes. They highlight how the informal labour market and decentralisation are the institutional factors functioning in the institutional framework of the Thai pension system, impacting the effectiveness of pension and savings schemes coverage for the informal sector. This section, on the other hand, attempts to find out whether the institutional structure of each pension programme can be explained as another causal factor affecting the effectiveness of extending pension and savings schemes coverage.

Korpi and Palme (1998:666) propose five different types of institutional structures for old-age pensions and sickness cash benefits programmes (targeted, voluntary state-subsidised, corporatist, basic security and encompassing models). This is done to describe the role of conflict for interest groups, in terms of the relative roles of markets and politics in the distributive process; as well as to examine the formation of interests, preferences, and identities, resulting in the degree of poverty and inequality in a society. They (1998:664) explain that different types of institutional structures can be shaped by the actions of different interest groups in a society, and in return, different types of institutional structures can also shape the formation of interests and preferences among citizens. Accordingly, this thesis employs the concept of the institutional structures of welfare states to identify citizens' interests and decisions that they are likely to make in

the context of the Thai five-pillar pension system. Korpi and Palme (1998:669) stress that each type of institutional structure refers to just a single model in a particular insurance area; more than one programme may exist, and more than one institutional type. Accordingly, as in Thailand's current five-pillar pension system, there are a few programmes offering four different pillars, this thesis analyses each programme of each pillar individually so as to also more clearly evaluate their impact on citizens' interests and decisions around joining the pension programmes.

### **6.2.1 The institutional structures of different programmes in each pillar**

Even though this thesis's main focus is on four different pension and savings programmes of the non-contributory pension scheme in the zero pillar and the voluntary savings scheme in the third pillar, different pillars of other pension and savings programmes are also discussed so as to better clarify the differences in their results. In other words, analysing the institutional structure of each pension and savings programme in different pillars helps explain why the outcome of the voluntary savings scheme was not as successful as other schemes. As reviewed in Chapter 2, there are five different pillars in the current Thai five-pillar pension system. The zero, first, second and third pillars are organised by the state, with only the fourth pillar representing private individuals' financial and non-financial supports and informal-assets (Holzmann et al., 2005; Holzmann et al., 2008). Accordingly, only pension and savings programmes in the zero, first, second and third pillars are analysed and discussed. After evaluating the data analysis from the last two chapters carefully using the lens of Korpi and Palme's five different types of the institutional structures, it appears that different programmes in the same and different pillars represent different types of institutional structure, with different target groups from Korpi and Palme's ideal types. Moreover, the institutional structures of four different pillars appear to reveal that the institutional structure of the Thai five-pillar pension system is a crossbreed type.

To begin with, in the current Thai five-pillar pension system, pension programmes in the zero pillar represent both basic security and targeted models. Regarding the ideal concept of the World Bank's five-pillar design (Holzmann et al., 2008:5; World Bank, 2008:7), the zero pillar is a non-contributory social assistance programme, financed by the state to deal with poverty alleviation and to provide minimal old age pension provision to all

senior citizens. However, feasible options for reform depend on country-specific considerations to be codetermined by the development status and income level of country (World Bank, 2008:5). The universal OAA was introduced after five-pillar pension reform. It matches the World Bank's ideal zero pillar type and can be categorised as a basic security model. Korpi and Palme (1998:668) explain that the basic security model aims to offer achieve basic security for all citizens universally. They highlight that the fundamental principle of the basic security model is to have either flat-rate benefits or a low ceiling on earning replacements in order to leave some space for better-off and high-income citizens to protect their standard of living through private insurance programmes. The interview data in Chapter 5 reveal that some elderly in the informal labour market argued that the amount of old age provision was fairly small, and they preferred being sponsored by their family; however, they registered for the OAA anyway as they believed it to be their right (interviewees R3, R13, and R15). These people are those with the option to choose, whilst those with a lower income and no financial support believed that the OAA was good enough for them, or at least better than nothing (interviewees R1 and R6). The OAA first started with (very) low flat-rate benefits, but after the system was reformed, it changed to multiple-rate benefits, depending on recipients' age (as reviewed in Chapter 2). Based on its institutional characteristics, it can be confirmed that the OAA is a basic security model. However, due to the inherited Thai pension system, the Government Pension (GP), which is another pension programme in the zero pillar, is instead a targeted model. The GP is the oldest pension programme in Thailand, one targeting only government officials. This programme is not for those who fall below the poverty line or are defined as needy, as explained in Korpi and Plame's paper (1998:667). Rather, it is a basic pension provision to ensure economic security in government officials' later life. This implies that before 1997, the state only offered privileged welfare to state employees.

The first pillar of the pension programme is a mandatory pension programme with contributions linked to earnings-related contributions; its purpose is to replace some portion of pre-retirement income (World Bank, 2008:7; Jitsuchon, et al., 2012:34). It presents a concept of the corporatist model. The Old Age Pension (OAP) is a pension programme for private employees in the formal labour market. The standard contribution rate for the OAP is 7% (3% from employers, 3% from employees, and 1% from general government revenues) (Brustard, 2011:181; Boonpiam, 2014:13). Korpi and Palme (1998:668) highlight that in the corporatist model, programmes are financed primarily via



contributions from employers and employees, whilst the state is a minor third party. The OAP's institutional characteristics clearly reflect the corporatist model. Next, the Government Pension Fund (GPF) in the second pillar appears to match the concept of both the corporatist model and the voluntary state-subsidised model. The second-pillar is a mandatory individual savings account with a defined contribution plan (Holzmann et al., 2008:8). The GPF is a pension programme for government officials who served the state after 1997. Both the government and government officials contribute 3% of monthly wages to the GPF (Brustard, 2011:181). Even though the main actors of the institutional structure of the corporatist model are employers and employees, the GPF process is the same, existing by changing the main actor from employer to the state. Meanwhile, the GPF also shares similarities with the voluntary state-subsidised model, as this programme uses tax money to provide insurance for protecting state employees. The target group of the voluntary state-subsidised model is the skilled workers and middle-income class; data in previous chapters (Table 4.3) show that formal workers tend to be in regular middle-income and high-income classes, unlike those of the informal working population. This confirms that the pension programmes in both the first and second pillars perfectly match the target group of Korpi and Palme's corporatist and voluntary state-subsidised models: middle-income and skilled workers.

Next, even though savings programmes under the voluntary savings scheme in the third pillar also represent the voluntary state-subsidised model, different programmes focus on different target groups. The RMF is a savings programme that both formal and informal workers are eligible to join. However, it seems to primarily impress private employees in the formal labour market, as RMF participants enjoy tax deductions on contributions or may hope to make additional savings (Bangkok Bank, n.d.; Brustad, 2011:184; Creveling and Creveling, 2016). Korpi and Palme (1998:668) highlight that the middle-income class and better-off citizens are the main target group of the voluntary state-subsidised model, rather than poor, unskilled informal workers. This is because the eligibility criteria for benefits using this model is based on voluntary contributions. This implies that even Korpi and Palme do not believe that this will work if low paid and irregular income workers form the target group. The RMF target group appears to match the ideal target group of the voluntary state-subsidised model. However, on the other hand, the target group of the NSF and the SSA 40, is the informal labour market, which is clearly opposite to Korpi and Palme's suggestion. The contribution rate of these two savings programmes

include the government matching contributions as an incentive to participants (Prapha, 2013; NSF, 2017b). Even though these two savings programmes are categorised as operating as part of the voluntary state-subsidised model, the target group is instead informal workers, who tend to earn a very low and irregular income. The priority aim of these two programmes is to extend social security coverage to informal workers and to enhance their quality of life (SSO, 2012). This clearly implies that the Thai government have tried to take difficult things and make them possible. Indeed, it can be argued that the World Bank has suggested a fairly difficult challenge for clients to follow. The question then raised is whether this mismatched target group could be a reason behind the effectiveness of savings scheme coverage in the informal sector?

Korpi and Palme (1998:669) suggest researchers bear in mind that these types are just ideal concepts, which can never exactly fit the real world; instead, researchers must expect “to find crossbreeds, not purebreds; alloys, not elements.” The data analysis of this chapter also came to the same conclusion. It appears that different programmes in different pillars represent different types of institutional structure. Also, the concept of informal workers joining both the non-contributory pension scheme and voluntary savings scheme appears to match the encompassing model. Korpi and Palme (1998:669) assert that the concept of an encompassing model is a combination of the basic security model and the corporatist model that comes with universal programmes offering basic security for all citizens and earnings-related benefits. Korpi and Palme contend that this encompassing model is a way to not only reduce the demand for private insurance, but also offer a potential social insurance for all citizens within the same programme (*ibid.*). Accordingly, it appears that the purpose of offering non-contributory pension scheme and voluntary savings scheme to the informal sector shares an idea with the encompassing model. However, the major point of difference is that the encompassing model offers a universal programme of both basic income and earnings-related benefits to everyone; whilst the universal OAA of the non-contributory pension scheme includes both formal and informal sectors, but the savings programmes of the voluntary savings scheme in the third pillar includes only the informal workers.

One of the reasons why these five different types of institutional structures were proposed (Korpi and Palme, 1998:665) lies in the need to examine the effects of institutions on citizens’ interests and preferences and the degree of poverty and inequality in society.

After the introduction of the non-contributory pension scheme and the voluntary savings scheme, the number of Thai elderly in poverty was reduced. Jitsuchon et al.'s speculation (2012:28) on the poverty gap and the severity of poverty for the Thai elderly between 2006-2008 and 2009-2010, indicates that since the OAA switched to universal coverage in 2009, the reduction in poverty for the Thai elderly population was significant; from 23.25% to 14.72%. Some scholars also stress that reforming the universal OAA not only alleviated poverty for the elderly, but also improved pension distribution by fully covering all Thai senior citizens in both formal and informal sectors (Suwanrada, 2012; Suwanrada and Wesumperuma, 2013). It appears that the government has gradually achieved its aim regarding poverty reduction. Indeed, poverty for the Thai elderly has fallen parallel to increased pension coverage for Thai senior citizens (ILO, 2016:1). However, extending savings coverage to informal workers seems to still have a lot of room for improvement. The voluntary savings scheme for informal workers remains the only scheme that was unsuccessful in achieving its coverage goal, unlike the non-contributory pension scheme. Questions thus arise: what are the causal factors behind this outcome? Does the institutional structure of the pension programme also influence citizens' interests and decision making, thus affecting the effectiveness of extending savings scheme coverage? These concerns will be explored in the next section.

### **6.2.2 The effect of institutional structures on informal workers' interests and decision making**

In the current Thai five-pillar pension system, the pension and savings schemes of the zero and the third pillars are the only two that informal workers are eligible to join. However, the performance outcome of these two schemes appear to be vastly different. Korpi and Palme (1998:663) point out that institutional structures affect citizens' interests and preferences; in return, institutional structures are shaped by citizens' interests and preferences. After analysing the data analysis via different types of institutional structures, this thesis agrees with Korpi and Palme's argument on how the institutional structures of pension programmes are the causal factors affecting citizens' interests and decisions around joining pension programmes.

On the one hand, the institutional characteristics of the universal OAA positively affected citizens across both formal and informal sectors to join the programme. For example, the number of OAA recipients skyrocketed from 1.7 million in 2008 to around 5.5 million in

2009 (NSO, 2009); and the number of recipients has grown annually since then. Many scholars claim that the government has to give major credit to the decentralisation process of local governance, as this helped universal coverage to run smoothly (Sakunphanit and Suwanrada, 2011:408; Suwanrada and Wesumperuma, 2013). However, if the characteristics of the OAA itself, providing a basic income to everyone, did not affect citizens' interests, they would not have registered for the OAA in the first place. Accordingly, this implies that both the decentralisation process and the characteristics of the OAA are the causal factors affecting citizens' interests and decisions around joining the scheme.

On the other hand, the institutional structures of savings programmes (RMF, NSF, and SSA 40) in the third pillar reflect a different picture from the OAA. The characteristics of the institutional structures of three pension programmes can be categorised as within the voluntary state-subsidised model. However, the major difference between the RMF and the NSF and the SSA 40 is the target group. The NSF and the SSA 40 are known to target low and unskilled informal workers to become members of the voluntary savings programmes, instead of middle-income and skilled workers, who are the target group of the voluntary state-subsidised model. This thesis suggests that mismatched target group of the pension programmes from Korpi and Palme's suggestion has a significant negative impact on the effectiveness of the savings scheme. The data analysis in Chapter 4 and Chapter 5 indicates that informal workers with enough financial capacity to contribute were not interested in joining the voluntary savings scheme, due to various reasons such as complexity of policy design and having superior options. Meanwhile, those poorer informal workers, who likely live with financial constraints but expressed an interest in joining the savings scheme, were clearly the least able to afford to make a contribution. Rather, this group tends to focus on living in the present, a day-to-day existence, that is less concerned with the future (interviewees R5, R8, R12, R16 and R7; Jitsuchon, et al., 2012:40). It thus appears that the chance of informal workers contributing to the savings plan is fairly slim. Because it is difficult to expect workers who earn quite a low and irregular income to constantly contribute for their future, even Korpi and Palme (1998:668) have suggested not to choose them as a target group. Accordingly, it can be concluded that the institutional characteristics of the savings programmes of the voluntary savings scheme did affect some informal workers' interests. However, due to their financial status, it pulled them back from making contributions. This implies that the

voluntary savings scheme for informal workers does not have a negative effect on the effectiveness of extending savings scheme coverage to the informal sector. Instead, the real causes are a mismatched target group and the nature of informality.

It appears that the Thai government tried to make the impossible possible, with their goal of seeing low- and irregular-income workers constantly make savings contributions for their later life. Unfortunately and unsurprisingly, the result turned out the same way as many scholars had predicted, with a low number of informal workers joining the voluntary savings scheme (Sakunphanit and Suwanrada, 2011; Jitsuchon et al., 2012; Chandoewit, 2014). Nevertheless, to place the majority of the blame on the actions of the Thai government's action may not be right either. The reason why the informal working population is the target group of the voluntary pension scheme is the Thai government implemented the voluntary savings scheme in the third pillar from the World Bank's five-pillar pension design. Still, the World Bank has already emphasised that how each country implements the model is reliant on its own decisions. This implies that if anything goes wrong, the government is fully responsible for that outcome.

Holzmann et al. (2008:4) point out that some pension systems function effectively with only a universal social pension programme in the zero pillar and a voluntary savings programme in the third pillar. This implies that the combination of basic security model and voluntary state-subsidised model, or the concept of the encompassing model, might work very well for some countries. Korpi and Palme (1998:670) review that Nordic countries, including Finland, Norway and Sweden, are sample countries forming the encompassing model for the nations' citizens. It is worth noting that the Nordic countries are developed countries with only around 11% of the working population in Nordic countries are employed in the informal sector (Hazans, 2011:1). However, more than half of the working population in Thailand are employed in the informal labour market (NSO, 2016). Most specifically, the focus group of the voluntary savings scheme in the third pillar includes only the informal workers, who likely live with financial constraints and were clearly the least able to afford to make a contribution. This dissimilar factor may lead to different outcomes. The opportunity for informal workers in middle-income countries like Thailand to make savings contributions is far slimmer than for those in high-income countries.

To conclude, the data analysis in this section reviews how the institutional structures of pension programmes from both the non-contributory pension scheme and voluntary savings scheme affected informal workers' interests and decisions to join the pension and savings schemes. The data emphasised that decentralisation and informality are either compatible or incompatible with the institutional structures of the pension programmes, depending on its nature in affecting informal workers' interests and decisions. The institutional structures of the pension programmes in the Thai pension system have significantly influenced informal workers' interests and decisions. However, the nature of other factors functioning in the institutional framework of the Thai five-pillar pension system, including the informal labour market and decentralisation, have also indirectly impacted on their decisions, and thus also on the effectiveness of extending pension and savings scheme coverage to the informal sector.

The data analysis in this study reveal that the interaction between the labour market, public administration and pension systems is an outcome of the nature of five-pillar pension reform. The question then raised is 'To what extent has the interaction among these three institutions combined to form a causal package that affect the Thai multi-pillar pension system's outcomes?'

### **6.3 The nature of individual causal factors works together as a 'causal package'**

The data analysis in Chapters 4, 5, and 6 show that informality, decentralisation, and institutional structures of pension programmes are the causal factors affecting informal workers' interests and decisions around joining the pension and savings schemes. The empirical chapters reveal that, since the 2009 pension reform, the informal labour market and public administration decentralisation now function in the Thai pension system's institutional framework. This section evaluates the data analysis again to determine whether the nature of the informal labour market, the decentralisation and the policy designs of different pension programmes work together as an effective 'causal package' that can affect outcomes of the pension reform.

Using the macro-configurational approach, Mahoney and Thelen (2015:7) give an example of a relationship between X and Y. They explain that the effect of X on Y

normally involves other variables that interact with X, which possibly shape the nature of its effect on Y. They further explain that the nature of individual causal factors work together as ‘causal packages’ shaping the interest and actions of key actors (individual citizens) (Mahoney and Thelen, 2015:7). If this assumption is correct, the outcomes at the macro-level might be traceable to the actions and motives of individual agents or citizens (p.10). Accordingly, for the case study, the macro-configurational approach tests the Thai pension reform’s capacity of comprehensive coverage for informal workers; it also examines how the informal labour market, decentralisation, and welfare state institutions interact in the current Thai pension system’s institutional framework and impact citizens’ interests and decisions around joining the schemes following five-pillar pension reform. Based on data analysis utilising the macro-configurational approach, this thesis’s assumptions regarding the effect of the five-pillar pension reform on the institutional framework of the Thai pension system are correct (Chapter 2 section 2.3.3).

First, this thesis’s data analysis shows that, due to the correlation between informal labour market and the Thai pension system, informal economy and informal workers’ personal characteristics are the significant labour market conditions impacting the workers’ pension savings decisions at the local level; they subsequently affect the inclusiveness of pension reform. Many previous studies have examined low and irregular income of informal workers, focusing on how savings contributions might have been impacted even before the such workers were allowed to join the formal pension system (Warunsiri, 2011:451; Chudasri, 2014; Chandoewit, 2014). Based on this study’s data analysis and that of prior studies, this thesis thus concludes that since the 2009 multi-pillar pension reform, the informal labour market functions within the Thai pension system’s institutional framework, which is an outcome at the macro level. Meanwhile, the effectiveness of pension scheme coverage is a result of informal workers’ low participation in pension savings at the micro level. The negative impact of the informal labour market on the reform’s outcomes is a result of how the influence of low educational background on finding jobs and earning income level interacting with the informal labour market can shape its effect on the effectiveness of the savings scheme. Some scholars point out that this pension scheme was introduced to ensure economic security for Thai senior citizens in the informal sector, teaching them to save and maintain their financial self-reliance later in life (Sakhunphanit and Suwanrada, 2011:404; Chudasri, 2014; Chandoewit, 2014). Based on the data analysis, this thesis adds to these scholars’

argument that the government can only convince informal workers on the importance of retirement savings and entice them join the government savings scheme. However, the negative elements of informality are greater than the benefits of saving for the future.

Second, the data show that decentralisation is another causal factor affecting informal workers' decisions at the local level, which is an outcome of the correlation between the public administration and pension system. The data analysis shows that the decentralisation process of the OAA household registration system has enhanced OAA coverage for the majority of the elderly, as claimed by previous studies (Sukunphanit and Suwanrada, 2011; Suwanrada, 2012; Suwanrada and Wesumperuma, 2013). However, the data analysis (Chapter 5) shows that the decentralisation process has both positive and negative effects on citizens' interests and actions. Therefore, this thesis concludes that the two-sided nature of decentralisation is an unexpected administrative issue, which is an outcome of the interaction between the decentralisation of public administration and the Thai pension system following the reform at the macro level, and impacting some migrant citizens' interests and decision-making at the micro level, subsequently constraining the effectiveness of extending pension coverage following the reform.

Third, the data analysis shows that the institutional structure of the pension programme is another institution that functions in the institutional framework of the Thai pension system and is a causal factor affecting citizens' interests and decisions to join pension and savings schemes. The policy designs for both the universal OAA pension provision and the savings programmes for informal workers have significantly caught the informal worker's attention. However, the effectiveness of extending pension and savings scheme coverage to informal workers has not been as successful as the government expected due to other factors involved in the system's institutional framework. More specifically, this thesis found that informality and decentralisation comprise a causal package that significantly and negatively impacts the effectiveness of pension scheme design for informal workers. The informal labour market condition's informal economy pulled some informal workers back from pension savings, while the OAA household registration's decentralisation process unintentionally gave migrant informal workers fewer opportunities to register for the programme than local urban residents. Despite some urban, migrant informal workers' interest in joining the OAA, underlines they claim that the registration process was ineffective to their irregular employment status (interviewees



R9, R10, R12, and R16). This implies that even if the pension scheme policy designs are interesting to migrant informal workers, there is no guarantee that these workers will join the programmes due to constraint of other factors within the institutional framework. Through the lens of welfare state institutions (Korpi and Palme, 1998), this thesis's data analysis shows that the nature of the voluntary state-subsidized institutional structure focuses on skilled workers and the middle-income class, not poor and unskilled workers or those unable to financially source voluntary contributions. The Thai government appears to have set a goal proving too difficult to achieve. The government chose to offer the voluntary savings scheme to low- and irregular-income workers. It is clear why the government's aim to include informal workers in the voluntary savings scheme was not as successful as the non-contributory pension scheme. If the negative impact of informality and decentralisation potentially constraining the pension programmes remains unsolved, it is virtually impossible for informal workers, who are perhaps the most vulnerable group in the system, to join the pension and savings schemes, and more specifically, the savings programmes.

Finally, because of the outcomes of the non-contributory pension scheme and voluntary savings scheme, this thesis concludes that an interaction between the informal labour market, public administration system, and pension system is the result of a broad and complex institutional framework of the Thai pension system at macro level after implementing the World Bank's new multi-pillar pension model; the effectiveness of extending pension and savings scheme coverage to the informal sector is the result of other variables interacting in the informal labour market and public administration system that have impacted informal workers' decisions at the local level. However, because this multi-pillar pension model requires a positive interaction among institutional factors functioning in its institutional framework, the capacity for inclusion of the informal working population in the Thai case was only partly successful.

To conclude, the transformation of Thailand's five-pillar pension system has formed a broader and more complex institutional framework for the Thai pension system. The informal labour market, decentralisation process of public administration system, and pension design of the five-pillar pension model are new factors involved in the Thai pension system's institutional framework. However, because of the informal economy's impact and decentralisation's positive and negative effects, the pension and savings

scheme coverage expansion to the informal sector was only partially successful. The World Bank (2008:1) suggests that to assess pension system designs and reform options and achieve the core objectives of the five-pillar pension reform, it is necessary to evaluate the initial conditions and capacities of country-specific circumstances and evaluation criteria. More specifically, middle-income countries with emerging reform should consider the reform needs of the multiplicity of systems and labour market issues and the administrative capacity's reform environment to achieve the pension model's core objectives (Holzmann et al., 2008:18). The World Bank appears aware of the interaction between pension systems and other institutions and suggests that client countries' governments pay attention to these concerns. However, the Thai government developed the Thai pension system but not develop the labour market system or decentralisation so as to be compatible with the pension system's development. This implies that the Thai government was not aware of the broad and complex institutional framework of the pension system and how the interaction of different institutional factors can negatively impact inclusiveness. This thesis thus concludes that the pension system's focus should not only be on reforming the design, but also diminishing labour market distortion and any negative effects from other factors that enhance the function of its institutional framework.

#### **6.4 Reflecting the typology of the Thai welfare state regime**

The development of social protection in Thailand has been classified into five periods (Chalamwong and Meepien, 2012). The first stage of social protection in Thailand included only pensions for civil servants. Later, social protection for private company employees in the formal labour market related to the workplace were included. The third period of Thai social protection in the 1980s was acknowledged as the turning point of social protection development in Thailand. The 1990s social protection was the first time that social protection programmes were expanded to other groups, including private employees in the formal labour market and underprivileged elderly individuals in rural areas. This period was when the Thai government implemented after the World Bank introduced an initial multi-pillar pension design, or three-pillar pension model; mainly to strengthen the system's sustainability (GPF, 2012). This period was categorised into different types of welfare state capitalism, such as paternalistic welfare state, a developmental welfare state, or a liberal welfare state. However, after the development of social protection in the early 2000s, such as universal access to healthcare, education,

and old age basic income, as many scholars have argued, the Thai welfare state has switched to a universal social protection period (Paitoonpong et al., 2010). This thesis builds on this line by discussing the impact of the implementation of the five-pillar pension reform on the welfare state in Thailand.

In 2009, the evolutionary process of the Thai pension system continued after the World Bank once again introduced a new multi-pillar pension design, also known as the five-pillar pension model. The Thai pension system was completely restructured again to fit with the five-pillar pension model, offering different pension and savings schemes through different pillars of the system to different groups of people, based on their employment status. After this reform, this thesis argues that the typology of the Thai welfare state regime has changed. Nevertheless, what typology of the welfare state regime of the Thai pension system actually is, following this transformation, remains questionable. Esping-Andersen (1997:187) argues that other East Asian and South-East Asian countries are possible representatives of a fourth welfare regime, known as the hybrid model. Meanwhile, some scholars emphasise that multi-layered design represents a more complex welfare mix of Esping-Andersen's hybrid regime (Arts and Gelissen, 2002:139; Rhodes and Natali, 2003:6). Accordingly, this section will explore the welfare state regime of the Thai pension system since the transformation of five-pillar pension reform, which is one of the main research questions in this thesis. To evaluate the welfare regime of the Thai pension system, this thesis follows the same path as used by Esping-Andersen (1997) to analyse the Japanese welfare regime.

#### **6.4.1 Moving beyond the three worlds of welfare regimes: The Japanese and Thai regimes**

Esping-Andersen (1997) himself revisited one of the case studies in his *The Three Worlds of Welfare Capitalism* paper (1990), arguing that the Japanese welfare state regime could not be perfectly described using the classic three types of welfare regimes, instead, a fourth regime, known as a hybrid model, a fusion of catholic-conservative and liberal welfare states, was offered. Esping-Andersen (1997:187) concludes that other East Asian and South-East Asian nations might also be represented by the fourth welfare regime. As Thailand is one of the countries in the South-East region, this section, aims to find out if Thailand can also be categorised as a fourth welfare regime.

Esping-Andersen (1997:181) points out that there are three components which created this Japanese welfare mix: Confucianism, cooperate occupational welfare and an invisible sense regarding Japan's phenomenal achievements of full employment, promoting education and minimising poverty, marginalisation and crime. In the Thai case, based on the data analysis, this thesis also points out three components that form the Thai welfare mix. However, instead of the concept of an invisible sense, this thesis highlights the Thai government's expenditure on pension provision for Thai senior citizens. Instead of a combination of conservative and liberal regimes like in Japan, this thesis builds on Esping-Andersen's hybrid model as proposing that after the transformation of the five-pillar pension model, Thailand is now a welfare mix of three components: conservative, liberal and social-democratic.

First, even though Thailand does not have a Confucian cultural heritage, the concept of a conservative regime, represented by Confucian familialism in Japan, also shows up in the Thai case. Esping-Andersen (1997:181) highlights that the common law and cultural practices of Japan place families and local communities as the main welfare providers; this represents a conservative regime and seems to be relevant to the nation's adherence to Confucian familial and communal solidarities and obligations. Also, the Japanese tend to live in a three-generation household, where the younger generation will look after the elderly. It is important to note that traditional familial function in Thailand is also a major factor shaping the concept of a conservative regime in the Thai case. Even if Thailand's historical background lacks a Confucian inheritance, unlike Singapore and Vietnam in South-East Asian region (Gough, 2001:189; Low, 2006:235; Cook and Kwon, 2007a:223), this thesis stresses that the main welfare providers in Thailand are family members and communities and that this is due to the influence of Thailand's cultural heritage. Based on its historical background, Thailand is one of many Asian countries where families composed of three generations can be found living in one house (Waterman et al., 2017:1372). The interview data from Thai senior citizens (interviewee R8) also reveal that some Thai elderly still live in a three-generation household. The data analysis from both questionnaire survey and in-depth interviews reviews that the Thai elderly tend to live with family members and rely on their private financial support, rather than any provision provided by the state (Chapter 4 Table 4.1 and Table 4.4, Chapter 5 interviewees R13 and R15). The findings in some previous studies also indicate that the majority of Thai elderly received financial support from their families and live with their

children and grandchildren (Gough, 2001:181; Thanakwang and Soonthorndhada, 2007:40; Kuypers, 2014:12).

It is worth noting that Ferrera (1996:18) explains that the Southern model of welfare states, existent in Italy, Spain, Portugal, and Greece, form a separate cluster where the traditional family still plays a key role as welfare provider. Nevertheless, Esping-Andersen (1997:186) argues that neither the Southern model nor the Confucius welfare state should be held up as a unique model, because they all displace the traditional familial welfare function, which is the same as Catholicism in Europe. From this assertion, this thesis builds on this line by emphasising that although Thailand was not categorised as providing any type of familial welfare function as mentioned earlier, and while it does not believe in either Confucianism or Catholicism, the historical background of the Thai case does show that the family has continued to play a vital role in welfare provision for Thai senior citizens. Hence, this is why the thesis stresses that the conservative regime is the regime presented in the Thai case.

Esping-Andersen (1997:186) further points out that the Japanese family model tends to be a male breadwinner and a female housewife. In the Thai case, in the same vein, the data analysis from the questionnaire survey in Chapter 4 reviews that Thai female elderly are mostly categorised as family workers in the informal labour market (Table 4.5 and Table 4.6). The data analysis from the interviews in Chapter 5 and some previous studies further reveal that Thai female elderly are mostly dependent on their family members, which may be their children or grandchildren or husband (interviewees R7, R8, and R19). Some previous studies also note how the Thai culture has shaped the types of jobs available for Thai female and male citizens, with men designated the breadwinners and women staying at home to focus on domestic tasks (Thanakwang and Soonthorndhada, 2007:47; Warunsiri, 2011:451). Being categorised as informal workers mean they will have an irregular income at a lower amount than those in the formal labour market. It appears that female senior citizens have more opportunities than men to face economic vulnerability, and that this occurs in both the Thai and Japanese cases. The familial welfare function (male breadwinner and female housewife) are unique characteristics confirming that a conservative welfare regime has also formed in the Thai pension system, one predicated on the historical influence of Thai traditional familialism. It is important to highlight that the conservative model also represents a combination of very generous

transfer and very few services, along with very privileged welfare state provision for state employees (Esping-Andersen, 1997:182). Even though the Thai pension system has been reformed several times, state employees remain in the top position in the labour market and receive the state's best welfare provision. Because of the Thai familial welfare function and privileged welfare provision for government officials, this thesis contends that the Thai five-pillar pension system can now be categorised as a conservative regime.

Secondly, in the Thai Case, the role of the market regarding liberal welfare state is fairly similar to the Japanese case. Another component that shaped the Japanese welfare mix is corporate occupational welfare, where the concept of liberal regime comes from. Esping-Andersen (1997:184) stresses that the Japanese social security system is quite dependent on either the market or the family. He points out that large and medium firms in Japan are the main social-welfare providers for employees in the private sector, and that this includes pension provision (p.181); additionally, the government has yet offered only a very low level of de-commodification (p.182). In the Thai case, state employees are the privileged group in receiving a public pension. Welfare provision for private employees in the formal labour market is mainly supervised by the firms and employees themselves, with the state playing a very small role. As highlighted in Chapter 2, the Old Age Pension (OAP) is a mandatory defined-benefit plan for private employees in the formal labour market. The OAP is operated on a defined-benefit plan, whereby both company employees and employers contribute 3% each, while the government contributes 1% (Sathavarodom, 2003; Pfau and Atisophon, 2008:7; Boonpiam, 2014:13). Data analysis from the questionnaire survey (in Chapter 4) clearly indicates that workers in the formal labour market enjoy far better economic security in retirement than those in the informal labour market. Nevertheless, the interview data (in Chapter 5) reports that even though formal employees in the private sector have better economic security and pension provision than the informal working population, public employees are still the superior group (interviewees R3, R17, and R19). More specifically, there is an opportunity for Thai employees in the private sector to face financial vulnerability or economic insecurity in later life (interviewee R3). For instance, interview data in Chapter 5 reveals that it is possible for a formal employee in the private sector to be in the same position as informal workers, facing economic insecurity, once they are no longer actively included in the formal labour market. Based on previous studies and data analysis in this thesis, private companies are seen to play a strong role in pension provision for private employees. In

other words, welfare pension provision for Thai citizens that is administered by private companies is heavily dependent on the labour market.

Based on the earlier discussion, this thesis supports Esping-Andersen's view on seeing East Asian and South-East Asian countries as constituting a hybrid welfare regime. This is because offering privileged welfare provision for state employees, providing pension provision based on employment status and contributions with very low levels of de-commodification, as well as relying mostly on family support is clearly indicative of conservative and liberal welfare regimes. However, based on the development of the social protection in the 2000s, particularly the implementation of a five-pillar pension design, and the data analysis from Chapters 4 and 5, this thesis contends that the components of the Thai welfare mix are more than just conservative and liberal welfare regimes. In other words, this thesis emphasises that the welfare regime of the Thai five-pillar pension system is moving beyond just the three worlds or the fourth welfare regime, but instead is a combination of all three classic welfare regimes. The role of the state in the current pension system is the last component, one that explains the combination of this mix.

#### **6.4.2 A combination of all three types of welfare regime**

Based on the data analysis in the previous chapters and in this discussion chapter, this thesis contends that the Thai five-pillar pension system combines three types of welfare regime. Apart from the characteristics of conservative and liberal welfare regimes as mentioned earlier, the Thai five-pillar pension system also covers the social democratic model.

This thesis emphasises the changing role of the state following the transformation of the five-pillar pension model in the Thai case. More specifically, that the state started to take action on providing welfare state provision to those who had not been covered by state provision previously, the informal workers. The OAA in the zero pillar is now a universal scheme covering all Thai senior citizens, which equalises basic pension provision to Thai elderly across both formal and informal labour markets. Esping-Andersen (1997:182) explains that the social democratic model is a welfare state regime which builds on universalistic principles and is committed strong and comprehensive social rights. The

current five-pillar pension system appears to review the concept of social rights. Some scholars explain that there are numerous reasons why the Thai government decided to fully restructure the Thai pension system towards the World Bank's five-pillar pension model. Sakunphanit and Suwanrada (2011:405) and Suwanrada and Wesumperuma (2012:158) reveal that one of the reasons why the government reformed the OAA from its targeting approach to universal coverage, is because it is a prerequisite of political ideology with an appropriate emphasis on social justice. It is worth noting that Sakunphanit and Suwanrada (2011:403) also point out that the "Rights to Public Health Services and Welfare from the State" were clearly written in Part 9 of the Constitution of the Kingdom of Thailand B.E. 2550 (2007).

*Constitution of 2007, Part 9, Section 53. A Person who is over sixty years of age and has insufficient income shall have the right to receive dignifiedly public welfare, public facilities and proper aids from the State.*

*Directive Principles, Section 84(4). The State shall pursue directive principles of State policies in relation to economy to provide savings for the people and State officials for their living in old age.*

**Source:** The Constitution of the Kingdom of Thailand 2550 (2007) cited in Sakunphanit and Suwanrada, 2011:403

Both the policy design of universal OAA coverage and the regulations written in the Constitution, support the view that the Thai government has now paid attention to citizens' social rights. Despite this, the allowance might not be sufficient to ensure the elderly's economic security above the poverty line, although the amount of the allowance has gradually increased since it was first introduced. It is interesting to note that the government has put a lot of effort into ensuring economic security for all Thai citizens. For instance, the government prepared more than 66 billion Baht for the OAA budget (Thansettakij, 2017); 2.6 billion Baht for the NSF budget in 2017 (NSF, 2017d); and 2 billion Baht for the SSA 40 budget (MOF, 2015). A government budget exclusively for Thai informal workers, had never previously existed. However, after the five-pillar



pension reform, the government prepared a budget for informal workers and for all Thai senior citizens.

Apart from the changing role of the state, the family role in the current Thai five-pillar pension system has also gradually changed. Some scholars have raised concerns over the changing form of the Thai family unit from its shape in the past (Thanakwang and Soonthorndhada, 2007:37). The Thai elderly are now experiencing a sharp decrease in family care provision and intergenerational support, due to socio-demographic change and job types available (Knodel and Teerawichitchainan, 2017:2). More and more young adults are moving to urban centres, particularly Bangkok, for work opportunities, and indirectly decreasing family size to a nuclear unit (Thanakwang and Soonthorndhada, 2007:37). Thanakwang and Soonthorndhada (*ibid.*) emphasise that though most Thai elderly still live with their families (composed of more than two members), the number of elders living alone or only with their spouses have increased. In the same token, the data analysis in Chapters 4 and 5 highlights this gradually changing process. The living arrangement data analysis in Chapter 4 (Table 4.1) reveals that most Thai elderly still live with their family (56%), the data showing that some senior citizens claimed to live alone (19.2%), followed by living with spouse (12.7%) and living with unrelated persons (11.3%). Some interview respondents (interviewees R1, R5, R6, R9, and R11) emphasised how they look after themselves, either through their own income and the government's pension provision or with their spouses or one child who look after them. It implies that some Thai elderly are now less likely to rely on family support. This is another sign confirming that the role of the family in Thailand's pension provision has gradually changed. Esping-Andersen argues that the social democratic model offers strong and comprehensive social rights, with the state playing a main role in welfare provision, whilst citizens are generally less dependent on their family and the market. Based on universal pension coverage, even though the government has not yet become a main welfare provider, there is a sign of an emerging social democratic regime.

Arts and Gelissen (2002:139) assert that welfare states in the real world are more likely to exhibit hybrid types, instead of pure regimes. Rhodes and Natali (2003:6) claim that multi-pillar pension design is a more complex version of a hybrid system. Regarding the nature of the multi-pillar pension design and the role of government provision, market activity and citizen's self-help and voluntarism after the reform in Thailand, this thesis

also supports the view that multi-pillar pension designs, specifically the five-pillar pension model, represent the hybrid regime. This thesis asserts that the combination of three classic welfare state regimes (liberal, conservative and social-democratic models) actually fits the scenario of the current Thai five-pillar pension system. The researcher further postulates that other countries employing the five-pillar pension model might be categorised as hybrid regimes as well. However, what components in a combination of welfare regimes of each multi-pillar pension system depends on the historical background of each case and the variables used and the limitations.

It is worth noting that Esping-Andersen (1997:188) concludes that a final confirmation of how to best define the Japanese welfare state regime must await consideration, as it would best be carried out after the development process has matured. In the same vein, despite this thesis pointing out that the welfare regime of the current Thai five-pillar pension system is a combination of three types, the Thai welfare regime is still young and thus still in the process of development. Therefore, the Thai welfare state regime might be different if the evolutionary process of the Thai pension system is continually occurring.

To conclude, the discussion in this section has revealed the answer to the third main research question: ‘To what extent has the implication of the five-pillar pension reform formed a new Thai welfare state regime?’ Based on the data analysis and discussion, it appears that Thailand is indeed now a welfare mix. However, the combination of this model appears to be different from the fourth hybrid welfare regime of Esping-Andersen (1997). That is, the hybrid regime of the Thai five-pillar pension system covers not only liberal and conservative-corporatist regimes, but also those that are social democratic.

## **6.5 Concluding remarks**

The main focus of this chapter has been to answer the main research questions. In order to answer these questions, this chapter mainly carried out data analysis based on the results of Chapters 4 and 5 to further analyse in-depth detailed analysis in this chapter.

The key findings from the data analysis chapters show that informality significantly constrained informal workers from joining the pension and savings schemes, specifically

the voluntary savings scheme, whilst the decentralisation structure unexpectedly constrained a minority of Thai senior citizens, migrant informal workers who had moved to urban areas, from registering for the OAA programme. The combination of informality and decentralisation clearly diminished the likelihood that the informal working population would decide to join the pension and savings schemes. On the other hand, the institutional structures of the pension programmes of both schemes, positively affected the interest of citizens in joining the pension programmes. However, the data analysis reveals that the only positive sign from the policy designs of both pension and savings schemes was not enough to make most of the informal workers join the schemes, particularly the voluntary savings scheme, due to the nature of both informality and decentralisation. This clearly confirms that the five-pillar pension reform has formed a broader and more complex institutional framework for the Thai pension system beyond the system itself, including such institutions as the informal labour market and public administration. If the government fails to acknowledge and address the negative impact of the informal economy and decentralisation at the local level, the possibility of achieving inclusiveness for informal workers is slim.

This chapter also points out that the nature of the five-pillar pension model has shaped a new type of Thai welfare state regime. Esping-Andersen (1997) revisited the Japanese welfare state case, he claimed that perhaps the welfare state regimes of other East Asian and South-East Asian countries are the same version as the Japanese welfare mix. The discussion in this chapter built on Esping-Andersen in using the concept of the hybrid welfare regime. However, the data analysis in previous chapters and discussion in this chapter speculated that instead of the combination of conservative and liberal regimes used in the Japanese mix model, the Thai welfare regime is a combination of three types: conservative, liberal and social-democratic. Regarding the [nature of the multi-pillar pension design and the role of government provision, market activity and family support following five-pillar pension reform](#), the Thai five-pillar pension system can now be understood as a welfare mix of all three regimes.

Ultimately, the analysis in this chapter reaches the answers of the main research questions, comprehending the implication of the five-pillar pension reform in Thailand, revealing the barriers to the effectiveness of pension and savings scheme coverage to informal workers and clarifying the pension system's outcome after the reform. This leads us to

the final question of this thesis: ‘What would be required for the World Bank’s five-pillar pension model to work in middle-income countries like Thailand?’. This question will be clarified in the final chapter of the thesis.

# CHAPTER 7

## CONCLUSION

### 7.1 Introduction

The aim of this thesis is to examine the implications of the World Bank's new multi-pillar pension system and its capacity for the inclusiveness of informal workers in Thailand. This study has investigated the performance outcomes of the universal non-contributory pension and voluntary savings scheme to illustrate the causal factors affecting informal workers' interests in and decisions around joining the pension and savings schemes. This paper has examined why informal workers more frequently register for the OAA than for the savings programmes for retirement. Understanding the implications of the five-pillar pension reform in Thailand not only clarifies significant constraints on the inclusiveness of informal workers in the multi-pillar pension system. Such study also supports an understanding of a complex institutional framework of the Thai five-pillar pension system, which requires a broader perspective for development. Moreover, this thesis concludes that the current Thai welfare state regime has formed a hybrid regime due to the nature of the five-pillar pension model and the unique historical background of Thailand. This chapter seeks to clarify how to solve the constraints in terms of the inclusiveness of informal workers in middle-income countries such as Thailand, presenting an answer to the final main research question.

The main objectives of the World Bank's five-pillar pension approach are protection against the risk of poverty in old age and consumption smoothing from work to retirement (Holzmann et al, 2005:8). Based on these objectives, the Thai government's aims focus on the capacity for inclusion, the alleviation of poverty, the expansion of social protection, the strength of the system's sustainability, the reduction of its financial burden issue, the increase of national savings, and financial market development (Fiscal Policy Office, 2015:15). This paper, therefore, asks 'To what extent were these aims met?', 'To what extent were the core objectives of the World Bank's pension reform met in the Thai case?', and 'Are there other national systems that have used three-/four-/five- pillar approaches and successfully included informal workers in contributory schemes?'. These questions aid in discussing the outcome of the Thai five-pillar pension system as well as answering

the last main research question, ‘What would be required for the World Bank’s five-pillar pension model to work in middle-income countries like Thailand?’

This chapter is broken into six sections. The second section summarises the main focus, highlighting once again the key pivots on which this thesis emerged, before reviewing the theories and methodologies subsequently used. In the third section, the data analysis, and discussions from Chapters 4, 5, and 6 are summarised. The fourth section answers the thesis’s final main research question. This section reviews the main challenges and gives recommendations for Thailand and other middle-income countries planning to implement the five-pillar pension model and offer the voluntary third pillar savings scheme to informal workers. Then, this thesis’s significant contributions and limitations are presented. Finally, suggestions for future study are presented.

## **7.2 The concerns of the Thai case and the thesis’s main focus**

Before the five-pillar pension model was implemented, the Thai pension system had been reformed and transformed several times. The World Bank’s five-pillar pension model is the latest pension model adopted in Thailand. There are three pillars which include informal workers as the target group, these include the zero, third and fourth pillars, but only the zero and the third pillars are formal pension programmes offered by the government. As the current thesis’s main focus is welfare state provision for informal workers, only the performance outcomes and implementation of the formal pension programmes were analysed and discussed.

The original Thai pension system was implemented in the early 1990s, however, at that time, only government officials were included. Later, private employees in the formal labour market and those who were categorised as the underprivileged elderly were included in a three-pillar pension system. In 2009, the Thai pension system was fully reformed to correspond with the World Bank’s new five-pillar pension model. The most significant achievement of this five-pillar pension system is its coverage of every employment status, including that of informal workers. The informal working population is now covered in the universal OAA under the non-contributory scheme and savings programmes in the voluntary savings scheme. After the government switched the OAA from a targeting approach to universal coverage, more senior citizens joined the scheme.

More specifically, in 1993, as a targeting means-tested programme, only selected recipients were able to receive the allowance, which amounted to only 20,000 recipients (Suwanrada, 2012). In 2009, after the OAA was reformed and reintroduced as a universal allowance of the non-contributory scheme, there were more than 5.5 million recipients (NSO, 2009). The success of the OAA programme's development has thus been dramatic. Most specifically, by 2014, there were 9.9 million senior Thai citizens aged 60 and above, with 7.7 million of them joining up for the OAA in that year (NSO, 2014). According to statistical records in 2014, nearly 80% of Thai senior citizens had already joined the programme in that year. The success of the development of the non-contributory scheme was therefore significant. Nevertheless, though the number of Thai elderly joining the OAA significantly increased, there remain a number of Thai informal workers who have yet to join a voluntary savings scheme. Meanwhile, even though the government finally took the big step of offering state contributions to voluntary savings programmes for informal workers, the number of those workers joining the savings scheme has yet remained low. In 2011, 24.6 million of 39.3 million workers were in the informal labour market (NSO, 2011); only about 590,000 informal workers who had joined the savings scheme (Prapha, 2013). This implies that the number of informal workers joining the savings scheme has remained fairly low. Some scholars highlight that informality is a major constraint citizens' financial capability to make savings contribution (Jitsuchon et al., 2012; Chandoewit, 2013, 2014), whilst some have praised the positive effect of local governance's decentralisation process on the achievement of OAA coverage (Sakunphanit and Suwanrada, 2011:409; Suwanrada, 2012; Suwanrada and Wesumperuma, 2013). Hence, this thesis's attempt to explore the causal factors behind informal workers' interests and decisions around joining the schemes.

The researcher's belief was that an explanation of the causal factors affecting citizens' interests and decisions around joining the pension and savings schemes would lead to the answers to this thesis's main research questions. Moreover, apart from the impact of informality, decentralisation and policy designs, it appears that there are four key principles of the World Bank's conceptual framework worth exploring. First, the initial conditions and capacity to improve enabling environment should be considering and evaluating even before aiming to achieve the core objectives of five-pillar pension reform (World Bank, 2008:2). Second, each country has to carefully assess its choice and capacity to undertake reform (Holzmann et al., 2005:11). Third, how the multi-pillar

pension system reform depends on country-specific factors regarding the development status and income level (World Bank, 2008:2). Lastly, reform of the five-pillar pension model should come with twin goals of evaluation criteria (Holzmann et al., 2005:8). According to these four points, this thesis has attempted to find out whether the Thai government has taken these four concerns into account, and whether these concerns have impacted the results of the two pension and savings schemes.

To conclude, the puzzles in the performance outcome of the non-contributory and voluntary savings schemes and the World Bank's suggestions for pension reform are the main foci of this thesis. In this thesis, there was a certain belief that an explanation of the five-pillar pension system reform in Thailand would explain the influences of the reform's nature and the cultural heritage of the Thai pension system on the system's performance outcomes, and also provide some suggestions for other middle-income countries in making this model work. To analyse the Thai case, the main focus and the main research questions of this thesis lie in the interaction between the labour market system, public administration and the pension system, and a consideration of how this interaction influences the most vulnerable group. To investigate the thesis's main focus and answer to the main research questions, a theoretical framework and methodological tools have been required.

### ***Main research questions***

The main research questions of this thesis are as follows:

What are the constraints on the effectiveness of extending pension and savings scheme coverage to informal workers?

To what extent has the nature of the five-pillar pension reform influenced the institutional framework of the Thai pension system?

To what extent has the implication of the five-pillar pension reform formed a new Thai welfare state regime?



What would be required for the World Bank's five-pillar pension model to work in middle-income countries such as Thailand?

To analyse the case study, this thesis employed both welfare state analysis and comparative-historical analysis, which, when used alone, cannot adequately examine the Thai case. The theoretical framework of this thesis was formed based on the main focus and the research questions.

### *Theoretical framework*

The welfare state regime approach offered by welfare state analysis was utilised to explore the typology of the welfare state regime in the Thai pension system since five-pillar pension model was introduced in 2009. Over the past few decades, before the transformation of the five-pillar pension reform, Thailand was characterised into different types of welfare state due to the development of social protection. This thesis has presumed that the nature of the 2009 five-pillar pension reform has formed a new type of welfare state regime in Thailand. Esping-Andersen (1997) himself even revisited his concept of three classic welfare regimes to propose a new regime, a hybrid model. Some scholars also follow along the same path as Esping-Andersen highlighting that welfare state regimes in this modern world, specifically multi-pillar designs, are the samples of complex hybrid regimes (Arts and Gelissen, 2002; Rhodes and Natali, 2003). This thesis thus, along the same lines, has revisited the evolutionary process of the Thai welfare state regime following five-pillar pension reform.

To explore the barriers to the expanding social protection to informal workers and the institutional framework of the Thai pension system since the 2009 new multi-pillar pension reform, the typology of welfare state institutions by Korpi and Palme (1998) was used alongside the macro-configurational aspect of comparative-historical analysis (Mahoney and Thelen, 2015). Korpi and Palme's typology of welfare state institutional structures (1998) was used to explore whether the institutional structures of the Thai pension programmes affected citizens' interests and decisions around joining the schemes. It clarified whether pension programmes in the five-pillar pension design can really catch informal workers' interests and decisions regarding the programmes. Meanwhile, the

macro-configurational aspect was used to analyse the nature of the informal labour market and the decentralisation process, considering them together with the institutional structures of pension programmes as a causal package in the large-scale outcome of the non-contributory and voluntary savings schemes, beyond just the institutional structures of these programmes. The concept of macro-configuration not only explained the broad structural-institutional causes of the pension scheme results, but also analysed individuals' actions and behaviours likely to occur as a reflection of the macro level (Mahoney and Thelen, 2015:6). Each of these two approaches compensated for the weakness of one another. They were used to analyse whether the nature of informality, decentralisation and the institutional structures of the pension programmes are causal factors that affect informal workers' interests and decisions. The data analysis from these two analytical tools then automatically explained how the five-pillar pension reform has formed the broad institutional framework of the current Thai pension system, as well as led to the effectiveness of extending pension and savings scheme coverage.

### ***Methodological tools***

Mixed-method research design was used in this thesis so as to minimise the weakness of both methods and provide un-biased results with more validity and reliability. The questionnaire data were analysed via the quantitative method and the interview data were analysed via the qualitative method. The questionnaire survey data were conducted with twin goals. On the one hand, the goal was to investigate the connections between the personal characteristics of Thai senior citizens in the informal sector and their savings behaviour. On the other hand, a further goal explored whether the policy designs of the pension and savings programmes, the informal labour market or the decentralisation process affected Thai informal workers' interests and decisions around joining the schemes. The interviews were conducted as another tool to gain in-depth details or any interesting information that the questionnaire survey data might not be able to provide, before comparing and analysing the empirical study with previous studies and official documents so as to find answers to the main research questions.

### **7.3 Results summary**

This section provides a summary of the data from the empirical study. The researcher conducted the fieldwork in order to better understand the capacity for inclusion of informal workers and the pension schemes' outcomes following the five-pillar pension reform. This includes the Thai pension system's institutional framework, the barriers to the effectiveness of extending pension and savings schemes coverage to the informal sector, and the welfare state type of the Thai pension system. The questionnaire survey data were analysed and presented in Chapter 4, whilst the interview data were analysed and presented in Chapter 5. The data analysed in both Chapter 4 and 5 were once again analysed and discussed in Chapter 6 to answer the main research questions.

In Chapter 4, the data showed that informality significantly impacted informal workers' decisions around savings contributions. The empirical data reviewed that most of the informal working population had not joined the voluntary savings scheme due to their own problematic financial issues. Being a part of the informal labour market generally means that you are a citizen who does not receive a regular income. Most informal workers tend to have low educational background and thus earn a low and irregular income, unlike those in the formal sector. Even though the informal working population would like to make pension contributions, their financial resources are insufficient. Many prior studies on the Thai labour market have stressed that the informal working population is a vulnerable group in the labour market, due to low and irregular nature of their income (Warunsiri, 2011:450; Sakunphanit and Suwanrada, 2011:409). The current thesis further highlights that as financial issues continue to constrain the informal labour market, they also indirectly impact on the performance outcome of the voluntary savings scheme.

The data analysis in this chapter suggests that informal workers with lower educational levels and income are the most vulnerable group in the current Thai pension system. Existing studies have highlighted that elderly women in the informal sector tend to enjoy the least income security in their retirement. The majority of Thai women are categorised as family workers with limited educational backgrounds and receive little to no income (Cook and Pincus, 2014:11; Thanakwang and Soonthorndhada, 2007:37). Meanwhile, other scholars have highlighted how rural migrants with limited educational backgrounds are likely to work in the informal sector (Suwanrada, 2009:51; Warunsiri, 2011:451). This thesis also concludes that neither gender nor hometown are significant negative variables

in informal workers' saving behaviours. More specifically, this thesis reviews that Thai elderly women and migrants in the informal sector faced with economic vulnerability tended to have lower education levels and low and irregular income. This paper also finds that both rural migrants and local residents in urban areas are not able to find jobs with a regular income or in the formal labour market due to their limited educational background and inadequate skills. Therefore, this study concludes that workers from urban areas such as Bangkok also face economic vulnerability or are in low income jobs with higher living expenses. The informality constraint on savings contributions was found not only in Thailand, but also in other developing countries with large informal labour markets, such as Latin American countries. This chapter concludes that, regardless of which part of the world is involved, as long as citizens exist within the informal labour market, they are likely to experience economic insecurity and difficulties in saving for their retirement. This finding implies that informality is a causal factor affecting informal workers' interests and decisions in joining savings schemes.

The data analysis in this chapter also revealed that the Thai elderly were fairly satisfied with the OAA policy design aimed to provide a basic income for all Thai senior citizens. Some participants were very satisfied with local bureaucrats' actions in providing and clarifying information about these pension programmes. Above all, the data analysis in Chapter 4 mainly revealed how informality significantly impacted Thai informal workers' decisions to join the voluntary savings scheme, forming a vulnerable group within the current pension system. The data only briefly described how much Thai citizens were satisfied with the decentralisation process of local government in clarifying the information about the pension programmes and the policy design of each pension programme in these two pension and savings schemes. Hence, the effect of decentralisation was the main focus of Chapter 5.

In Chapter 5, apart from revealing that informality is a causal factor affecting citizens' decisions to joining the pension and savings schemes, the interview analysis in this chapter significantly revealed decentralisation as another causal factor behind the performance of the non-contributory and voluntary savings schemes for informal workers. As some previous studies stress, the decentralisation process plays a major role in increasing the effectiveness of the universal OAA (Suwanrada, 2009; Suwanrada and Wesumperuma, 2013); the data analysis in this chapter has come to the same conclusion.

The interview data from the citizens confirmed that most of the Thai elderly were very pleased with local bureaucrats' actions in providing updated information about the policy design of both pension and savings schemes. The interview data from local and national bureaucrats also confirmed that they had worked very hard to ensure that all Thai citizens would receive updated information about the pension system. Some interviewees even claimed that they had joined the OAA and the savings programme after becoming better informed by local bureaucrats. However, the data analysis in this chapter also revealed that the decentralisation process not only facilitated the coverage of the OAA, but also affected some citizens' interests and decisions around joining the savings programme.

The decentralisation of household registration for the OAA unexpectedly had an indirect negative impact on some senior migrants' decisions to join. More specifically, decentralisation indirectly discouraged migrants from rural to urban areas from registering for the allowance due to the time limitation and location; that is, all Thai senior citizens interested in registering for the OAA must register between the 1<sup>st</sup> and 30<sup>th</sup> of November each year, and they must either register at their official household registration location or sign a power of attorney letter allowing another citizen to register for them in their official local area. Though there are two options for citizens, senior informal workers from rural areas still find it difficult and complicated. The interview data thus pointed out that migrants from rural to urban areas who are working in the informal labour market, constitute one of the vulnerable groups in the current pension system. The data analyses indicated that those who had migrated to Bangkok several years ago, and not contacted anyone in their hometown, tended not to receive any information about the updated pension scheme. Living far away from their hometown led to fewer opportunities to gain access to information concerning any benefits that they could receive. The local bureaucrats in rural areas hold a village leader position and normally have very close relationships with people in the community; it is their responsibility to update citizens with any important information from the government. This position, however, does not exist in Bangkok. It is thus difficult for migrants to know if there have been any changes to the pension and savings schemes that would affect them. Decentralisation appears to thus be a 'double sided coin' in the current Thai pension system.

It is also important to note that this issue occurs not only in Thailand, but also in China. Both cases show the impact of decentralisation on opportunities for rural migrant informal

workers, effectively discouraging them from joining the pension programmes and thus providing them with fewer chances of enjoying the pension provision experienced by local residents in urban areas. More specifically in the Thai and Chinese cases, rural migrants to urban areas, who work in the informal labour market, were found to be the vulnerable group in the pension system, due to a combination of informality and decentralisation constraints. Accordingly, this chapter concluded that apart from informality, decentralisation is another causal factor influencing informal workers' decision to join the pension and savings schemes, and form a new vulnerable group in the system. If the registration system of the OAA programme were less complex, the government might be able to provide full coverage to all Thai seniors, and senior migrants from rural areas could more easily gain access to the programme.

In Chapter 6, answers to the main research questions were discussed and presented. This chapter's main purposes lay in discussing the barriers to the informal workers' inclusion, the influence of the five-pillar pension reform on the pension system's institutional framework, and the typology of its welfare state regime. This chapter revealed that the institutional structure of each pension programme under both non-contributory and voluntary savings schemes exerted a positive effect on informal workers' interests and decisions around joining the pension programmes. The universal OAA, or basic income provision, significantly influenced citizens' interests and decisions around registering for the programme. It was far more successful than once it was a targeting programme. On the other hand, while state contributions to savings programmes may have caught the attention of informal workers, this did not influence them enough to join, due to their own personal financial constraints. In other words, the financial status of the informal workers obstructed their savings behaviour. The institutional structure of the savings programmes (NSF and SSA 40) revealed that the target group of the voluntary savings scheme, which is a low- and irregular-income workers' group, is a mismatched target from the ideal institutional structure of Korpi and Palme's state-subsidised model (1998), that is, a middle-income and skilled workers' group. This implies that the opportunity for the programmes to catch citizens' interests and decisions around joining was thus diminished.

The data analysis in Chapter 6 confirmed that the nature of the informal economy significantly constrained Thai informal workers' decisions on retirement savings; the decentralisation process partially obstructed some migrant informal workers to register

for the pension allowance programme (OAA). The nature of these two factors comprises a causal package that significantly impacts the inclusiveness of the current pension system. Moreover, this chapter confirmed that, after the five-pillar pension reform, the Thai pension system appeared to have a broad and complex institutional framework, including the informal labour market, public administration system, and Thai five-pillar pension design. This was confirmed by analysing the Thai five-pillar pension reform through the macro-configurational approach. The nature of each factor functioning within the Thai five-pillar pension system significantly affected informal workers' interests in and decisions around joining the scheme at the micro level; it therefore reflected the effectiveness of informal workers' inclusion. This chapter emphasised that the World Bank is aware of the interaction between the pension system and other institutions, which are considered crucial features of the initial conditions and evaluation criteria. However, the Thai government did not carefully pay attention to this suggestion. This chapter therefore concluded that as long as the government remains unaware of the connection between pension and other systems, such as the labour market system and public administration, the pension scheme might be unable to cover all Thai citizens. To extend pension and savings scheme coverage, this thesis suggests that Thailand and other countries consider not only the five-pillar pension reform's core objectives, but also the initial conditions and capacities to improve the enabling environment and evaluation criteria, specifically the development of labour market and public administration.

Moreover, Chapter 6 found that the welfare state regime of the Thai pension system has changed since the five-pillar pension model was implemented. In the 1990s, the Thai welfare state was categorised into different types of welfare state, such as paternalistic, developmental, and liberal welfare capitalism. However, in the early 2000s, following the introduction of the universal 30 Baht Health Care Scheme, the free twelve-year compulsory education, and the universal OAA, scholars have argued that the Thai welfare state has shifted away from the 1990s model to a universal social protection period (Chalamwong and Meepien, 2012). This thesis concludes that the welfare state regime in Thailand since the five-pillar pension reform is now a combination of the liberal, conservative and social-democratic models. None of the welfare state regimes in the classic welfare state system describe a new case study in this modern world, an alternative method to describe the case is required. Chapter 6 offered a new explanation of the Thai

welfare regime after acknowledging how the actions and roles of the state, the market, and the family have changed since the implementation of the five-pillar pension system.

To conclude, the data analyses and discussion from Chapters 4, 5, and 6 review the barriers toward effectively extending pension and savings scheme coverage to informal workers. Moreover, because of the nature of the five-pillar design and the historical background of the Thai case, this thesis concludes that the transformation of the five-pillar pension model has shaped the broader and more complex institutional framework of the Thai pension system and formed a Thai welfare mix. However, there remains the need to explain how to improve the effectiveness of extending coverage and a future direction of the multi-pillar approach in Thailand, which comprises this thesis's final main research question.

#### **7.4 The performance outcomes and future direction of multi-pillar pension system in Thailand**

The pension system was first introduced in Thailand in the late 1990s as a mono-pillar pension model. This model was first implemented for the well-being of all government officials after retirement. Later, the government adopted the World Bank's three-pillar pension design. The target groups and the benefits of the system were expanded to not only government officials, but also formal employees in private companies and the underprivileged poor elderly. In the 2000s, the system was again reformed by implementing the World Bank's five-pillar pension system. The current five-pillar pension system now includes the life-time poor, formal sector workers, and informal sector workers as new target groups. Since the implementation of the five-pillar pension reform, all Thai senior citizens are covered under the pension system.

The core objectives of the World Bank's five-pillar pension approach are protection against the risk of poverty in old age and consumption smoothing from work to retirement (World Bank, 2008:7). Following the World Bank's guidance, the Thai government introduced the five-pillar pension system reform with the core objectives that not only focus on income security for Thai elderly in their retirement, but also the development of the pension system and sustainability of the financial market. These objectives include ensuring the pension coverage and savings contributory scheme inclusion for all Thai



citizens, guaranteeing universal basic income for Thai elderly citizens to be able to live above the poverty line, promoting savings for retirement to informal sector workers, aiding Thai citizens in becoming self-reliant before retirement, reducing the financial burden of the future budget, and strengthening the pension system's financial sustainability (Fiscal Policy Office, 2015:15). This paper therefore asks to what extent the core objectives of the Thai five-pillar pension reform and the World Bank multi-pillar pension reform were met.

#### **7.4.1 The Thai five-pillar pension system's partly successful outcomes**

Since the five-pillar pension reform, the government aims to ensure that informal workers register not only in the zero-pillar non-contributory pension scheme to receive basic income, but also in the savings programme (NSF or SSA 40) to ensure income security and help them be more self-reliant and live above the poverty line. The government states that, if informal workers contribute to savings programmes (NSF or SSA 40) and register in the OAA, they will be able to live above the poverty line (Fiscal Policy Office, 2015:10). Once the informal workers contribute to the savings scheme, the Thai government will be able to achieve the reform's aims regarding strengthening the system's sustainability, increasing the national savings, and developing the financial market (Fiscal Policy Office, 2015:5). This implies that increasing the capacity for inclusion, alleviating poverty, and expanding social protection are the primary goals that need to be achieved so as to be able to fulfil the secondary goals, which support the pension systems' financial sustainability and financial market development.

After the five-pillar pension reform, the Thai government only partly achieved its objectives. These objectives include ensuring pension coverage and savings for retirement opportunity, providing universal basic income (OAA), and promoting the importance of savings for retirement. On the other hand, some core objectives were not met. The government were not successful in ensuring that elderly citizens live above poverty line, helping citizens to be more self-reliant before retirement, reducing the financial burden of the government's future budget, nor strengthening the pension system's financial sustainability.

The Thai government successfully achieved its aim of expanding pension coverage to all Thai senior citizens. Approximately 7.6 million out of 9.9 million senior citizens, or

almost 80%, from both the formal and informal working population have already joined the universal OAA of the non-contributory pension scheme (NSO, 2014; Suwanrada, 2012). The data analysis in this thesis suggests that the decentralisation motivates most Thai senior citizens to join the universal OAA of the non-contributory scheme; only migrant informal sector workers have been constrained by the decentralisation process of the OAA registration. The universal OAA is one of the greatest achievements of the Thai five-pillar pension system. On the contrary, despite the savings scheme having been promoted and offered for years, the number of informal workers contributing to the saving scheme (NSF and SSA 40) has remained low.

Despite the NSF's aim of seeing 1.5 million contributors by 2016 (Thansettakij, 2016), in 2017 only around 529,006 informal workers have so far registered (NSF, 2017a). On the other hand, around 2.3 million informal workers appear to prefer the savings insurance benefits offered by the SSA 40 (SSO, 2017). This implies that Thai informal workers prefer savings options with insurance more than pension benefits. The interview data for Thai senior citizens (R3, R5, R6, R8, R9, R18, and R19) raised concerns over health issues, rather than saving for their future. Though the SSA 40 does not come with any pension benefit, informal workers prefer to get the chance to be insured in case they get sick or encounter an accident. This, of course, is something that the NSF cannot give them. Hence, it is plausible why informal workers registered for the SSA 40, instead of the NSF. Nevertheless, in 2017, there were only a total of 2.9 million (NSF, 2017; SSO, 2017) out of 20.8 informal workers (NSO, 2017:48) who had registered for these two programmes in total. This implies that the majority of the informal worker group have yet to join the programmes offered by the voluntary savings scheme.

The Thai government offers protection against poverty for all Thai senior citizens and contributes to the contributory savings scheme for informal workers. However, most informal sector workers are not able to join the scheme due to their low and irregular incomes. It is fairly impossible for these workers to regularly contribute saving for their future. Whilst these workers' income is not high enough to contribute to savings from working life to retirement, the OAA is insufficient in protecting low- and irregular-income workers from poverty. This finding implies that the government has not been able to ensure whether the Thai citizens are able to live above poverty or be more self-reliant. The Thai government has provided more effective elderly poverty protection to all Thai

senior citizens. However, the aim of consumption smoothing from work to retirement and elderly poverty protection through minimum pension and savings have not been met. As long as these workers are part of the informal sector, and still concentrate on coping with present (financial) stressful circumstances, it is difficult for them to ensure economic security for themselves from work to retirement. Furthermore, in order to reduce the system's financial burden and sustainability, the informal working population must first contribute the third-pillar contributory saving scheme. However, if the number of contributors remains low, it is impossible for the government to achieve the pension system's financial sustainability and market development goals. This finding further suggests that the government has not been able to reduce the Thai pension system's financial burden nor strengthen its financial sustainability.

Regarding the outcome of the Thai five-pillar pension reform, the core objectives of the World Bank's five-pillar pension reform conceptual framework and the Thai five-pillar pension reform were not adequately met in Thailand. The World Bank (2008) emphasises that, to reach an outcome of country-specific conditions, needs, and core objectives, pension designs should be evaluated using a conceptual framework. To determine what would be required to make the multi-pillar pension approach work in Thailand, and perhaps other middle-income countries with large informal labour markets, it is worth revising the World Bank's multi-pillar pension conceptual framework so as to best decide an appropriate pension system design.

#### **7.4.2 The future direction of multi-pillar pension system in Thailand**

This thesis asserts that Thailand should have carefully considered the World Bank's reform conceptual framework and the stylised reform choices before the implementation of its pension system. This paper recommends that the government of Thailand take into consideration the following three points.

The first recommendation is that the government should assess initial conditions before implementation. The World Bank emphasises that initial conditions can both motivate and constrain feasible reform options (World Bank, 2008:2). Accordingly, the existing system, reform needs, and reform environment of the initial conditions should be considered. The World Bank highlights that efforts at reform need to include an

evaluation of the multiplicity of systems and implementation environment of the administrative capacity, as well as a process of deciding how to integrate the flow of money and data; the five-pillar pension reform is no exception (Holzmann et al., 2005:114). More specifically, the World Bank suggests that the flow of money could be decentralised, and the flow of data could be partially or fully centralised. “Leaving both flows decentralised would seriously undermine the effort to improve compliance and the efficient collection of pension contributions” (Holzmann et al., 2005:115). However, in the Thai context, both the money and data are decentralised. Based on the data analysis in this study, the nature of decentralisation is shown to have significant impact on the non-contributory pension scheme, both positively and negatively. The decentralisation structure significantly encouraged most Thai citizens to join OAA. However, the OAA household registration system’s decentralisation process constrained some rural migrants in urban areas, specifically those in the informal sector, from registering for the programme and receiving any pension provision. This thesis argues that the government did not have enough administrative capacity to implement and operate publicly managed elements of the Thai pension reform. This is because obstruction from the decentralisation of the OAA household registration system pulled some citizens, specifically migrant informal workers, away from joining the schemes. Hence, it is very important to evaluate initial conditions before focusing on how best to work within a system’s core objectives.

The second recommendation is that governments should be aware of their own capabilities and limitations. Holzmann et al. (2005:9) suggest that country governments choose their reform carefully depending on country-specific circumstances linked with development status and income level. Most specifically, they point out that the full breadth of the five-pillar pension model is suitable for high-income countries because it requires a system’s full financial capability. Nevertheless, based on this thesis’s data analysis, the Thai case shows that implementing the voluntary savings scheme for informal workers in middle-income countries with large informal labour markets is a concern that needs attention, alongside providing a full breadth of the five-pillar pension model. This is because if middle-income countries under stress such as Thailand implement fewer pillars but still offer the voluntary savings scheme to informal workers, only a very small number of informal workers might contribute to a savings programme. It is virtually impossible to expect informal workers to join the voluntary savings scheme, although it is offered to informal workers, unless the financial constraints of the informal

labour market are solved. The Thai government must consider whether citizens in the informal labour market have enough financial potential to make savings contributions. Based on the data analysis, the government can only convince informal workers of the importance of retirement savings and entice them to join the government savings scheme. However, the negative elements of informality are greater than the benefits of saving for the future.

The final recommendation is that the government should compare the secondary evaluation criteria with the reform options. The Thai government reviewed its five-pillar pension reform goals to ensure economic security and poverty reduction for Thai senior citizens as well as long-term fiscal sustainability of various pension provisions and programmes (Jitsuchon et al., 2012:5). The Thai government paid attention to the development of the pension system and financial sustainability, but it did not consider labour market efficiency. Currently, informal workers are still facing economic vulnerability due to their low and irregular incomes. This vulnerability poses major constraints on informal workers' retirement savings decisions. Based on Thailand's example, it is vital to set secondary goals with the system's core objectives. In particular, the informal labour market's informality constraint must be diminished to ensure effective pension coverage for informal workers. Once the secondary goals are set and the informality issue is solved, the government will be able to effectively expand the contributory savings scheme to the informal sector workers. However, if the number of contributors remains low, it will be impossible for the government to achieve the pension system's financial sustainability and market development goals. The informal working population must first contribute the third-pillar contributory saving scheme. Hence, this multi-pillar pension reform should be evaluated against a set of primary and secondary evaluation criteria so as to fully achieve the reform's core objectives.

To conclude, the discussion in this section has revealed the answer to the final main research question: What would be required for the World Bank's five-pillar pension model to work in middle-income countries like Thailand? This thesis emphasises that the Thai government should go a step beyond developing the pension system and develop the other institutions that function in conjunction with it, such as the labour market and public administration systems. If this development is executed effectively, the constraints apparent in the current Thai pension system would gradually diminish. The World Bank's

five-pillar pension model was introduced in Thailand mainly to develop the pension system. However, the government was not aware of the relationships between the pension system and the other institutions within it. If a government can contextualise the transformation of the five-pillar pension model as a part of a larger phenomenon, the government can minimise the negative effects of informality and decentralisation on extending pension and savings scheme coverage to informal workers. This thesis suggests the Thai and other governments carefully follow the World Bank's conceptual framework, considering the interaction between pension systems and other systems. This should be done via assessments of the initial conditions and capacities to improve the enabling environment against the criteria evaluation. Such cases should be contextualised through a broader lens prior to reform.

The significant weakness of the Thai five-pillar pension system is the voluntary saving scheme for informal workers. It would be interesting to discover whether other systems in other countries also experienced similar difficulties and whether this multi-pillar approach can be practically applied in the real world.

#### **7.4.3 Contributory savings scheme for informal workers in multi-pillar approach: realistic or idealistic?**

The multi-pillar pension system was first introduced in Thailand as a three-pillar pension system. Some significant issues in this system, such as those surrounding financial burdens and pension coverage, brought the Thai pension system to the five-pillar pension approach. However, after the reform, not only difficulties in the previous multi-pillar pension system have remained, but also new difficulties have emerged. The limitations of administrative capacity, the multiplicity of the public administration system, financial labour market, and informal labour market issues are major constraints in the current multi-pillar pension system. Informal income is a main concern that obstructs informal workers from contributing to savings for retirement. Therefore, this paper asks whether there exist other national systems that have used a multi-pillar (three-/four-/five-) approach to successfully include informal workers in contributory savings schemes.

Thailand is a middle-income country that has implemented the World Bank's multi-pillar pension approach and only partially achieve its core objectives. Interestingly, not only

Thailand was unable to successfully include informal workers in contributory savings scheme, but also other middle-income countries. The Chinese multi-pillar pension is an example of a middle-income country with a large informal labour market that shares some similarities to the outcome of Thailand's implementation. The pension systems in Switzerland and Singapore, on the other hand, are examples of how three- and five-pillar pension designs perform differently in high-income countries.

Similar to Thailand, before the multi-pillar pension reform, the labour force in the informal labour market in China was not covered in the social protection system (Yang, 2014:236). However, in its current state, the Chinese government implemented the three-pillar pension reform, and informal workers are now covered in the formal pension system through rural pensions (Help Age International, 2013:10). As the majority of Chinese informal workers are rural citizens, an effort to provide social security for informal sector workers in China involved establishing a pension plan called the 'New Rural Social Pension System' (NRSPS) (Zuo, 2015). This plan combines the zero-pillar non-contributory basic pension for the rural population and a highly subsidised personal savings programme in the third pillar (Liu and Sun, 2016:20). The nature of pension policy in China has shifted from a historical focus only on urban residents of the formal sector workers to universal coverage of the formal and informal working population from both urban and rural areas (Help Age International, 2013:6). Unfortunately, this plan was not able to fully achieve its main objectives. Two significant constraints of the plan arose in the development of the non-contributory pension scheme and contributory saving scheme. As the NRSPS is parallel to the Thai government's aim on seeing informal workers join both non-contributory pension scheme and voluntary saving scheme, it is valuable to analyse these two schemes simultaneously.

Firstly, rural and migrant residents are still faced with the decentralisation barriers of the household registration system of the NRSPS (Liu and Sun, 2014:21). The rural residents were asked to register and collect social insurance benefits in the area of permanent residence (Yang, 2014:158). Secondly, the high degree of informality caused a low number of saving contributors in the savings scheme (Yang, 2014:247). Poor rural and low wage informal workers in China have the most limited capacity to save for retirement, thereby discouraging them from pension saving contributions (Dorfman, et al., 2013:31). Interestingly, low income significantly affects informal workers' pension contribution in

both Thailand and China. Zuo (2014) emphasises that the impact of all the problems with the Chinese multi-pillar pension system go beyond the pension system itself. If the government aims to develop the pension and social security systems, implementing only a new pension approach is not enough. The development of other systems functioning in the multi-pillar pension design is required, such as the decentralisation process of the public administration system and the economic insecurity of the informal labour market system.

The Chinese and Thai pension systems are now facing the same difficulties. These two case studies demonstrate how difficult it is for the governments of middle-income countries to incentivise informal workers to contribute saving for retirement. As long as the working population in the informal labour market still experience the volatility of wages and employment, these workers tend to feel less secure and have less opportunities to make retirement contribution. The outcomes of both cases confirm that it is difficult for the government in middle-income countries with large informal labour markets to ensure that informal sector workers contribute to savings schemes for later life. Holzmann (2012:13) argues that the multi-pillar pension approach has received increasing levels of interest from policy makers across the world. However, effectively regulating and supervising this approach remains a challenge. This thesis found that low- and middle-income countries tend to experience difficulties not only in administrative capacity, multiplicity of systems and extending labour market coverage to pension reform, but also in informal sector worker inclusion in contributory savings schemes. Regardless a brief comparison of the Chinese and Thai cases, it appears that number of pillars in a pension system is not a factor for individuals to join or not to join pension scheme and contribute to retirement savings. The insecurity of informal workers in the labour market instead is the actual case. As long as the informality issue has yet remained, the advantages of multi-pillar pension system, such as the inclusiveness of informal workers coverage and individuals to compensate for reduced public spending, are just a delusion that we hope for.

Switzerland is a high-income country that has implemented the World Bank's first multi-pillar pension approach (three-pillar design). Switzerland is the first country to have publicly articulated the benefits of the three-pillar pension approach in 1963 and the first OECD country to have mandated that employers provide occupational pension plans for



their employees. Queisser and Vittas (2000:1) argue that the non-contributory pension scheme in Switzerland is highly redistributive: it has a near universal coverage, a low dispersion of benefits, and no limit on contributions. The third pillar covers not only self-employed workers and those not covered by the second pillar, but also those covered in the second pillar but wish to contribute additional retirement savings. However, the role of the third pillar is relatively insignificant, implying that difficulties of informality do not occur in Switzerland.

Singapore is another high-income country that first implemented a three-pillar pension approach that was later developed into a five-pillar pension design. The Supplementary Retirement Scheme (SRS) is a voluntary savings arrangement in the third pillar that allows both those included and not included in the secondary pillar compulsory savings arrangement to contribute to the SRS. Ramesh (2006) highlights that the SRS has performed relatively well. The number of SRS contributors is high enough to maintain the system's sustainability. It should be noted that SRS contributors are eligible for tax relief. Investment returns are tax free before withdrawal, and 50 per cent of the withdrawals from SRS are taxable at retirement (Inland Revenue Authority of Singapore, 2017). The descriptions and benefits of SRS are parallel to those of the Retirement Mutual Funds (RMFs) in Thailand. These two contributory saving programmes are suitable for employees in private companies in the formal labour market interested in tax relief or to save for later life. This finding implies that the informal labour market has no significant impact on the development of the multi-pillar pension system in Singapore.

Switzerland and Singapore are both high-income countries that have implemented multi-pillar pension models. Though each model is unique, both countries have introduced the voluntary savings scheme to the whole working population in the labour market. Regarding the outcome of the savings scheme for informal workers, neither country experienced the difficulties that occurred in the Thai and Chinese cases. The major reason is because high-income countries tend to have a much smaller informal labour market compared to low- and middle-income countries. These two high-income countries offer the third-pillar savings scheme only to individuals as an opportunity to save more and compensate for reduced public generosity. The performance of multi-pillar pension model in other middle- and high-income countries supports this thesis's conclusion that informality is a major constraint on informal workers' decision to save for retirement. No

matter how many times pension systems have been developed or how well-designed contributory saving schemes are, informal workers will still struggle to make contributions due to their financial difficulties, making a large informal labour market a continued challenge.

In summary, the performance outcomes of the pension system in the Thai, Chinese, Swiss, and Singaporean cases reveal that different multi-pillar pension systems tend to perform the same when the systems are in countries with similar income groups. After implementing the five-pillar pension approach, middle-income countries with a large informal labour market tend to experience many difficulties, both in the development of the pension system itself and in the functioning of other systems involved in the design. Specifically, informality is a main factor that impacts on the saving decisions of informal workers across the world. In comparison, the pension systems in high-income countries have not faced the same informality challenges as the systems in low- and middle-income countries. Hence, it can be concluded that the multi-pillar pension approach is more practical and realistic in high-income countries with a small informal labour market. Specifically, this multi-layered pension design appears to be only an idealistic model. It is hardly possible to achieve the core objectives of this approach successfully in low- and middle-income countries with large informal labour markets.

## **7.5 Significant contributions and limitations of this thesis**

Previous studies in welfare state analysis have mainly focused on either Western countries, Latin American countries or East Asian countries with a history of Confucianism. Thailand appears to be repeatedly omitted from the discussion (Low, 2006:235). Even though some previous studies concentrated on the Thai pension system, those analyses took place more than a decade ago. The current thesis provides up-to-date data so that this study can reflect and benefit from more contemporaneous insights on the evolutionary process of the five-pillar pension model in the Thai case and the direction for its future.

### **7.5.1 Contributions of the thesis**

Regarding the data analysis and discussion chapters, my study has made some significant contributions to the literature on welfare state analysis and comparative-historical analysis.

First, this thesis has contributed to previous studies on the development of social protection in Thailand. It has shown that the current Thai welfare state regime has shifted away from the regime of the 1990s. The thesis has contributed to welfare state analysis by explaining that the welfare state regimes outlined in previous studies may be unable to perfectly describe the typology of welfare state regimes in the modern world. In the 1990s, civil servants held a privileged position, and public expenditure was low. Some researchers have identified this Thai welfare state regime of the 1990s as a paternalistic welfare state (Chalamwong and Meepien, 2012; Schramm, 2015); others have identified it as a developmental welfare state (Kohler, 2014) or a liberal welfare state regime per Esping-Andersen's three classic types (Ramesh and Asher, 2001). Despite the different lenses of welfare state capitalisms applied, however, all researchers have emphasised that since the early 2000s, the Thai welfare state has developed towards universal welfare state protection. After the development of social protection in the 2000s, specifically after the universal coverage of healthcare, education, and old age allowance schemes, some scholars highlighted that the Thai welfare state had moved to the universal period (Lloyd-Sherlock and Schröder-Butterfill, 2008; Chalamwong and Meepien, 2012). The present study builds on those previous studies not only by confirming that the 2000s social protection in Thailand has grown into a universal social protection period, but also by further concluding that the Thai welfare state regime since the World Bank's new multi-pillar pension system in 2009 is now a mixed regime that incorporates elements of three classic welfare state regimes.

Esping-Andersen (1997) went on to introduce a fourth hybrid welfare regime, a combination of liberal and conservative regimes, highlighting that it might describe not only the Japanese welfare state regime, but also welfare regimes for other East Asian and South-East Asian countries. The current thesis builds on Esping-Andersen's concept of a hybrid welfare regime to describe the current Thai five-pillar pension system. Arts and Gelissen (2002:149) state that welfare states nowadays tend to be hybrid regimes; whilst

Rhodes and Natali (2003:6) emphasise that multi-layered design represents a more complex welfare mix of Esping-Andersen's classic regimes. This study builds on those previous studies confirming that the multi-layered design of pension system in this modern world, such as Thailand, is a complex design of mix welfare regimes. The nature of the World Bank's five-pillar pension reform and the influence of both cultural heritage and historical background in the Thai pension system confirm that the current Thai pension system is a combination of all three classic welfare state regimes: liberal, conservative and social-democratic. This thesis contributes to previous studies from welfare state literature by suggesting that to understand the welfare state regime in the current world, researchers might have to move beyond just the classic types; also, since times have changed and other factors in the environment have changed also, a new type of welfare regime might be called for. Perhaps, other countries employing the World Bank's five-pillar pension model might be categorised as hybrid regimes with all three types of welfare regime as well.

Moreover, Esping-Andersen (1997:186) asserts that both Southern European countries, which represent pro-family cultures, and Japan, with a culture which can be traced to Confucianism, are not unique, but instead are similar to the Catholic-conservative welfare state, which represents a traditional familial welfare function. Based on the data analysis and discussion in Chapter 6, we can add that even though Thailand is not a Southern European nation nor a Confucian one, the historical influence of familialism represents a conservative regime in the Thai case. This thesis suggests that as long as the traditional familial welfare function stays strong, the conservative model will be presented.

Finally, this thesis has contributed to the literature on welfare state analysis and comparative-historical analysis by combining the typology of social insurance institutions of welfare state analysis (Korpi and Palme, 1998) and the macro-configurational element of comparative-historical analysis (Mahoney and Thelen, 2015) as an alternative approach for analysing pension system. This thesis employed Korpi and Palme's concept of five different ideal-typical models of social insurance institutions to examine whether institutional structures of pension programmes are causal factors affecting citizens' interests in and decisions around joining the schemes. In other words, it is a way to test whether the multi-pillar pension model can successfully expand pension coverage to informal workers. Specifically, the expectation of Korpi and Palme's different types of

social insurance institutions has been confirmed that a mismatched target group of the voluntary savings scheme and the nature of informality are the real causes on the effectiveness of extending savings scheme coverage to the informal sector. However, this concept only explored the effect of pension programmes' institutional structures. This thesis's main focus was on exploring, not only the effect of these institutional structures of pension programmes for informal workers' inclusion, but also the effect of the nature of both the informal labour market and the decentralisation process. Korpi and Palme (1998:673) suggest that researchers have to acknowledge that institutional structures of welfare states change over time, and institutional structures are only one of many factors affecting the effectiveness of pension programmes. Gingrich (2015:90) stresses that neither welfare state analysis nor comparative-historical analysis alone can exclusively uncover the historical development of welfare regimes or their structural role. Meanwhile, Mahoney and Thelen (2015:5) explain that comparative-historical analysis's macro-configurational aspect focuses on explaining large-scale political and political-economic outcomes. They consider combinations between the comparative-historical and other aspects to find out if comparative-historical analysis can be incorporated and help compensate for the weaknesses of other approaches, thus forming one useful and powerful alternative approach. Accordingly, this thesis has contributed the macro-configurational aspect in order to fill a gap that the welfare state institutional structures could not. More specifically, the macro-configurational aspect was used to clarify the effect of the nature of the informal labour market and decentralisation on informal workers' interests and decisions around joining the schemes; thus explaining the effectiveness of extending pension coverage to informal workers.

Based on data analysed in this thesis, the researcher thus summarises that the concept of welfare-state institutional structures by Korpi and Palme (1998) together with the macro-configurational aspect (Mahoney and Thelen, 2015) offers a very powerful alternative approach for analysing the broad and complex structural-institutional arrangement of the welfare state institution at the macro level, and different types of social insurance institutions as they identify matched and mismatched target group of the programmes and reflect citizens' interests and decisions at the micro level, which indirectly influenced the effectiveness of extending pension and savings scheme coverage to informal workers. Therefore, this is a valuable research contribution because it provides a reference resource for anyone who wishes to study how multiple factors combine to form complex causal

packages at the macro level that link to the attitudes and preferences of key actors at the micro level, such as the capacity for inclusion of informal workers following the World Bank's multi-pillar pension reform in different case studies.

### **7.5.2 Limitations of the thesis**

Although the research was carefully prepared and has reached its aims, limitations and shortcomings are naturally still present.

First, due to the time limitations inherent in pursuing a PhD degree, the data collection took place from June to September 2015. The NSF was renewed in August 2015, the SSA 40 options 3, 4, and 5 were cancelled in March 2016, and NSF registration for senior citizens aged 60 and above was closed in September 2016. The process of data collecting started during the evolutionary process of the savings scheme. However, due to the time limitation, the thesis could not perform a second round of data collection for comparison with the data collected in 2015. Second, the study focused on the institutions that interacted with the design of the pension and savings schemes for informal workers. Therefore, the findings of the thesis are limited predominantly to the interaction of the informal labour market, the decentralisation process, and the design of the Thai pension system for that period of time, via the lens of welfare state analysis and comparative-historical analysis only. The results of the same case study could thus be revealed differently, depending on the variables used and the historical background and limitations of each case. Finally, the last limitation is the survey sampling method. The survey sampling method used in this thesis corresponded to 'convenience sampling' (Bhattacharjee, 2012). The researcher was aware that convenience sampling would introduce sampling bias concern in the thesis, unlike probability sampling. However, the main focus group of this thesis involved both formal and informal sectors from both local residents in Bangkok and migrants from rural areas. To be able to employ the probability sampling, the researcher has to be able to access official government information on the household registration system of the elderly in the area. The researcher, however, was unable to access official government information nor locate migrant respondents. Even if the researcher were able to access the government's official information on the local resident household system, migrants' residential areas remain unknown. The characteristics of unknown residential area respondents make these respondents

inherently difficult to study. The focus groups of the thesis thereby compounded the difficulties of avoiding selection error. Questionnaire respondents thus were selected via the convenience sampling method despite its methodological limitations, as it was the most appropriate technique for this study.

## **7.6 Suggestions for future research**

The aim of the final section of this chapter is to provide suggestions for future research. The data analysis and discussion of this thesis highlighted some important aspects that merit further investigation. This section suggests future possibilities for examining this thesis's theoretical framework in a new context. It also outlines some key research gaps that still need to be explored.

Firstly, this study suggests future research to revisit the development of welfare state regime of any countries in this modern world through the lens of hybrid regimes. This thesis posits the view that since Thailand's five-pillar pension reform, the welfare state regime of the Thai pension system has moved beyond the three classic welfare regime remits, emerging instead as a new welfare mix; this may also be the case for other middle-income countries that implemented the five-pillar pension model. Due to the pension design of the five-pillar pension model and the influence of the Thai historical background, the role of the state, the market, and the family in the current Thai pension system has shifted away from its previous welfare regime. The government now offers basic pension provision for the Thai elderly and pension contributions to the voluntary savings scheme for informal workers. Meanwhile, the role of private firms in the formal labour market continue to play a significant role, working as social-welfare providers for private employees in their companies, and most elderly tend to rely on their family support. Even though the Thai pension system has been reformed several times, three things have remained the same: one, privileged welfare provision for state employees; two, the need for companies in the labour market and private employees in the formal labour market to be the main pension providers for themselves; three, the strength of traditional familial function in Thailand. Nevertheless, due to social-demographic change and the varied types of occupations in the current situation, some previous studies, along with the data analysis in this thesis, highlight that some of the Thai elderly have started to rely on the government's pension provision and are less likely to rely on family support. Because of the nature of the transformation of the five-pillar pension reform and the traditional

familial function in Thai culture, this thesis contends that the Thai welfare regime is now a mix regime. Hence, it is interesting for other nations, especially middle-income countries, to find out whether after implementing the World Bank's five-pillar pension model, their welfare state regimes have remained the same as before or have moved on, creating a new regime.

Secondly, this thesis suggests future research to combine the macro-configurational aspect with the typology of social insurance institutions to form an alternative approach for analysing the case study as a broad and complex structural-institutional arrangement. Korpi and Palme's institutional structures of welfare state institutions (1998) were used to examine whether the effect of different types of social insurance institutions affecting the formation of citizens' interests and decisions around joining the pension and savings programmes. Meanwhile, the macro-configurational research of comparative-historical analysis was employed for an awareness of how multiple factors combine to form larger combinations, complexes and causal packages (Mahoney and Thelen, 2015:7). These two approaches were employed to analyse how the nature of various factors affected the macro-structural environment of the whole system, shaping the interests of individual agents at the local level. The data analysis in this thesis shows how the macro-configurational approach can be incorporated into the typology of welfare state institutions (Korpi and Palme, 1998) and each can compensate for the weaknesses of one another. This thesis thus recommends future studies consider cooperation between the macro-configurational aspect and the typology of social insurance institutions or either one of these two approaches and other approaches as alternative ways to analyse case studies.

Finally, this thesis suggests that future researchers carefully consider the target group and data collection method for the questionnaire survey based on the case's conditions. This thesis focused on Thai citizens at the age of 50 and above from both rural and urban areas. There were two main reasons for choosing this target group. First, Mr. Korn Chatikavanij, the Finance Minister of the 2009 Abhisit government, stated that the target group of the NSF is from the age of 15 to 59. However, the government would like to incentive specifically Thai citizens at the age of 50 to join the NSF and thereby to start accumulating savings for retirement, so that they will receive pension by the age of 60 (Prachachat, 2009). This is because, to receive pension for the rest of their life, Thai citizens have to



contribute at the requirement level for at least ten years. The NSF advertised that any Thai senior citizen in the informal sector aged 60 and above was allowed to join only in the first year after the programme was reintroduced in 2015 (NSF, 2016). Anyone from the age of 60 and above will not receive pension allowance if they failed to join the NSF by September 2016 (NSF, 2017a). Accordingly, studying citizens at the age of 50 and above helped the researcher analyse the effectiveness of Thailand's pension and savings schemes policy design. However, different case studies could select different target group based on the case's conditions.

Furthermore, avoiding selection error becomes difficult when taking on migrant workers as one of the target groups. Migrants comprise a hidden group that is not formally tracked by the government. Thus, researchers seeking to study migrant workers have only a few method options for data collection. 'Convenience' and 'snowball' sampling are common solutions when migrants and other hard-to-reach populations are target groups (Agadjanian and Zotoya, 2012:134). The convenience sampling method is commonly used for questionnaire data collection, whilst the snowball sampling method is mainly used in interview data collection (ibid). In the present study, the target groups of the questionnaire included both local residents in Lumpini sub-district Bangkok and migrants from rural areas in both formal and informal sectors, and the convenience sampling method was employed as a data collection method. Though the researcher acknowledged that a convenience sample may lead to the under-representation or over-representation of particular groups within the sample (Lund Research, 2012), it was the most suitable option in this context. Accordingly, this thesis suggests that future researchers who intend to have migrants as a target group should be aware of the difficulties in avoiding selection error in data collection and carefully consider the most suitable method for the study.

In summary, it remains inconclusive whether other middle-income countries using the World Banks' new multi-pillar pension system will have the same institutional framework of their pension system, the same result for pension scheme effectiveness, or even the same typology of the welfare state regime as the Thai case. Hence, this thesis suggests future researchers examine these puzzles in a new context and be aware of difficulties of avoiding selection errors that researchers might experience.

# APPENDICES

## APPENDIX 1 Consent form for participant (English version)

THE UNIVERSITY *of York*

### CONSENT FORM

Reference number: <Ref\_Number> School of Philosophy, Economics and Politics (PEP)  
Department of Politics  
University of York  
Heslington, York  
YO10 5DD, The UK  
Tel: +44 (0) 1904 323542  
Fax: +44 (0) 1904 323563

Researcher: Phohnthip Smithsarakarn

Thesis Title:

*The Thai Multi-Pillar Pension System: Extending Pension and Savings Scheme Coverage to Informal Workers*

Please tick each box

1	I agree to participate in this study	
2	I understand that my participation in this study is voluntary and I am free to Withdraw from the research at any time without giving any reason and without any detriment to myself and my organisation	
3	I confirm that I have read and understand clearly the information sheet for this Research and have had the opportunity to ask questions about the study. These questions have been answered satisfactory by the researcher.	
4	I understand that the interview will be audio-taped.	
5	I understand that only the members of the research team have access to the Information collected during the study.	
6	I am aware that the information collected during the interview will be used to Write up a PhD thesis, and may be used in future research.	
7	I understand that information collected during the course of the research project will be treated as confidential. This means that my name, or any other information that could identify me, will not be included in anything written as a result of the research.	
8	I understand that when this research is completed the information obtained will be Retained in locked filing cabinets in a storeroom at the University of York's Digital Data Archive; and it will be destroyed after collected for 5 years.	
9	I would like to be informed of the outcome of the research via a report summary, and/ or be informed of any future publications.	

Name of Participant:	Date:	Signature:
Name of Researcher:	Date:	Signature:

## APPENDIX 2 Consent form for participant (Thai version)



ใบแสดงความยินยอมเข้าร่วมโครงการวิจัย  
เลขที่อ้างอิง

โรงเรียนปรัชญา เศรษฐศาสตร์ และการเมือง  
มหาวิทยาลัยยอร์ก  
เฮลลิงตัน ประเทศอังกฤษ  
รหัสไปรษณีย์ YO10 5DD  
โทร 44 (0) 1904 323843  
+44 (0) 1904 323542, +44 (0) 1904 323556  
โทรสาร+44 (0)1904 424563

ชื่อนักวิจัย นางสาวพรทิพย์ สมบัติศราการย์

หัวข้องานวิจัย

วิเคราะห์การเปลี่ยนแปลงโครงสร้างทางสถาบันของ ระบบบ้านาญแบบหลายชั้นในประเทศไทย: การครอบคลุมแรงงานนอกระบบ

กรุณาทำเครื่องหมายกากบาท

1	ข้าพเจ้ายินยอมเข้าร่วมโครงการวิจัย	
2	ข้าพเจ้ามีความเข้าใจว่าการเข้าร่วมโครงการวิจัยของข้าพเจ้าเป็นไปด้วยความสมัครใจและข้าพเจ้ามีสิทธิ์ที่จะถอนตัวจากงานวิจัยนี้ได้ตลอดเวลาโดยไม่ต้องแสดงเหตุผลและไม่มีผลกระทบต่ออันเสียหายแก่ตัวข้าพเจ้าและบริษัทของข้าพเจ้า	
3	ข้าพเจ้ายินยอมให้ข้าพเจ้าได้อ่านและเข้าใจถึงข้อมูลเกี่ยวกับงานวิจัย และมีสิทธิ์ที่จะถามคำถามเกี่ยวกับงานวิจัย และได้รับคำตอบที่เป็นที่พอใจจากผู้วิจัย	
4	ข้าพเจ้าเข้าใจว่าระหว่างการสัมภาษณ์จะมีการบันทึกเสียงในการสัมภาษณ์ร่วมด้วย	
5	ข้าพเจ้าเข้าใจว่าเฉพาะคณะผู้วิจัยเท่านั้นที่สามารถเข้าถึงข้อมูลที่เกี่ยวข้องกับการศึกษา	
6	ข้าพเจ้าทราบว่าข้อมูลที่เก็บระหว่างการสัมภาษณ์จะถูกนำไปใช้ในการเขียนวิทยานิพนธ์ระดับปริญญาเอก และอาจมีการนำไปใช้ในการวิจัยในอนาคต	
7	ข้าพเจ้ามีความเข้าใจว่าข้อมูลที่เก็บระหว่างงานวิจัยจะมีการเก็บรักษาอย่างไม่มีเปิดเผย ซึ่งหมายความว่าชื่อของข้าพเจ้าหรือข้อมูลใดๆที่สามารถระบุถึงตัวข้าพเจ้าได้นั้น จะไม่ถูกนำมาใช้ในงานวิจัย	
8	ข้าพเจ้ามีความเข้าใจว่าเมื่องานวิจัยนี้เสร็จสิ้นลง ข้อมูลที่ได้รับจะถูกเก็บไว้ในห้องเก็บข้อมูลของมหาวิทยาลัยยอร์ก คณะปรัชญา เศรษฐศาสตร์และการเมือง ภาควิชารัฐศาสตร์ เป็นระยะเวลา 5 ปี และจะถูกทำลายลงหลังจากนั้น	
9	ข้าพเจ้ามีความประสงค์ขอรับผลสรุปของงานวิจัย โดยการเขียนสรุปรายงานและหรือรายงานถึงการตีพิมพ์ที่อาจจะเกิดขึ้นในอนาคต	

ชื่อผู้ร่วมงานวิจัย	วันที่	ลายเซ็น
ชื่อนักวิจัย	วันที่	ลายเซ็น

## APPENDIX 3 Participants information sheet (English version)

# THE UNIVERSITY *of* York

## PARTICIPANT INFORMATION SHEET

Reference Number: School of Philosophy, Economics and Politics (PEP)  
Department of Politics  
University of York  
Heslington  
YO10 5DD, UK  
Tel: +44 (0) 1904 323542  
Fax: +44 (0) 1904 323563

Researcher: Phohnthip Smithsarakarn

Thesis Title:

***The Thai Multi-Pillar Pension System: Extending Pension and Savings Scheme Coverage to Informal Workers***

You are invited to take part in a research study which is being conducted as a part of a Doctoral Research degree at the University of York by Miss Phohnthip Smithsarakarn under the supervision of Dr. Louise Haagh. The researcher appreciates your participation, which will greatly enhance the findings of this research.

Before you decide whether or not to take part in this project, it is necessary for you to understand why the research is being undertaken and what it shall involve. Please kindly take your time to read the following information carefully, and should you have any enquiries for further information, please do not hesitate to contact the researcher.

### **The purpose of this research**

The pension system in Thailand has been reformed several times. In 2009, a five-pillar pension model implemented in Thailand; it was marked the first time that informal workers were included in the formal system. The objectives of transformation were mainly to improve the coverage (mainly to include informal workers into the system) and benefits adequacy (to reduce poverty and provide income security). Currently, non-contributory pension scheme participation is at a record high; however, many informal workers have not yet joined the voluntary savings pension scheme. This thesis thus investigates the causal factors affecting the informal workers' decisions on joining the schemes after this pension reform. From this perspective, the present thesis attempts to understand the nature of the transformation of the current five-pillar pension in Thailand. In order to explore the causes in this outcome, the questionnaire survey and interview are the main empirical instruments of this research to get in-depth information.

Whilst the pension system has become a hot topic in the world welfare state debate, there are fairly few studies in the welfare state literature that focus on the informal working population, especially in the Thai case. Even though some studies have explored the performance of the pension system in Thailand, there is still lack of in-depth understanding regarding the effectiveness of extending pension coverage for informal workers. Moreover, the current literature also reveals a limited understanding of how different the local political context affects the system's institutional development and its effectiveness. This study highlights that since the pension system first adopted in Thailand, there are three different actors have played important roles in the pension system's development, including Thai senior citizens, local and national bureaucrats/staff. Each actor has been influential in the development of the pension. Hence, the questionnaire survey is used in this thesis to gain information at the Thai senior citizens' personal characteristics to provide better and more accurate data on their joining pension schemes decision, specifically the savings contribution. Meanwhile, the interview is used in this thesis to allow the researcher to move beyond written sources and ask probing, theoretically driven questions of key participants about the events and processes of interests. There are three groups of informants: 1) Thai senior citizens, 2) local bureaucrats/staff, and 3) national bureaucrats/staff.

**Your involvement**

As you are involved in the process of the development of the Thai pension system, you have been identified as a potential participant. Your knowledge and experience towards the Thai pension system is vulnerable to this research project.

Your participation is entirely voluntary. Should you choose to participate, you would be free to withdraw from the research at any time without giving a reason and without any detriment to yourself or your organisation.

If you decide to take part in the research, you will be asked to fill in the questionnaire form and/or interviewed regarding your perspective towards the current pension system in Thailand. The interview will take approximately 30-50 minutes or anytime that you wish to stop; and with your permission, the interview will be audio-recorded. Before the interview starts, you will be given an opportunity to ask questions, and the researcher will ask you to sign a written consent form confirming that you are willing to take part in this research project.

**Possible Benefits**

This is a great opportunity for you to share your professional knowledge and experience, which are likely to prove very useful and helpful not only to the research paper but also to the public. The findings of this study might lead to a better understanding of the origin of the dilemmas in the current pension system in Thailand, as well as a suggestion for other developing that facing the same situation.

**The Information You Provide**

Your information in the questionnaire survey data and/or audio-recording and interview script will be kept strictly confidential and will be available only to the researcher. Interview tapes will be transcribed. All the questionnaire survey forms, audio-recordings and transcriptions will be locked in a safe place. All the information collected during the fieldwork of this research project will only be viewed by the researcher, and remain strictly confidential. The confidential handling, processing, storage and disposal of data will be in accordance with the Data Protection Guidelines.

At the end of the study, this information may be used to write up a PhD thesis, and may be used in published articles in professional and academic journals as well as conference presentations. The names of the participants, who have taken part in the research or any other information that could identify them, will not appear in the thesis or in other written forms when the study is completed.

All the participants who take part in this research project will receive a summary of the final report afterwards, if they indicate a desire for one. When the study is completed, all the information will be kept in a locked filing cabinet in a storeroom of the department at the University of York for 5 years; that information will be deleted and destroyed afterwards.

**What is the next step?**

If you are willing to participate in this research project, please complete the reply slip and return in either the provided envelope or via email. The researcher will contact you after receiving your reply slip to arrange the date and time for the interview. A consent form can be signed on the day of the interview. The consent form will not be used to identify you. It will be filed separately from all the other information. However, you may keep this sheet for reference.

**Further information**

Should you have any further enquiries or concerns about the research project, please do not hesitate to contact the researcher Miss Phohnthip Smithsarakarn.

Call: +44 (0) 7 548 434343

E-mail: ps811@york.ac.uk

## APPENDIX 4 Participants information sheet (Thai version)

# THE UNIVERSITY of York

ข้อมูลสำหรับผู้เข้าร่วมงานวิจัย  
เลขที่อ้างอิง

โรงเรียนปรัชญา เศรษฐศาสตร์ และการเมือง  
มหาวิทยาลัยยอร์ก  
เฮลลิงตัน ประเทศอังกฤษ  
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ชื่อนักวิจัย นางสาวพรทิพย์ สมุทรศรีสารการย์

หัวข้องานวิจัย

วิเคราะห์การเปลี่ยนแปลงโครงสร้างทางสถาบันของ ระบบบำนาญแบบหลายชั้นในประเทศไทย: การครอบคลุมแรงงานนอกระบบ

ท่านได้รับการเชิญเพื่อเข้าร่วมงานวิจัยเพื่อการศึกษาในระดับคุณวุฒิบัณฑิตของมหาวิทยาลัยยอร์ก (The University of York) ณ เมืองยอร์ก ประเทศอังกฤษ สหราชอาณาจักรบริเตนใหญ่และไอร์แลนด์ จัดทำโดย นางสาวพรทิพย์ สมุทรศรีสารการย์ ภายใต้การควบคุมของ ดร. หลุยส์ ฮากก์ (Dr. Louise Haagh) เราขอขอบคุณในความสนใจของท่าน และเชื่อว่าการร่วมมือของท่านจะเป็นประโยชน์แก่งานวิจัยดังกล่าว ก่อนที่ท่านจะตัดสินใจว่าจะเข้าร่วมการวิจัยนี้หรือไม่นั้น ใครขอความกรุณาท่านโปรดอ่านข้อมูลดังกล่าวตามเอกสารที่แนบมานี้ เพื่อทำความเข้าใจถึงข้อมูลของงานวิจัยและที่มาของงานวิจัยขั้นนี้ด้วยและหากท่านมีข้อสงสัยประการใดเกี่ยวกับงานวิจัยดังกล่าวกรุณาสอบถามข้าพเจ้าเพื่อขอข้อมูลเพิ่มเติม

### วัตถุประสงค์ของงานวิจัย

ระบบบำนาญในประเทศไทยถูกปฏิรูปมาแล้วหลายครั้งปัจจุบันประเทศไทยได้ใช้รูปแบบระบบบำนาญหลายชั้นหรือที่รู้จักกันดีว่าเป็นแนวคิดแรกเริ่มจากธนาคารโลก แม้ระบบบำนาญในประเทศไทยจะมีการปฏิรูปมาแล้วหลายครั้ง แต่ครั้งนี้ถือเป็นครั้งแรกของประเทศไทยที่ระบบบำนาญครอบคลุมประชาชนทุกคนในสังคม โดยมีเป้าหมายหลักคือแรงงานนอกระบบ จุดประสงค์หลักของการปฏิรูประบบบำนาญจากระบบก่อนมาเป็นระบบบำนาญหลายชั้นนั้น เป้าหมายหลักเพื่อครอบคลุมลูกจ้างแรงงานนอกระบบ เพื่อเป็นหลักประกันรายได้ที่ดีให้แก่ประชาชนผู้สูงอายุหลังวัยเกษียณ อาทิลดปัญหาความยากจน และมอบรายได้พื้นฐานหลังวัยเกษียณให้แก่ประชาชนชาวไทย ถึงแม้ว่าระบบบำนาญหลายชั้นในปัจจุบันนั้นจะสามารถแก้ไขปัญหาที่เกิดขึ้นจากระบบบำนาญแบบเก่าได้ แต่ก็ยังคงมีปัญหายังคงแก้ไม่ตกนั้นคือความมั่นคงทางการเงินของประชาชนในตลาดแรงงานนอกระบบ นอกจากนี้แล้วกลับมีปัญหาคือการเกิดขึ้นจากโครงสร้างของระบบบำนาญแบบหลายชั้นในปัจจุบันอีกด้วย นั่นคือการที่โครงการบางโครงการในระบบไม่สามารถตอบสนองความต้องการของภาครัฐได้อย่างมีประสิทธิภาพจนส่งผลให้เกิดปัญหาของโครงสร้างทางสถาบันโดยรวม อย่างไรก็ตามปัญหาที่เกิดขึ้นกับประชาชนในกลุ่มแรงงานนอกระบบคือปัญหาหลักที่ต้องการการแก้ไขโดยเร็วที่สุด ดังนั้นแล้วจึงจำเป็นต้องให้ความสำคัญและดูแล ด้วยเหตุนี้เองงานวิจัยขั้นนี้จึงให้ความสำคัญกับกลุ่มชนชั้นแรงงานนอกระบบ

### การเข้าร่วมของท่าน

ในฐานะที่ท่านทำงานในหน่วยงานหรือมีเป็นบุคคลที่มีความเกี่ยวข้องกับระบบบำนาญในประเทศไทยท่านจัดเป็นผู้มีความรู้และประสบการณ์ที่เกี่ยวข้องของระบบบำนาญในประเทศไทย ซึ่งเป็นบุคคลที่มีความสำคัญต่องานวิจัยขั้นนี้เป็นอย่างมาก การเข้าร่วมงานวิจัยในครั้งนี้ของท่านจะเป็นไปด้วยความสมัครใจ ท่านมีสิทธิ์ที่จะถอนตัวจากการเข้าร่วมงานวิจัยขั้นนี้ได้ตลอดเวลา โดยไม่มีความจำเป็นที่จะต้องแสดงเหตุผล และการถอนตัวของท่านจะไม่มีผลกระทบต่ออันเสียหายแก่ตัวท่านหรือองค์กรของท่านแต่อย่างใด ข้อมูลของท่านจะถูกแทนโดยสัญลักษณ์อื่น อาทิ A, B, C หรือ I1, I2, I3 หากท่านมีความประสงค์จะเข้าร่วมในการวิจัยครั้งนี้ การทำแบบสอบถามจะอยู่ที่ประมาณ 10 นาที และการสัมภาษณ์จะใช้เวลาประมาณ 30-50 นาที และหากท่านยินดีที่จะเข้าร่วมการสัมภาษณ์นั้น การสัมภาษณ์จะมีการบันทึกเสียงระหว่างการสัมภาษณ์ด้วย ก่อนที่จะเริ่มการสัมภาษณ์นั้น

### ประโยชน์ที่ท่านอาจได้รับ

การเข้าร่วมงานวิจัยของท่านถือเป็นโอกาสที่ท่านจะได้แบ่งปันความรู้และประสบการณ์ของท่านจะถูกนำเสนอออกมาให้ปรากฏชัดแจ้งสู่สาธารณะในรูปแบบของงานวิจัยเชิงวิชาการ โดยงานวิจัยขั้นนี้จะช่วยให้เกิดความเข้าใจในเชิงลึกเกี่ยวกับปัญหาและประสิทธิภาพของระบบ

บ้านนาญไทยที่เกิดขึ้นในปัจจุบัน โดยผ่านมุมมองของท่านได้ไม่มากนักน้อย นอกจากนี้แล้วการเข้าร่วมเป็นส่วนหนึ่งของงานวิจัยในครั้งนี้ของท่านยังอาจมีส่วนในการเสนอแง่มุมใหม่ๆ ที่เกี่ยวข้องกับระบบ บ้านนาญไทย ทั้งในเชิงนโยบายภาคทฤษฎีและภาคปฏิบัติ

#### **ข้อมูลที่ท่านให้ในงานวิจัย**

ข้อมูลที่ท่านให้ในงานวิจัยครั้งนี้ จะถูกนำมาถอดคำสัมภาษณ์และนำมาเขียนเป็นลายลักษณ์อักษร งานเขียนที่เกิดจากการถอดคำสัมภาษณ์จะถูกจัดเก็บไว้เป็นอย่างดีโดยนักวิจัย โดยจะจัดเก็บอย่างเป็นความลับที่มีการป้องกัน โดยรหัสคอมพิวเตอร์ มีเพียงนักวิจัยและคณะผู้วิจัยที่เกี่ยวข้องเท่านั้นที่จะสามารถเข้าถึงข้อมูลของท่านได้ การจัดเก็บข้อมูลและการทำลายข้อมูลนั้นจะเกิดขึ้นหลังจากที่งานวิจัยนี้เสร็จสิ้นลง โดยจะเป็นไปตามกฎระเบียบของทางมหาวิทยาลัยอย่างเคร่งครัด เมื่อจบการศึกษาข้อมูลที่ท่านให้ระหว่างการสัมภาษณ์จะถูกใช้ในการเขียนวิทยานิพนธ์ และอาจนำมาแสดงในงานตีพิมพ์หรือนำเสนอผลงานเชิงวิชาการในอนาคต แต่ชื่อของท่าน หรือบุคคลที่เข้าร่วมงานวิจัย ตลอดจนข้อมูลต่างๆที่สามารถระบุถึงตัวท่านได้นั้น จะไม่ถูกนำออกมาเผยแพร่หรือตีพิมพ์ในงานวิจัยหรือในการศึกษาใดๆ ในอนาคต

หากท่านมีความประสงค์ที่จะรับข้อมูลผลสรุปจากงานวิจัยในครั้งนี้ ท่านมีสิทธิ์ที่จะได้รับผลสรุปของงานวิจัยดังกล่าวภายหลังจากงานวิจัยเสร็จสิ้นลง และเมื่องานวิจัยเสร็จสิ้นลงนั้น ข้อมูลของท่านจะถูกเก็บไว้ในห้องเก็บฐานข้อมูลเพื่องานวิจัยของคณะปรัชญา เศรษฐศาสตร์และการเมือง ภาควิชารัฐศาสตร์ มหาวิทยาลัยยอร์ก เป็นระยะเวลาทั้งสิ้นรวม 5 ปี และเมื่อถึงกำหนดครบตามเวลาดังกล่าวแล้วนั้น ข้อมูลทั้งหมดที่เกี่ยวข้องกับงานวิจัยก็จะถูกทำลาย

#### **ท่านจะต้องทำอะไรในขั้นต่อไป**

หากท่านประสงค์ที่จะเข้าร่วมงานวิจัยในครั้งนี้ ขอความกรุณาท่านตอบกลับโดยใบแจ้งตอบ หรือแจ้งให้นักวิจัยทราบ ทางนักวิจัยจะติดต่อกลับไปหลังจากที่ได้รับใบตอบกลับของท่านเพื่อทำการนัดหมายวันและเวลาในการสัมภาษณ์ ท่านจะได้รับใบแสดงความยินยอมเข้าร่วมการวิจัยในวันสัมภาษณ์ และใบแสดงความยินยอมเข้าร่วมการวิจัยจะไม่ถูกนำมาใช้เพื่อระบุท่านเป็นใคร แต่ใบแสดงความยินยอมนี้จะถูกนำไปจัดเก็บไว้อย่างดี โดยแยกจากข้อมูลที่ได้ในการสัมภาษณ์ และท่านมีสิทธิ์ที่จะเก็บใบแสดงความยินยอมนี้ไว้ได้หากท่านต้องการ

#### **ต้องการสอบถามข้อมูลเพิ่มเติม**

โปรดติดต่อ นางสาวพรทิพย์ สมุทรสาคราย์

โทร +44 (0)7 519 557 459

อีเมล ps811@york.ac.uk

## APPENDIX 5 Reply slip for participants (English version)

THE UNIVERSITY *of York*

### REPLY SLIP

Reference number: <Ref\_Number> School of Philosophy, Economics and Politics (PEP)  
Department of Politics  
University of York  
Heslington, York  
YO10 5DD, The UK  
Tel: +44 (0) 1904 323542  
Fax: +44 (0) 1904 323563

Researcher: Phohnthip Smithsarakarn

Thesis Title:

**The Thai Multi-Pillar Pension System: *Extending Pension and Savings Scheme Coverage to Informal Workers***

**Name:** <First\_Name> <Last\_Name>  
Phone Number: <Phone\_Number>  
Email Address: <Email\_address>  
Address: <Address\_Line\_1>  
<Address\_Line\_2>  
<City>  
<Postcode>

I am interested in taking part of the research project and willing to be contacted by phone or email to discuss possible participation.

(Please tick box)



## APPENDIX 6 Reply slip for participants (Thai version)

THE UNIVERSITY *of York*

ใบตอบกลับ

เลขที่อ้างอิง

โรงเรียนปรัชญา ศึกษาศาสตร์ และการเมือง  
มหาวิทยาลัยยอร์ก  
เฮลลิงตัน ประเทศอังกฤษ  
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โทรสาร+44 (0)1904 424563

ชื่อนักวิจัย นางสาวพรทิพย์ สนิทสรการักษ์

หัวข้องานวิจัย

วิเคราะห์การเปลี่ยนแปลงโครงสร้างทางสถาบันของ ระบบบ้านกฎหมายหลายชั้นในประเทศไทย: การควบคุมแรงงานนอกระบบ

ชื่อ นามสกุล:

เบอร์โทรศัพท์:

อีเมล:

ที่อยู่: บ้านเลขที่ \_\_\_\_\_ เขต \_\_\_\_\_ แขวง \_\_\_\_\_

จังหวัด \_\_\_\_\_

รหัสไปรษณีย์ \_\_\_\_\_

ข้าพเจ้ามีความสนใจเข้าร่วมการศึกษานี้และยินดีที่จะได้รับการติดต่อกลับโดยทาง โทรศัพท์หรืออีเมล

(โปรดกากบาทในช่อง)

**APPENDIX 7 Questionnaire form (English version)**



*The Thai Multi-Pillar Pension System: Extending Pension and Savings Scheme Coverage to Informal Workers*

No.....

**The survey is being conducted as a part of a Doctoral Research Degree at the University of York, England, the United Kingdom by Miss Phohnthip Smithsarakarn under the supervision of Dr. Louise Haagh**

**1 General Information about the participant**

Please read all the questions carefully before completing this form and please tick the appropriate box relevant to your circumstances

**1.1 Gender**

Male  Female

**1.2 Age**

50-59  60-69  
 70-79  80-89  90 and above

**1.3 Marital status**

Singled  Married  Widowed/Divorced

**1.4 Educational background**

No education  Primary school  
 High school  Undergraduate  
 Diploma  Postgraduate

**1.5 Residential area**

Current area (district) \_\_\_\_\_ Hometown \_\_\_\_\_

**1.6 Occupation** \_\_\_\_\_

If your current residential area is not your hometown regarding your occupation, could you kindly please inform us your previous job? \_\_\_\_\_

**1.7 Income per month (Baht)**

- No income
- 12,500-62,500 Baht
- less than 12,500 Baht
- more than 62,500 Baht

**1.8 Living arrangement**

- Alone
- With spouse
- With family members (spouse/children/grandchildren and relatives)
- With unrelated persons \_\_\_\_\_
- Others \_\_\_\_\_

**2 Financial status**

**2.1 From your perspective, is your income enough for you to live in your daily life?**

- Yes
  - More than sufficient
  - Just okay
- No

---

**2.2 Could you please inform your primary source of income as well as inform how much the income comes from each category?**

- Occupation \_\_\_\_\_
- Allowance of the pension programme  
\_\_\_\_\_
- Family support  
\_\_\_\_\_
- Others  
\_\_\_\_\_

**2.3 Are you pleased with your current income?**

- Yes
- No

---

**2.4 Are you currently taking care of anyone? How many of them? Does it cause you any difficulties in terms of financial status and savings arrangements?**

- Yes \_\_\_\_\_
- No

**2.5 Do you personally agree that saving for retirement is important to your life?**

Yes

No

**2.6 At what age/ in what year did you start saving money for your retirement?**

\_\_\_\_\_

**2.7 Do you have any savings or take any financial preparation action?**

Yes

No

**2.8 If you have saved for your retirement, how have you saved your retirement savings?**

By myself

With my family

With the state

With the public

Others \_\_\_\_\_

**2.9 If you have had financial preparation, how much do you normally save for your retirement per month?**

I make regular monthly contributions

1-5% of the salary

6-10% of the salary

11-15% of the salary

more than 15% of the salary

I do not make regular monthly contributions

### **3. Attitude towards the current multi-pillar pension system in Thailand**

**3.1 Are you currently joining any programmes related to state pension programmes or not?**

Yes

OAA

RMF

NSF

SSA 40

No

**3.2 Are you currently participating in any savings for retirement programmes?**

Yes \_\_\_\_\_

No

**3.3 Have you heard about the Old Age Allowance (OAA)?**

Yes

No

**3.4 Have you heard about the Retirement Mutual Fund (RMF) ?**

Yes

No

**3.5 Have you heard about the National Savings Fund (NSF) ?**

Yes

No

**3.6 Have you heard about the Social Security Office Article 40 (SSA 40)?**

Yes      Option \_\_\_\_\_

No

**3.7 Within the past few months, have you heard any information relevant to informal workers or retirement aged citizens?**

Yes

Radio

Broadcast in local district area

Television

Brochure

Billboard

Social media

Newspaper/ magazines

People (leader of the community, family members friends etc.)/

No

**4. Please rate your satisfaction with the multi-pillar pension system in Thailand**

**Degree**

**5= Very satisfied**

**4= Satisfied**

**3= Neutral**

**2= Unsatisfied**

**1= Very unsatisfied**

Information	Ranking scale				
	5	4	3	2	1
<b>1. Satisfaction with policy design</b>					
1.1 How satisfied are you with the vision of the OAA? (pension provision)					
1.2 How satisfied are you with the vision of the RMF? (tax deduction)					
1.3 How satisfied are you with the vision of the NSF? (government contributions)					
1.4 How satisfied are you with the vision of the SSA 40? (government contributions)					
<b>2. Satisfaction with local bureaucrats' actions</b>					
2.1 Have the local bureaucrats/staff sufficiently explained the OAA to you?					
2.2 Have the local bureaucrats/staff sufficiently explained the RMF to you?					
2.3 Have the local bureaucrats/staff sufficiently explained the NSF to you?					
2.4 Have the local bureaucrats/staff sufficiently explained the SSA 40 to you?					
<b>3. Perspectives towards the effectiveness of the Thai pension system</b>					
3.1 From your perspective, is the OAA allowance that the state provides effective enough for you?					
3.2 Has the savings pension scheme incentivized your savings behavior?					
3.3 Have your savings behavior changed from the past (before the multi-pillar pension system was introduced)?					
3.4 From your perspective, to what extent do you foresee the pension system changing your economic security?					

**5 Open-ended questions**

Do you have any further comments that you would like to share?

.....

.....

.....

THANK YOU SO MUCH FOR YOUR KIND COOPERATION

APPENDIX 8 Questionnaire form (Thai version)

# THE UNIVERSITY *of York*

วิเคราะห์การเปลี่ยนแปลงโครงสร้างทางสถาบันของ ระบบบำนาญแบบหลายชั้นใน  
ประเทศไทย: การครอบคลุมแรงงานนอกระบบ

เลขที่ No.....

แบบสอบถามข้อมูลระบบบำนาญหลายชั้นในประเทศไทย

งานวิจัยในครั้งนี้จัดตั้งขึ้นเพื่อประกอบงานวิจัยในวิทยานิพนธ์ระดับชั้นปริญญาเอกคุณฉวีรัตน์ ตรีดิตริต ของ  
นางสาวพรทิพย์ สมิทธิ์ศรการย์ มหาวิทยาลัยยอร์ก ประเทศอังกฤษ แห่งสหราชอาณาจักร ภายใต้การ  
ควบคุมดูแลของดร. หลุยส์ ฮาค์ก

\*\*\*\*\*

1 General Information about the participant ข้อมูลส่วนบุคคลของผู้ถูกสัมภาษณ์

โปรดทำเครื่องหมาย X ลงในช่อง  หน้าข้อความ หรือเขียนตอบตามความเป็นจริงเกี่ยวกับตัวท่าน

1.1 เพศ

ชาย  หญิง

1.2 อายุ

50-59  60-69  
 70-79  80 and above/ 80 ปีขึ้นไป

1.3 สถานภาพ

โสด  สมรส  หม้าย หย่าร้าง

1.4 ระดับการศึกษา

ไม่มีวุฒิทางการศึกษา  ประถมศึกษา  
 มัธยมศึกษา  ระดับปริญญาตรี  
 ปวช ปวส ประกาศนียบัตรหรือเทียบเท่า  ระดับสูงกว่าปริญญาตรี

### 1.5 บริเวณที่อยู่อาศัย

บริเวณที่อยู่ปัจจุบัน \_\_\_\_\_ เขต \_\_\_\_\_

### 1.6 อาชีพ \_\_\_\_\_

หากกรุงเทพมหานครมีแหล่งภูมิลาเนาของท่านโปรดแจ้งว่าท่านเคยประกอบอาชีพใดมาก่อน

### 1.7 รายได้ต่อเดือน (บาท)

- |  |  |
|--|--|
| <input type="checkbox"/> ไม่มีรายได้   | <input type="checkbox"/> น้อยกว่า 12,500 บาท |
| <input type="checkbox"/> 12,500-62,500 | <input type="checkbox"/> มากกว่า 62,500 บาท  |

### 1.8 Household income per month (Baht)

รายได้ครอบครัวต่อเดือน (บาท)

- |                                      |                                |
|--------------------------------------|--------------------------------|
| <input type="checkbox"/> ไม่มีรายได้ | <input type="checkbox"/> _____ |
|--------------------------------------|--------------------------------|

### 1.9 ลักษณะการอยู่อาศัย โปรดแจ้งให้ทราบว่าท่านอาศัยอยู่กับผู้ใดบ้าง และมีจำนวนกี่คน

- |  |       |
|--|-------|
| <input type="checkbox"/> อาศัยลำพัง                      | _____ |
| <input type="checkbox"/> อาศัยกับคู่สมรสเท่านั้น         | _____ |
| <input type="checkbox"/> อาศัยอยู่กับลูกหลานและครอบครัว  | _____ |
| <input type="checkbox"/> อาศัยอยู่กับผู้ที่ไม่เกี่ยวข้อง | _____ |
| <input type="checkbox"/> อื่นๆ                           | _____ |

## 2 สถานะทางการเงิน

### 2.1 จากมุมมองของท่าน ท่านคิดว่ารายได้ที่ท่านได้รับนั้นเพียงพอต่อการดำรงชีพหรือไม่

- |   |
|---|
| <input type="checkbox"/> เพียงพอ        |
| <input type="checkbox"/> มากกว่าเพียงพอ |
| <input type="checkbox"/> พอมีพอกิน      |
| <input type="checkbox"/> ไม่            |

เพียงพอ \_\_\_\_\_

### 2.2 แหล่งใดคือแหล่งรายรับของท่านบ้าง (โปรดระบุจำนวน)

- |  |       |
|--|-------|
| <input type="checkbox"/> การทำงาน                                    | _____ |
| <input type="checkbox"/> เบี้ยเลี้ยงชีพสำหรับผู้สูงอายุหลังวัยเกษียณ | _____ |
| <input type="checkbox"/> ครอบครัว                                    | _____ |



อื่นๆ \_\_\_\_\_

2.3 ท่านพอใจกับรายได้ของท่านหรือไม่

พอใจ

ไม่พอใจ \_\_\_\_\_

2.4 ปัจจุบันท่านต้องเป็นผู้ดูแลผู้อื่นหรือไม่

ใช่ ถ้าใช่ท่านต้องดูแลทั้งหมดกี่คน \_\_\_\_\_

ไม่ใช่

2.5 จากทัศนคติของท่านท่านเชื่อว่าการออมทรัพย์ก่อนวัยเกษียณนั้นเป็นเรื่องที่สำคัญต่อชีวิตของท่านหรือไม่

สำคัญ

ไม่สำคัญ

2.6 ท่านได้เริ่มออมเพื่อวัยเกษียณตั้งแต่ช่วงอายุประมาณเท่าใด \_\_\_\_\_

2.7 ท่านมีการออมหรือไม่

มี

เงินสด

หุ้นสหกรณ์

การลงทุน

ที่ดิน

พันธบัตรรัฐบาล

อื่นๆระบุ \_\_\_\_\_

ไม่มี

2.8 หากท่านได้มีการออมเงิน ท่านมีวิธีการออมเงินผ่านทางกระบวนการใด

ด้วยตัวท่านเอง

โดยครอบครัวของท่าน

โดยองค์กรภาครัฐ

โดยบริษัทเอกชน

อื่นๆ \_\_\_\_\_

2.9 หากท่านมีการออมเงิน โดยปกติแล้วท่านมีการออมเช่นไร

สม่าเสมอ \_\_\_\_\_

ไม่สม่าเสมอ \_\_\_\_\_

3. ทัศนคติของท่านต่อระบบบำนาญแบบหลายชั้นในไทย

3.1 ขณะนี้ท่านกำลังเข้าร่วมโครงการสวัสดิการหลังวัยเกษียณโครงการใดจากภาครัฐหรือไม่

- ใช่
- เบี้ยยังชีพเพื่อผู้สูงอายุ 600 บาท สำหรับ 60-69, 700บาทสำหรับ 70-79  
800 (สำหรับ80-89, 1,000 บาท สำหรับ 90ปีขึ้นไป)
- กองทุนรวมเพื่อการเลี้ยงชีพ
- กองทุนการออมแห่งชาติ กอช.
- โครงการประกันสังคม มาตรา 40
- อื่น \_\_\_\_\_
- ไม่

3.2 ขณะนี้ท่านได้เข้าร่วมโครงการออมทรัพย์เพื่อวัยเกษียณใดบ้างหรือไม่

- เข้าร่วม \_\_\_\_\_
- ไม่ได้เข้าร่วม

3.3 ท่านทราบเกี่ยวกับโครงการเบี้ยยังชีพเพื่อผู้สูงอายุหรือไม่ (600 บาท สำหรับ 60-69, 700บาท สำหรับ

70-79 800 สำหรับ80-89, 1,000 บาท สำหรับ 90ปีขึ้นไป)

- ทราบ  ไม่ทราบ

3.4 ท่านทราบเกี่ยวกับโครงการกองทุนรวมเพื่อการเลี้ยงชีพ (Retirement Mutual Fund/ RMF) หรือไม่

- Yes/ ทราบ  No/ ไม่ทราบ

3.5 ท่านทราบเกี่ยวกับโครงการออมแห่งชาติ (National Savings Fund/NSF) หรือไม่

- ทราบ  ไม่ทราบ

3.6 ท่านทราบเกี่ยวกับโครงการประกันสังคม ผู้ประกันตนมาตรา 40 (1), (2), และ (3) หรือไม่ (สำหรับผู้ที่มียอายุ 15-60 ปีบริบูรณ์)

- ทราบ ทางเลือก \_\_\_\_\_  ไม่ทราบ

3.7 ท่านทราบเกี่ยวกับโครงการประกันสังคม ผู้ประกันตนมาตรา 40 (3) หรือไม่ (สำหรับผู้ที่มียอายุ 60 ปีบริบูรณ์ขึ้นไป)

- ทราบ  ไม่ทราบ

3.8 ก่อนสัมภาษณ์ท่านได้รับข้อมูลข่าวสารเกี่ยวกับโครงการผู้สูงอายุหลังวัยเกษียณที่เป็นประโยชน์ต่อผู้สูงอายุหลังวัยเกษียณ โดยเฉพาะผู้ที่ทำงานนอกระบบ(พนักงานอิสระ)หรือไม่

ได้รับ

วิทยุ

เสียงตามสาย

โทรทัศน์

แผ่นพับ ใบปลิว

ป้ายโฆษณา

Social media สื่อทางsocial

หนังสือพิมพ์หรือนิตยสาร

บุคคลต่างๆ ผู้นำชุมชน สมาชิกครอบครัว เพื่อน ฯลฯ

ไม่ได้รับ

#### 4 กรุณาเลือกระดับความพึงพอใจของท่านที่มีต่อระบบบ้านกาญจนาแบบหลายชั้น

ระดับ 5= ประทับใจที่สุด ดีมาก พึงพอใจมากที่สุด

4= ประทับใจ ดี พึงพอใจมาก

3= เฉยๆ ปานกลาง พอใช้ พึงพอใจ

2= ไม่ประทับใจ ไม่พึงพอใจ

1= ไม่ประทับใจอย่างยิ่ง ไม่พึงพอใจอย่างยิ่ง

รายละเอียด	ระดับความพึงพอใจ				
	5	4	3	2	1
<b>1. ความพึงพอใจต่อนโยบายโครงการต่างๆ</b>					
1.1 ท่านพึงพอใจเพียงใดต่อนโยบายโครงการเบี้ยยังชีพสำหรับผู้สูงอายุ (OAA)					
1.2 ท่านพึงพอใจเพียงใดต่อนโยบายโครงการกองทุนรวมเพื่อการเลี้ยงชีพ (RMF)					
1.3 ท่านพึงพอใจเพียงใดต่อนโยบายโครงการการออมแห่งชาติ (NSF)					
1.4 ท่านพึงพอใจเพียงใดต่อนโยบายโครงการประกันสังคม มาตรา 40 (SSA 40)					
<b>2. ความพึงพอใจต่อการทำงานของภาครัฐในส่วนท้องถิ่น</b>					
2.1 ท่านพึงพอใจเพียงใดต่อการอธิบายและให้ข้อมูลเกี่ยวกับโครงการเบี้ยยังชีพสำหรับผู้สูงอายุ (OAA) ของเจ้าหน้าที่ที่ท่าน					
2.2 ท่านพึงพอใจเพียงใดต่อการอธิบายและให้ข้อมูลเกี่ยวกับโครงการกองทุนรวมเพื่อการเลี้ยงชีพ (RMF) ของเจ้าหน้าที่ที่ท่าน					
2.3 ท่านพึงพอใจเพียงใดต่อการอธิบายและให้ข้อมูลเกี่ยวกับโครงการการออมแห่งชาติ (NSF) ของเจ้าหน้าที่ที่ท่าน					
2.4 ท่านพึงพอใจเพียงใดต่อการอธิบายและให้ข้อมูลเกี่ยวกับโครงการประกันสังคม (SSA 40) ของเจ้าหน้าที่ที่ท่าน					
<b>3. ความพึงพอใจต่อการทำงานของภาครัฐในส่วนท้องถิ่น</b>					
3.1 ท่านพึงพอใจเพียงใดต่อการอธิบายและให้ข้อมูลเกี่ยวกับโครงการเบี้ยยังชีพสำหรับผู้สูงอายุ (OAA) ของเจ้าหน้าที่ที่ท่าน					
3.2 ท่านมีการออมที่เปลี่ยนไปหรือไม่หลังจากที่รัฐบาลได้ออกโครงการออมทรัพย์ต่างๆ					
3.3 หากท่านได้เข้าร่วมโครงการเบี้ยยังชีพสำหรับผู้สูงอายุและโครงการออมของภาครัฐแล้ว ชีวิตของท่านมีความเป็นอยู่ที่ดีขึ้นมากน้อยเพียงใด					

## 5 คำถามปลายเปิด

ท่านมีข้อเสนอแนะอื่นใดหรือไม่ที่อยากแบ่งปัน

.....

.....

.....

.....

**ขอขอบพระคุณค่ะ**

\*\*\*\* หากผู้กรอกแบบสอบถามสงสัยข้อมูลใดเกี่ยวกับโครงการต่างๆของรัฐบาล ท่านสามารถคำอธิบายข้างล่างนี้ได้

- **กองทุนรวมเพื่อการเลี้ยงชีพ**

กองทุนรวมเพื่อการเลี้ยงชีพเป็นกองทุนรวมรูปแบบหนึ่งที่รัฐส่งเสริมให้ส่ขึ้นโดยมีวัตถุประสงค์เพื่อเป็นหลักประกันแก่ ตนเองหรือครอบครัว เมื่อเกษียณอายุ โดยมีข้อกำหนดพิเศษแตกต่างจากกองทุนรวมทั่วไป คือ ผู้ลงทุนที่ได้รับสิทธิประโยชน์ทางภาษีจะได้ออนเงินลงทุนได้ เมื่อผู้ลงทุนอายุไม่น้อยกว่า 55 ปี และมีการลงทุนมาแล้วไม่น้อยกว่า 5 ปี โดย RMF จะไม่มีการจ่ายเงินปันผล หรือเงินอื่นใดให้แก่ผู้ลงทุนในระหว่างการลงทุน

- **เบี้ยยังชีพเพื่อผู้สูงอายุ**

เบี้ยยังชีพเพื่อผู้สูงอายุคือ เงินช่วยเหลือที่รัฐบาลมีให้แก่ประชาชนสัญชาติไทยที่มีอายุตั้งแต่ 60 ปีบริบูรณ์ขึ้นไป ผู้ที่ประสงค์จะรับเงิน สามารถขึ้นทะเบียนความประสงค์ได้ตั้งแต่อายุ 59 ปีบริบูรณ์ โดยจำนวนเงินจะแบ่งตามเกณฑ์อายุ ดังนี้

- อายุ 60 -69 ปี จะได้รับ 600 บาท
- อายุ 70 -79 ปี จะได้รับ 700 บาท
- อายุ 80 -89 ปี จะได้รับ 800 บาท
- อายุ 90 ปีขึ้นไป จะได้รับ 1,000 บาท

- **การออมแห่งชาติ กอช**

กองทุนการออมแห่งชาติ เป็นเครื่องมือในการสร้างเงินบำนาญยามชราภาพโดยสมัครใจของประชากรภาคแรงงาน ส่วนใหญ่ของประเทศ ที่มีรายได้น้อย ไม่เคยออม หรือต้องการออมเงินเพื่อหลักประกันยามชราภาพ เพราะไม่สามารถถอนเงินออกมาใช้ได้ยามฉุกเฉิน เหมือนการออมเงินทั่วไป นอกจากจะลาออกจากการเป็นสมาชิกเท่านั้น ข้อดี คือ สามารถกลับเป็นสมาชิกได้อีกเมื่อต้องการ

- (1) **ผู้มีสิทธิเป็นสมาชิก**

- เป็นบุคคลสัญชาติไทย
- อายุไม่ต่ำกว่า 15 ปีบริบูรณ์ และไม่เกิน 60 ปีบริบูรณ์
- ไม่เป็นสมาชิกของกองทุนเพื่อการชราภาพใด ๆ ที่มีการสมทบเงินจากรัฐหรือนายจ้าง

- (2) ตามบทเฉพาะกาลในกฎหมาย **กำหนดให้ 1 ปีแรก เปิดรับสมาชิกภายใน (8 พฤษภาคม 2555 – 6 พฤษภาคม 2556)** เปิดโอกาสให้ผู้สูงอายุที่มีอายุ 50 ปีขึ้นไปที่ไม่อยู่ในระบบบำนาญใด ๆ สามารถออมต่อไปได้อีก 10 ปี โดยมีสิทธิขอรับบำนาญได้เมื่ออายุครบ 60 ปีเป็นต้นไป

- (3) **การจ่ายเงินเข้ากองทุนมาจาก 2 ฝ่าย คือ**

- สมาชิกจ่ายเงินสะสมเข้ากองทุนไม่ต่ำกว่าเดือนละ 50 บาท แต่ไม่เกินจำนวนที่จะกำหนดในกฎกระทรวง ซึ่งจะกำหนดไว้ 1,100 บาทต่อเดือน (ทั้งนี้ สมาชิกไม่จำเป็นต้องส่งเงินสะสมทุกเดือน และไม่จำเป็นต้องส่งเงินจำนวนเท่ากันทุกเดือน นอกจากนี้ หากในปีใดไม่สามารถส่งเงินสะสมได้ กอช. จะยังคงสิทธิความเป็นสมาชิกไว้ แต่รัฐก็จะไม่ส่งเงินสมทบให้)

**รัฐบาลจ่ายเงินสมทบให้แก่สมาชิกตามระดับอายุของสมาชิกและเป็นอัตราส่วนกับจำนวนเงินที่สมาชิกสะสมเข้า กองทุน คือ**

- 15-30 ปี รัฐจ่ายให้ 50% ของเงินสะสม แต่ไม่เกิน 600 บาทต่อปี
- 30-50 ปี รัฐจ่ายให้ 80% ของเงินสะสม แต่ต้องไม่เกิน 960 บาทต่อปี
- อายุมากกว่า 50 ปี แต่ไม่เกิน 60 ปี รัฐจะสมทบจ่ายให้ 100% ของเงินสะสม แต่ไม่เกิน 1,200 บาทต่อปี

การกำหนดเพดานการสมทบเงินสูงสุดไว้ในแต่ละปี เพื่อให้ไม่เป็นภาระทางการคลังของประเทศมากเกินไป ทั้งนี้รัฐบาลยังได้ค้ำประกันผลตอบแทนขั้นต่ำว่า ต้องไม่น้อยกว่าดอกเบี้ยเงินฝากประจำ 12 เดือนเฉลี่ยของธนาคารออมสิน ธนาคารเพื่อการเกษตรและสหกรณ์เกษตร (ธ.ก.ส.) และธนาคารพาณิชย์ใหญ่อีก 5 แห่ง ด้วยเช่นเดียวกัน

- **ประกันสังคมประกันหอระบบ มาตรา 40**

ประกันตนหอระบบ ตามมาตรา 40 วรรค 1 และ 2 คือประกันสังคมสำหรับประชาชนที่เป็นพนักงานอิสระ โดยผู้สมัครต้องมีอายุ 15-60 ปี บริบูรณ์ และการจ่ายเงินสมทบมีได้ 5 ทาง

- 1 จ่าย 100 บาท/เดือน (จ่ายเอง 70 บาท รัฐสนับสนุน 30 บาท)
- 2 จ่าย 150 บาท/เดือน (จ่ายเอง 100 บาท รัฐสนับสนุน 50 บาท)

- 3 จ่าย 150 บาท/เดือน (จ่ายเอง 100 บาท รัฐสนับสนุน 100 บาท)
- 4 จ่าย 150 บาท/เดือน (จ่ายเอง 170 บาท รัฐสนับสนุน 30 บาท)
- 5 จ่าย 150 บาท/เดือน (จ่ายเอง 200 บาท รัฐสนับสนุน 150 บาท)

## ความคุ้มครองประกันสังคมตามมาตรา 40 (รูปแบบสมัครใจ)

**คุ้มครองแรงงานนอกระบบ** เมื่อประสบอันตรายหรือเจ็บป่วย ทุพพลภาพ ตาย และชราภาพ

### คุณสมบัติผู้สมัคร

- อายุ 15 - 60 ปีบริบูรณ์, ไม่เป็นผู้ประกันตน มาตรา 33, 39 และไม่เป็นข้าราชการหรือบุคคลที่ถูกละเว้นตาม กฎหมายสำนักงานประกันสังคม

### หลักฐานในการสมัคร

- สำเนาบัตรประชาชน หรือ บัตรอื่นที่ใช้แทนบัตรประจำตัวประชาชนพร้อมสำเนา

สำนักงานประกันสังคม ทางเลือก	เงินสมทบ (บาท/เดือน)		คุ้มครองประกันสังคมตามมาตรา 40					หากส่งเงินสมทบ ต่อเนื่อง ทุกเดือน จะได้รับ เงินออม (ต่อปี)
	ผู้ประกันตนจ่าย	รัฐบาลอุดหนุน	กรณีประสบอันตราย หรือเจ็บป่วย	กรณีทุพพลภาพ	กรณีตาย	กรณีชราภาพ		
						เงินบำนาญ	เงินบำนาญ	
ทางเลือกที่ 1	70	30	✓	✓	✓	✗	✗	ไม่มี เงินออม
	100							
ทางเลือกที่ 2	100	50	✓	✓	✓	✓	✗	600 บาท/ปี
	150							
ทางเลือกที่ 3	100	100	✗	✗	✗	✗	✓	2,400 บาท/ปี
	200							
ทางเลือกที่ 4	170	130	✓	✓	✓	✗	✓	2,400 บาท/ปี
	300							
ทางเลือกที่ 5	200	150	✓	✓	✓	✓	✓	3,000 บาท/ปี
	350							
เงื่อนไข			<ul style="list-style-type: none"> <li>จ่ายเงินสมทบ 3 ใน 4 เดือนก่อนประสบอันตรายหรือเจ็บป่วย</li> <li>รักษาตัวในโรงพยาบาล 1 วันขึ้นไป</li> <li>ภายใน 1 ปี รับเงินทดแทนได้ไม่เกิน 30 วัน</li> </ul>	<ul style="list-style-type: none"> <li>จ่ายเงินสมทบ 6 ใน 10 เดือนก่อนทุพพลภาพ วันถึงเหตุชนกว่าชราจะได้ 500 บาท/เดือน</li> <li>จ่ายเงินสมทบ 12 ใน 20 เดือนก่อนทุพพลภาพถึงถึงเหตุชนกว่าชราจะได้ 650 บาท/เดือน</li> <li>จ่ายเงินสมทบ 24 ใน 40 เดือนก่อนทุพพลภาพ วันถึงเหตุชนกว่าชราจะได้ 800 บาท/เดือน</li> <li>จ่ายเงินสมทบ 36 ใน 60 เดือนก่อนทุพพลภาพ วันถึงเหตุชนกว่าชราจะได้ 1,000 บาท/เดือน</li> </ul>	<ul style="list-style-type: none"> <li>จ่ายเงินสมทบ 6 ใน 12 เดือน ก่อนตาย</li> <li>ยกเว้นกรณีอุบัติเหตุ</li> <li>จ่ายเงินสมทบ 1 ใน 6 เดือนก่อนตาย</li> </ul>	<ul style="list-style-type: none"> <li>เมื่ออายุครบ 60 ปี บริบูรณ์และแจ้งสิ้นสุดความเป็นผู้ประกันตน</li> <li>จ่ายเงินสมทบเพิ่มได้ไม่เกิน 1,000 บาท/เดือน</li> </ul>	<ul style="list-style-type: none"> <li>ต้องจ่ายเงินสมทบถึงปานกลางขั้นต่ำหรือไม่น้อยกว่า 420 เดือน</li> <li>อายุครบ 60 ปีบริบูรณ์และสิ้นสุดความเป็นผู้ประกันตน</li> <li>จ่ายเงินสมทบเพิ่มได้ไม่เกิน 1,000 บาท/เดือน</li> </ul>	ประกันสังคม <b>มาตรา 40</b>

Source: Social Security Office (2015)

## APPENDIX 9 Semi-structured interview topic guide

### I. Interview topic guide (To be used by the researcher)

**Researcher:** Phohnthip Smithsarakarn

**Research title:** The Thai Multi-Pillar Pension System: *Extending Pension and Savings Scheme Coverage to Informal Workers*

#### Semi-structured interviews

- The semi-structured interview is employed to obtain rich information about the pension system's performance from the different perspectives of the selected interviewees.
- The participants are allowed to talk freely; and the participants can discuss any topic they like following the key questions that the interviewer has prepared.
- The key concepts of the interview are to determine why the system is still having benefit adequacy and financial sustainability problems, mainly with informal working population.

#### Assurance of ethical conduct

- All information will be treated confidentially, and no information will be transmitted to any third party.
- Respondents' names will not be revealed in any part of the research project, and their identity will be obscured.
- The respondent may choose not to answer any particular question.

**Themes and issues for interviews** As there are three groups of interviewees, the researcher will prepare different types of questions for each group. By the end of the interviews, the researcher will combine all the information from every interview so as to see the similarities and differences among the participants' answers. Further, the researcher will then triangulate the interviews' outcomes to the questionnaire survey data and previous studies.

After completing the questions which are prepared, other related questions will be asked individually according to the details in each interview.

#### Interview topic guide

##### *Thai senior citizens group (sample questions)*

1. Are you aware of any pension programmes that relate to your life? (OAA, NSF, and SSA 40) If so, where did you get the information from?
2. You have not joined the OAA yet, but have you considered joining?
3. Will you join the OAA next year? And will you join the savings programme in the near future?
4. You are now joining the OAA (non-contributory scheme). Are you currently in any pension programmes in the voluntary savings scheme? The RMF, NSF or SSA 40? Or the SSA 39 maybe, as you used to work in the formal sector?
5. Have you considered preparing your financial income before retirement? Has the savings pension programme(s) incentivised your savings behaviour? Has your savings behaviour changed from the past (before the multi-pillar system was instituted)?

6. What is your opinion about expanding old-age social protection in the form of pensions to informal workers?
7. From your perspective, to what extent do you foresee the pension system changing your income security?
8. Are you originally from Bangkok (urban area)?
9. Have you ever heard or received any information from the local government in your hometown/local area before?
10. Do you have any further comments that you would like to share?

***Local and national bureaucrats/staff group (sample questions)***

1. There has been a lot of discussion surrounding the pension system since Thailand adopted the new approach on pension scheme(s) for Thai senior citizens, especially informal workers. What is your perspective on this issue? (This is the open-ended question)
2. Do you find it is difficult to work on the programme that was transformed from the former pension system or shifted from other pension programmes/schemes?
3. The current pension system transformed the OAA from means-tested (first used in 1993) to universal coverage benefits (in 2009) in order to cover the informal workers. What is your point of view on the present scheme?
4. How well the programme that you are working on has been developed since it was first introduced?
5. From your perspective, do you find it is difficult to get the citizens to understand pension programmes or pension schemes provided for them?
6. To what extent how do you find working with both citizens and national bureaucrats?  
Could you explain any differences between RMF and the other two programmes (NSF and SSA 40)?
7. The NSF has just been introduced again. What is the reaction to the programme like among citizens?
8. As the NSF was just introduced, was there lots of work to do?
9. Were there any difficulties regarding the shift of the SSA 40 to the NSF?
10. As the news reported, citizens aged 15–59 in the informal sector are eligible to register to the programme, and those who are older than 60 are eligible to register only the first year after the programme was introduced. Is that correct?
11. The SSA 40 was just cancelled. What is the reaction of the contributors? Was it hard for you to communicate/explain this to citizens? Were there any confusing issues that citizens noted?
12. Does it mean that you have to work with those in charge of the NSF at all? Do you have to provide information about the NSF to the citizens who inquire information?
14. Do you see providing two different savings programmes under the same savings pension scheme might be one of the reason why the system's outcome was not successfully achievable?
15. Do you have any further comments that you would like to share?



# APPENDIX 10 Data analysis from SPSS

## Results of Cronbach's alpha: Reliability statistics

### Case Processing Summary

		N	%
Cases	Valid	204	100.0
	Excluded <sup>a</sup>	0	.0
	Total	204	100.0

a. Listwise deletion based on all variables in the procedure.

### Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.832	.838	12

### Item Statistics

	Mean	Std. Deviation	N
SatisfactionWithPolOAA	4.09	.744	204
SatisfactionWithPolRMF	2.67	.840	204
SatisfactionWithPolNSF	3.39	.757	204
SatisfactionWithPolSSA40	2.90	.850	204
SatisfactionWithLocOAA	3.78	.913	204
SatisfactionWithLocRMF	2.45	.675	204
SatisfactionWithLocNSF	2.75	.796	204
SatisfactionWithLocSSA40	2.75	.884	204
OverallSatisfactionOAA	3.93	.742	204
OverallSatisfactionRMF	2.56	.669	204
OverallSatisfactionNSF	3.07	.617	204
OverallSatisfactionSSA40	2.82	.782	204

### Inter-Item Correlation Matrix

	SatisfactionWithPolOAA	SatisfactionWithPolRMF	SatisfactionWithPolNSF	SatisfactionWithPolSSA40	SatisfactionWithLocOAA	SatisfactionWithLocRMF	SatisfactionWithLocNSF	SatisfactionWithLocSSA40	OverallSatisfactionOAA	OverallSatisfactionRMF	OverallSatisfactionNSF	OverallSatisfactionSSA40
SatisfactionWithPolOAA	1.000	-.008	.193	.170	.602	-.040	.055	.139	.871	-.025	.153	.171
SatisfactionWithPolRMF	-.008	1.000	.351	.248	.006	.553	.653	.130	.000	.907	.636	.209
SatisfactionWithPolNSF	.193	.351	1.000	.269	.146	.071	.263	-.014	.186	.256	.783	.138
SatisfactionWithPolSSA40	.170	.248	.269	1.000	.098	.210	.230	.626	.145	.262	.313	.898
SatisfactionWithLocOAA	.602	.006	.146	.098	1.000	.010	.187	.247	.916	.009	.210	.193
SatisfactionWithLocRMF	-.040	.553	.071	.210	.010	1.000	.591	.185	-.014	.852	.425	.219
SatisfactionWithLocNSF	.055	.653	.263	.230	.187	.591	1.000	.201	.142	.708	.806	.239
SatisfactionWithLocSSA40	.139	.130	-.014	.626	.247	.185	.201	1.000	.222	.175	.121	.906
OverallSatisfactionOAA	.871	.000	.186	.145	.916	-.014	.142	.222	1.000	-.007	.206	.204
OverallSatisfactionRMF	-.025	.907	.256	.262	.009	.852	.708	.175	-.007	1.000	.614	.241
OverallSatisfactionNSF	.153	.636	.783	.313	.210	.425	.806	.121	.206	.614	1.000	.239
OverallSatisfactionSSA40	.171	.209	.138	.898	.193	.219	.239	.906	.204	.241	.239	1.000

### Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Squared Multiple Correlation	Cronbach's Alpha if Item Deleted
SatisfactionWithPolOAA	33.05	27.326	.350	.	.830
SatisfactionWithPolRMF	34.47	25.449	.525	.	.817
SatisfactionWithPolNSF	33.75	27.085	.374	.	.829
SatisfactionWithPolSSA40	34.24	25.314	.534	.	.816
SatisfactionWithLocOAA	33.36	26.144	.389	.	.830
SatisfactionWithLocRMF	34.69	27.039	.443	.	.823
SatisfactionWithLocNSF	34.39	25.202	.596	.	.811
SatisfactionWithLocSSA40	34.39	25.734	.456	.	.823
OverallSatisfactionOAA	33.21	26.593	.452	.	.823
OverallSatisfactionRMF	34.58	26.110	.592	.	.813
OverallSatisfactionNSF	34.07	25.921	.685	.	.808
OverallSatisfactionSSA40	34.32	25.383	.585	.	.812

### Scale Statistics

Mean	Variance	Std. Deviation	N of Items
37.14	30.605	5.532	12

## Results of respondents' characteristics

**Table 4.1**

		Gender			Cumulative
		Frequency	Percent	Valid Percent	Percent
Valid	Male	86	42.2	42.2	42.2
	Female	118	57.8	57.8	100.0
	Total	204	100.0	100.0	

		Age			Cumulative
		Frequency	Percent	Valid Percent	Percent
Valid	50-59	111	54.4	54.4	54.4
	60+ and above	93	45.6	45.6	100.0
	Total	204	100.0	100.0	

		Status			Cumulative
		Frequency	Percent	Valid Percent	Percent
Valid	Single	34	16.7	16.7	16.7
	Married	111	54.4	54.4	71.1
	Divorced/ widowed	59	28.9	28.9	100.0
	Total	204	100.0	100.0	

		Education			Cumulative
		Frequency	Percent	Valid Percent	Percent
Valid	No schooling	22	10.8	10.8	10.8
	Primary	56	27.5	27.5	38.2
	Secondary	68	33.3	33.3	71.6
	University	58	28.4	28.4	100.0
	Total	204	100.0	100.0	

		Hometown			Cumulative
		Frequency	Percent	Valid Percent	Percent
Valid	Rural	69	33.8	33.8	33.8
	Urban	135	66.2	66.2	100.0
	Total	204	100.0	100.0	

		Financial Supports			Cumulative
		Frequency	Percent	Valid Percent	Percent
Valid	No	93	45.6	45.6	45.6
	Yes	111	54.4	54.4	100.0
	Total	204	100.0	100.0	

		Looking After Someone Else			Cumulative
		Frequency	Percent	Valid Percent	Percent
Valid	No	111	54.4	54.4	54.4
	Yes	93	45.6	45.6	100.0
	Total	204	100.0	100.0	

### LivingArrangement

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Alone	40	19.6	19.6	19.6
	With spouse	26	12.7	12.7	32.4
	With family	115	56.4	56.4	88.7
	With unrelated persons	23	11.3	11.3	100.0
	Total	204	100.0	100.0	

### ReceivedOAA

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	no	114	55.9	55.9	55.9
	yes	90	44.1	44.1	100.0
	Total	204	100.0	100.0	

### LabourMarket

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Informal	174	85.3	85.3	85.3
	Formal	30	14.7	14.7	100.0
	Total	204	100.0	100.0	

### Income

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Low income	70	34.3	34.3	34.3
	Middle income	91	44.6	44.6	78.9
	High income	43	21.1	21.1	100.0
	Total	204	100.0	100.0	

### TypesOfJob

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Formal	30	14.7	14.7	14.7
	Multiple/ Street jobs	35	17.2	17.2	31.9
	Service sector	36	17.6	17.6	49.5
	Family worker/ retired	71	34.8	34.8	84.3
	Self-employed	32	15.7	15.7	100.0
	Total	204	100.0	100.0	

### SavingsBehaviour

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	No	96	47.1	47.1	47.1
	Yes	108	52.9	52.9	100.0
	Total	204	100.0	100.0	

## Results of cross tabulations and chi-square tests

**Table 4.2**

### Gender \* Savings Behaviour

#### Crosstab

Gender	Male		SavingsBehaviour		Total
			No	Yes	
		Count	17	69	86
		% within Gender	19.8%	80.2%	100.0%
		% within SavingsBehaviour	17.7%	63.9%	42.2%
		% of Total	8.3%	33.8%	42.2%
	Female	Count	79	39	118
		% within Gender	66.9%	33.1%	100.0%
		% within SavingsBehaviour	82.3%	36.1%	57.8%
		% of Total	38.7%	19.1%	57.8%
Total		Count	96	108	204
		% within Gender	47.1%	52.9%	100.0%
		% within SavingsBehaviour	100.0%	100.0%	100.0%
		% of Total	47.1%	52.9%	100.0%

#### Chi-Square Tests

	Value	df	Asymptotic Significance (2- sided)	Exact Sig. (2- sided)	Exact Sig. (1- sided)
Pearson Chi-Square	44.449 <sup>a</sup>	1	.000		
Continuity Correction <sup>b</sup>	42.575	1	.000		
Likelihood Ratio	46.835	1	.000		
Fisher's Exact Test				.000	.000
Linear-by-Linear Association	44.231	1	.000		
N of Valid Cases	204				

a. 0 cells (.0%) have expected count less than 5. The minimum expected count is 40.47.

b. Computed only for a 2x2 table

### Age \* Savings Behaviour

#### Crosstab

Age	50-59		SavingsBehaviour		Total
			No	Yes	
		Count	69	42	111
		% within Age	62.2%	37.8%	100.0%
		% within SavingsBehaviour	71.9%	38.9%	54.4%
		% of Total	33.8%	20.6%	54.4%
	60+ and above	Count	27	66	93
		% within Age	29.0%	71.0%	100.0%
		% within SavingsBehaviour	28.1%	61.1%	45.6%
		% of Total	13.2%	32.4%	45.6%
Total		Count	96	108	204
		% within Age	47.1%	52.9%	100.0%
		% within SavingsBehaviour	100.0%	100.0%	100.0%
		% of Total	47.1%	52.9%	100.0%

#### Chi-Square Tests

	Value	df	Asymptotic Significance (2- sided)	Exact Sig. (2- sided)	Exact Sig. (1- sided)
Pearson Chi-Square	22.294 <sup>a</sup>	1	.000		
Continuity Correction <sup>b</sup>	20.984	1	.000		
Likelihood Ratio	22.799	1	.000		
Fisher's Exact Test				.000	.000
Linear-by-Linear Association	22.184	1	.000		
N of Valid Cases	204				

a. 0 cells (.0%) have expected count less than 5. The minimum expected count is 43.76.

b. Computed only for a 2x2 table

## Status \* Savings Behaviour

### Crosstab

		SavingsBehaviour		Total	
		No	Yes		
Status	Single	Count	32	2	34
		% within Status	94.1%	5.9%	100.0%
		% within SavingsBehaviour	33.3%	1.9%	16.7%
		% of Total	15.7%	1.0%	16.7%
	Married	Count	16	95	111
		% within Status	14.4%	85.6%	100.0%
		% within SavingsBehaviour	16.7%	88.0%	54.4%
		% of Total	7.8%	46.6%	54.4%
	Divorced/ widowed	Count	48	11	59
		% within Status	81.4%	18.6%	100.0%
		% within SavingsBehaviour	50.0%	10.2%	28.9%
		% of Total	23.5%	5.4%	28.9%
Total	Count	96	108	204	
	% within Status	47.1%	52.9%	100.0%	
	% within SavingsBehaviour	100.0%	100.0%	100.0%	
	% of Total	47.1%	52.9%	100.0%	

### Chi-Square Tests

	Value	df	Asymptotic Significance (2- sided)
Pearson Chi-Square	105.559 <sup>a</sup>	2	.000
Likelihood Ratio	118.568	2	.000
Linear-by-Linear Association	.797	1	.372
N of Valid Cases	204		

a. 0 cells (.0%) have expected count less than 5. The minimum expected count is 16.00.

## Education \* Savings Behaviour

### Crosstab

		SavingsBehaviour		Total	
		No	Yes		
Education	No schooling	Count	21	1	22
		% within Education	95.5%	4.5%	100.0%
		% within SavingsBehaviour	21.9%	0.9%	10.8%
		% of Total	10.3%	0.5%	10.8%
	Primary	Count	51	5	56
		% within Education	91.1%	8.9%	100.0%
		% within SavingsBehaviour	53.1%	4.6%	27.5%
		% of Total	25.0%	2.5%	27.5%
	Secondary	Count	21	47	68
		% within Education	30.9%	69.1%	100.0%
		% within SavingsBehaviour	21.9%	43.5%	33.3%
		% of Total	10.3%	23.0%	33.3%
	University	Count	3	55	58
		% within Education	5.2%	94.8%	100.0%
		% within SavingsBehaviour	3.1%	50.9%	28.4%
		% of Total	1.5%	27.0%	28.4%
Total	Count	96	108	204	
	% within Education	47.1%	52.9%	100.0%	
	% within SavingsBehaviour	100.0%	100.0%	100.0%	
	% of Total	47.1%	52.9%	100.0%	

### Chi-Square Tests

	Value	df	Asymptotic Significance (2- sided)
Pearson Chi-Square	112.212 <sup>a</sup>	3	.000
Likelihood Ratio	132.581	3	.000
Linear-by-Linear Association	95.242	1	.000
N of Valid Cases	204		

a. 0 cells (.0%) have expected count less than 5. The minimum expected count is 10.35.

**Hometown \* Savings Behaviour**  
Crosstab

		SavingsBehaviour		Total	
		No	Yes		
Hometown	Rural	Count	47	22	69
		% within Hometown	68.1%	31.9%	100.0%
		% within SavingsBehaviour	49.0%	20.4%	33.8%
	% of Total	23.0%	10.8%	33.8%	
	Urban	Count	49	86	135
		% within Hometown	36.3%	63.7%	100.0%
% within SavingsBehaviour		51.0%	79.6%	66.2%	
% of Total	24.0%	42.2%	66.2%		
Total	Count	96	108	204	
	% within Hometown	47.1%	52.9%	100.0%	
	% within SavingsBehaviour	100.0%	100.0%	100.0%	
	% of Total	47.1%	52.9%	100.0%	

**Chi-Square Tests**

	Value	df	Asymptotic Significance (2- sided)	Exact Sig. (2- sided)	Exact Sig. (1- sided)
Pearson Chi-Square	18.557 <sup>a</sup>	1	.000		
Continuity Correction <sup>b</sup>	17.302	1	.000		
Likelihood Ratio	18.833	1	.000		
Fisher's Exact Test				.000	.000
Linear-by-Linear Association	18.466	1	.000		
N of Valid Cases	204				

a. 0 cells (.0%) have expected count less than 5. The minimum expected count is 32.47.

b. Computed only for a 2x2 table

**Financial Support \* Savings Behaviour**

Crosstab

		SavingsBehaviour		Total	
		No	Yes		
FinancialSupport	No	Count	61	32	93
		% within FinancialSupport	65.6%	34.4%	100.0%
		% within SavingsBehaviour	63.5%	29.6%	45.6%
		% of Total	29.9%	15.7%	45.6%
	Yes	Count	35	76	111
		% within FinancialSupport	31.5%	68.5%	100.0%
% within SavingsBehaviour	36.5%	70.4%	54.4%		
% of Total	17.2%	37.3%	54.4%		
Total	Count	96	108	204	
	% within FinancialSupport	47.1%	52.9%	100.0%	
	% within SavingsBehaviour	100.0%	100.0%	100.0%	
	% of Total	47.1%	52.9%	100.0%	

**Chi-Square Tests**

	Value	df	Asymptotic Significance (2- sided)	Exact Sig. (2- sided)	Exact Sig. (1- sided)
Pearson Chi-Square	23.563 <sup>a</sup>	1	.000		
Continuity Correction <sup>b</sup>	22.216	1	.000		
Likelihood Ratio	23.998	1	.000		
Fisher's Exact Test				.000	.000
Linear-by-Linear Association	23.447	1	.000		
N of Valid Cases	204				

a. 0 cells (.0%) have expected count less than 5. The minimum expected count is 43.76.

b. Computed only for a 2x2 table

**Looking After Someone Else \* Savings Behaviour  
Crosstab**

		SavingsBehaviour		Total	
		No	Yes		
LookingAfterSomeoneElse	No	Count	45	66	111
		% within LookingAfterSomeoneElse	40.5%	59.5%	100.0%
		% within SavingsBehaviour	46.9%	61.1%	54.4%
		% of Total	22.1%	32.4%	54.4%
	Yes	Count	51	42	93
		% within LookingAfterSomeoneElse	54.8%	45.2%	100.0%
		% within SavingsBehaviour	53.1%	38.9%	45.6%
		% of Total	25.0%	20.6%	45.6%
Total	Count	96	108	204	
	% within LookingAfterSomeoneElse	47.1%	52.9%	100.0%	
	% within SavingsBehaviour	100.0%	100.0%	100.0%	
	% of Total	47.1%	52.9%	100.0%	

**Chi-Square Tests**

	Value	df	Asymptotic Significance (2- sided)	Exact Sig. (2- sided)	Exact Sig. (1- sided)
Pearson Chi-Square	4.152 <sup>a</sup>	1	.042		
Continuity Correction <sup>b</sup>	3.598	1	.058		
Likelihood Ratio	4.163	1	.041		
Fisher's Exact Test				.049	.029
Linear-by-Linear Association	4.132	1	.042		
N of Valid Cases	204				

a. 0 cells (.0%) have expected count less than 5. The minimum expected count is 43.76.

b. Computed only for a 2x2 table

**Received OAA \* Savings Behaviour**

**ReceivedOAA \* SavingsBehaviour Crosstabulation**

		SavingsBehaviour		Total	
		No	Yes		
ReceivedOAA	no	Count	70	44	114
		% within ReceivedOAA	61.4%	38.6%	100.0%
		% within SavingsBehaviour	72.9%	40.7%	55.9%
		% of Total	34.3%	21.6%	55.9%
	yes	Count	26	64	90
		% within ReceivedOAA	28.9%	71.1%	100.0%
		% within SavingsBehaviour	27.1%	59.3%	44.1%
		% of Total	12.7%	31.4%	44.1%
Total	Count	96	108	204	
	% within ReceivedOAA	47.1%	52.9%	100.0%	
	% within SavingsBehaviour	100.0%	100.0%	100.0%	
	% of Total	47.1%	52.9%	100.0%	

**Chi-Square Tests**

	Value	df	Asymptotic Significance (2- sided)	Exact Sig. (2- sided)	Exact Sig. (1- sided)
Pearson Chi-Square	21.342 <sup>a</sup>	1	.000		
Continuity Correction <sup>b</sup>	20.057	1	.000		
Likelihood Ratio	21.835	1	.000		
Fisher's Exact Test				.000	.000
Linear-by-Linear Association	21.238	1	.000		
N of Valid Cases	204				

a. 0 cells (0.0%) have expected count less than 5. The minimum expected count is 42.35.

b. Computed only for a 2x2 table

## Living Arrangement \* Savings Behaviour

Crosstab

		SavingsBehaviour		Total	
		No	Yes		
LivingArrangement	Alone	Count	38	2	40
		% within LivingArrangement	95.0%	5.0%	100.0%
		% within SavingsBehaviour	39.6%	1.9%	19.6%
		% of Total	18.6%	1.0%	19.6%
	With spouse	Count	12	14	26
		% within LivingArrangement	46.2%	53.8%	100.0%
		% within SavingsBehaviour	12.5%	13.0%	12.7%
		% of Total	5.9%	6.9%	12.7%
	With family	Count	24	91	115
		% within LivingArrangement	20.9%	79.1%	100.0%
		% within SavingsBehaviour	25.0%	84.3%	56.4%
		% of Total	11.8%	44.6%	56.4%
With unrelated persons	Count	22	1	23	
	% within LivingArrangement	95.7%	4.3%	100.0%	
	% within SavingsBehaviour	22.9%	0.9%	11.3%	
	% of Total	10.8%	0.5%	11.3%	
Total	Count	96	108	204	
	% within LivingArrangement	47.1%	52.9%	100.0%	
	% within SavingsBehaviour	100.0%	100.0%	100.0%	
	% of Total	47.1%	52.9%	100.0%	

Chi-Square Tests

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	90.369 <sup>a</sup>	3	.000
Likelihood Ratio	104.289	3	.000
Linear-by-Linear Association	16.545	1	.000
N of Valid Cases	204		

a. 0 cells (.0%) have expected count less than 5. The minimum expected count is 10.82.

## Income \* Savings Behaviour

Crosstab

		SavingsBehaviour		Total	
		No	Yes		
Income	Low income	Count	55	15	70
		% within Income	78.6%	21.4%	100.0%
		% within SavingsBehaviour	57.3%	13.9%	34.3%
		% of Total	27.0%	7.4%	34.3%
	Middle income	Count	39	52	91
		% within Income	42.9%	57.1%	100.0%
		% within SavingsBehaviour	40.6%	48.1%	44.6%
		% of Total	19.1%	25.5%	44.6%
	High income	Count	2	41	43
		% within Income	4.7%	95.3%	100.0%
		% within SavingsBehaviour	2.1%	38.0%	21.1%
		% of Total	1.0%	20.1%	21.1%
Total	Count	96	108	204	
	% within Income	47.1%	52.9%	100.0%	
	% within SavingsBehaviour	100.0%	100.0%	100.0%	
	% of Total	47.1%	52.9%	100.0%	

Chi-Square Tests

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	59.587 <sup>a</sup>	2	.000
Likelihood Ratio	68.890	2	.000
Linear-by-Linear Association	59.264	1	.000
N of Valid Cases	204		

a. 0 cells (.0%) have expected count less than 5. The minimum expected count is 20.24.



## Labour Market \* Savings Behaviour

Crosstab

LabourMarket	Informal	Count	SavingsBehaviour		Total
			No	Yes	
		96	78		174
		% within LabourMarket	55.2%	44.8%	100.0%
		% within SavingsBehaviour	100.0%	72.2%	85.3%
		% of Total	47.1%	38.2%	85.3%
	Formal	Count	0	30	30
		% within LabourMarket	0.0%	100.0%	100.0%
		% within SavingsBehaviour	0.0%	27.8%	14.7%
		% of Total	0.0%	14.7%	14.7%
Total		Count	96	108	204
		% within LabourMarket	47.1%	52.9%	100.0%
		% within SavingsBehaviour	100.0%	100.0%	100.0%
		% of Total	47.1%	52.9%	100.0%

Chi-Square Tests

	Value	df	Asymptotic Significance (2- sided)	Exact Sig. (2- sided)	Exact Sig. (1- sided)
Pearson Chi-Square	31.264 <sup>a</sup>	1	.000		
Continuity Correction <sup>b</sup>	29.089	1	.000		
Likelihood Ratio	42.748	1	.000		
Fisher's Exact Test				.000	.000
Linear-by-Linear Association	31.111	1	.000		
N of Valid Cases	204				

a. 0 cells (.0%) have expected count less than 5. The minimum expected count is 14.12.

b. Computed only for a 2x2 table

## Types Of Jobs \* Savings Behaviour

Crosstab

TypesOfJob	Formal	Count	SavingsBehaviour		Total
			No	Yes	
		0	30		30
		% within TypesOfJob	0.0%	100.0%	100.0%
		% within SavingsBehaviour	0.0%	27.8%	14.7%
		% of Total	0.0%	14.7%	14.7%
	Multiple/ Street jobs	Count	27	8	35
		% within TypesOfJob	77.1%	22.9%	100.0%
		% within SavingsBehaviour	28.1%	7.4%	17.2%
		% of Total	13.2%	3.9%	17.2%
	Service sector	Count	23	13	36
		% within TypesOfJob	63.9%	36.1%	100.0%
		% within SavingsBehaviour	24.0%	12.0%	17.6%
		% of Total	11.3%	6.4%	17.6%
	Family worker/ retired	Count	23	48	71
		% within TypesOfJob	32.4%	67.6%	100.0%
		% within SavingsBehaviour	24.0%	44.4%	34.8%
		% of Total	11.3%	23.5%	34.8%
	Self-employed	Count	23	9	32
		% within TypesOfJob	71.9%	28.1%	100.0%
		% within SavingsBehaviour	24.0%	8.3%	15.7%
		% of Total	11.3%	4.4%	15.7%
Total		Count	96	108	204
		% within TypesOfJob	47.1%	52.9%	100.0%
		% within SavingsBehaviour	100.0%	100.0%	100.0%
		% of Total	47.1%	52.9%	100.0%

Chi-Square Tests

	Value	df	Asymptotic Significance (2- sided)
Pearson Chi-Square	57.513 <sup>a</sup>	4	.000
Likelihood Ratio	69.921	4	.000
Linear-by-Linear Association	6.198	1	.013
N of Valid Cases	204		

a. 0 cells (.0%) have expected count less than 5. The minimum expected count is 14.12.

**Table 4.3**

**TypesOfJob \* Income Crosstabulation**

		Income			Total	
		Low income	Middle income	High income		
TypesOfJob	Formal	Count	1	8	21	30
		% within TypesOfJob	3.3%	26.7%	70.0%	100.0%
		% within Income	1.4%	8.8%	48.8%	14.7%
		% of Total	0.5%	3.9%	10.3%	14.7%
	Multiple/ Street jobs	Count	23	12	0	35
		% within TypesOfJob	65.7%	34.3%	0.0%	100.0%
		% within Income	32.9%	13.2%	0.0%	17.2%
		% of Total	11.3%	5.9%	0.0%	17.2%
	Service sector	Count	15	21	0	36
		% within TypesOfJob	41.7%	58.3%	0.0%	100.0%
		% within Income	21.4%	23.1%	0.0%	17.6%
		% of Total	7.4%	10.3%	0.0%	17.6%
	Family worker/ retired	Count	20	32	19	71
		% within TypesOfJob	28.2%	45.1%	26.8%	100.0%
		% within Income	28.6%	35.2%	44.2%	34.8%
		% of Total	9.8%	15.7%	9.3%	34.8%
Self-employed	Count	11	18	3	32	
	% within TypesOfJob	34.4%	56.3%	9.4%	100.0%	
	% within Income	15.7%	19.8%	7.0%	15.7%	
	% of Total	5.4%	8.8%	1.5%	15.7%	
Total	Count	70	91	43	204	
	% within TypesOfJob	34.3%	44.6%	21.1%	100.0%	
	% within Income	100.0%	100.0%	100.0%	100.0%	
	% of Total	34.3%	44.6%	21.1%	100.0%	

**Chi-Square Tests**

	Value	df	Asymptotic Significance (2- sided)
Pearson Chi-Square	77.489 <sup>a</sup>	8	.000
Likelihood Ratio	83.544	8	.000
Linear-by-Linear Association	4.416	1	.036
N of Valid Cases	204		

a. 0 cells (.0%) have expected count less than 5. The minimum expected count is 6.32.

**Table 4.4**

**TypesOfJob \* SavingsBehaviour \* FinancialSupport Crosstabulation**

FinancialSupport			SavingsBehaviour		Total			
No	TypesOfJob	Formal	No	Yes				
No	TypesOfJob	Formal	Count	0	19	19		
			% within TypesOfJob	0.0%	100.0%	100.0%		
			% within SavingsBehaviour	0.0%	59.4%	20.4%		
		Multiple/ Street jobs	Count	21	2	23		
			% within TypesOfJob	91.3%	8.7%	100.0%		
			% within SavingsBehaviour	34.4%	6.3%	24.7%		
		Service sector	Count	18	2	20		
			% within TypesOfJob	90.0%	10.0%	100.0%		
			% within SavingsBehaviour	29.5%	6.3%	21.5%		
		Family worker/ retired	Count	8	8	16		
			% within TypesOfJob	50.0%	50.0%	100.0%		
			% within SavingsBehaviour	13.1%	25.0%	17.2%		
		Self-employed	Count	14	1	15		
			% within TypesOfJob	93.3%	6.7%	100.0%		
			% within SavingsBehaviour	23.0%	3.1%	16.1%		
		Total	Count	61	32	93		
			% within TypesOfJob	65.6%	34.4%	100.0%		
			% within SavingsBehaviour	100.0%	100.0%	100.0%		
		Yes	TypesOfJob	Formal	Count	0	11	11
					% within TypesOfJob	0.0%	100.0%	100.0%
% within SavingsBehaviour	0.0%				14.5%	9.9%		
Multiple/ Street jobs	Count			6	6	12		
	% within TypesOfJob			50.0%	50.0%	100.0%		
	% within SavingsBehaviour			17.1%	7.9%	10.8%		
Service sector	Count			5	11	16		
	% within TypesOfJob			31.3%	68.8%	100.0%		
	% within SavingsBehaviour			14.3%	14.5%	14.4%		
Family worker/ retired	Count			15	40	55		
	% within TypesOfJob			27.3%	72.7%	100.0%		
	% within SavingsBehaviour			42.9%	52.6%	49.5%		
Self-employed	Count			9	8	17		
	% within TypesOfJob			52.9%	47.1%	100.0%		
	% within SavingsBehaviour			25.7%	10.5%	15.3%		
Total	Count			35	76	111		
	% within TypesOfJob			31.5%	68.5%	100.0%		
	% within SavingsBehaviour			100.0%	100.0%	100.0%		
Total	TypesOfJob			Formal	Count	0	30	30
					% within TypesOfJob	0.0%	100.0%	100.0%
		% within SavingsBehaviour	0.0%		27.8%	14.7%		
		Multiple/ Street jobs	Count	27	8	35		
			% within TypesOfJob	77.1%	22.9%	100.0%		
			% within SavingsBehaviour	28.1%	7.4%	17.2%		
		Service sector	Count	23	13	36		
			% within TypesOfJob	63.9%	36.1%	100.0%		
			% within SavingsBehaviour	24.0%	12.0%	17.6%		
		Family worker/ retired	Count	23	48	71		
			% within TypesOfJob	32.4%	67.6%	100.0%		
			% within SavingsBehaviour	24.0%	44.4%	34.8%		
		Self-employed	Count	23	9	32		
			% within TypesOfJob	71.9%	28.1%	100.0%		
			% within SavingsBehaviour	24.0%	8.3%	15.7%		
		Total	Count	96	108	204		
			% within TypesOfJob	47.1%	52.9%	100.0%		
			% within SavingsBehaviour	100.0%	100.0%	100.0%		
		Total	Count	96	108	204		
			% within TypesOfJob	47.1%	52.9%	100.0%		
% within SavingsBehaviour	100.0%		100.0%	100.0%				

**Chi-Square Tests**

FinancialSupport		Value	df	Asymptotic Significance (2-sided)
No	Pearson Chi-Square	55.075 <sup>b</sup>	4	.000
	Likelihood Ratio	63.608	4	.000
	Linear-by-Linear Association	15.670	1	.000
	N of Valid Cases	93		
	Yes	Pearson Chi-Square	11.034 <sup>c</sup>	4
Likelihood Ratio		13.897	4	.008
Linear-by-Linear Association		2.821	1	.093
N of Valid Cases		111		
Total		Pearson Chi-Square	57.513 <sup>a</sup>	4
	Likelihood Ratio	69.921	4	.000
	Linear-by-Linear Association	6.198	1	.013
	N of Valid Cases	204		

a. 0 cells (.0%) have expected count less than 5. The minimum expected count is 14.12.  
 b. 0 cells (.0%) have expected count less than 5. The minimum expected count is 5.16.  
 c. 2 cells (20.0%) have expected count less than 5. The minimum expected count is 3.47.

**Table 4.5**

**TypesOfJob \* SavingsBehaviour \* Gender Crosstabulation**

Gender	TypesOfJob	Formal		SavingsBehaviour		Total
				No	Yes	
Male		Formal	Count	0	18	18
			% within TypesOfJob	0.0%	100.0%	100.0%
			% within SavingsBehaviour	0.0%	26.1%	20.9%
		Multiple/ Street jobs	% of Total	0.0%	20.9%	20.9%
			Count	5	4	9
			% within TypesOfJob	55.6%	44.4%	100.0%
		Service sector	% within SavingsBehaviour	29.4%	5.8%	10.5%
			% of Total	5.8%	4.7%	10.5%
			Count	3	9	12
		Family worker/ retired	% within TypesOfJob	25.0%	75.0%	100.0%
			% within SavingsBehaviour	17.6%	13.0%	14.0%
			% of Total	3.5%	10.5%	14.0%
		Self-employed	Count	2	31	33
			% within TypesOfJob	6.1%	93.9%	100.0%
			% within SavingsBehaviour	11.8%	44.9%	38.4%
		Total	% of Total	2.3%	36.0%	38.4%
			Count	7	7	14
			% within TypesOfJob	50.0%	50.0%	100.0%
		Total	% within SavingsBehaviour	41.2%	10.1%	16.3%
% of Total	8.1%		8.1%	16.3%		
Count	17		69	86		
Female		Formal	% within TypesOfJob	19.8%	80.2%	100.0%
			% within SavingsBehaviour	100.0%	100.0%	100.0%
			% of Total	19.8%	80.2%	100.0%
		Multiple/ Street jobs	Count	0	12	12
			% within TypesOfJob	0.0%	100.0%	100.0%
			% within SavingsBehaviour	0.0%	30.8%	10.2%
		Service sector	% of Total	0.0%	10.2%	10.2%
			Count	22	4	26
			% within TypesOfJob	84.6%	15.4%	100.0%
		Family worker/ retired	% within SavingsBehaviour	27.8%	10.3%	22.0%
			% of Total	18.6%	3.4%	22.0%
			Count	20	4	24
		Self-employed	% within TypesOfJob	83.3%	16.7%	100.0%
			% within SavingsBehaviour	25.3%	10.3%	20.3%
			% of Total	16.9%	3.4%	20.3%
		Total	Count	21	17	38
			% within TypesOfJob	55.3%	44.7%	100.0%
			% within SavingsBehaviour	26.6%	43.6%	32.2%
		Total	% of Total	17.8%	14.4%	32.2%
Count	16		2	18		
% within TypesOfJob	88.9%		11.1%	100.0%		
Total	% within SavingsBehaviour	20.3%	5.1%	15.3%		
	% of Total	13.6%	1.7%	15.3%		
	Count	79	39	118		
Total		Formal	% within TypesOfJob	66.9%	33.1%	100.0%
			% within SavingsBehaviour	100.0%	100.0%	100.0%
			% of Total	66.9%	33.1%	100.0%
		Multiple/ Street jobs	Count	0	30	30
			% within TypesOfJob	0.0%	100.0%	100.0%
			% within SavingsBehaviour	0.0%	27.8%	14.7%
		Service sector	% of Total	0.0%	14.7%	14.7%
			Count	27	8	35
			% within TypesOfJob	77.1%	22.9%	100.0%
		Family worker/ retired	% within SavingsBehaviour	28.1%	7.4%	17.2%
			% of Total	13.2%	3.9%	17.2%
			Count	23	13	36
		Self-employed	% within TypesOfJob	63.9%	36.1%	100.0%
			% within SavingsBehaviour	24.0%	12.0%	17.6%
			% of Total	11.3%	6.4%	17.6%
		Total	Count	23	48	71
			% within TypesOfJob	32.4%	67.6%	100.0%
			% within SavingsBehaviour	24.0%	44.4%	34.8%
		Total	% of Total	11.3%	23.5%	34.8%
Count	23		9	32		
% within TypesOfJob	71.9%		28.1%	100.0%		
Total	% within SavingsBehaviour	24.0%	8.3%	15.7%		
	% of Total	11.3%	4.4%	15.7%		
	Count	96	108	204		
Total	% within TypesOfJob	47.1%	52.9%	100.0%		
	% within SavingsBehaviour	100.0%	100.0%	100.0%		
	% of Total	47.1%	52.9%	100.0%		

**Chi-Square Tests**

Gender		Value	df	Asymptotic Significance (2-sided)
Male	Pearson Chi-Square	23.887 <sup>a</sup>	4	.000
	Likelihood Ratio	25.153	4	.000
	Linear-by-Linear Association	2.292	1	.130
	N of Valid Cases	86		
Female	Pearson Chi-Square	37.147 <sup>b</sup>	4	.000
	Likelihood Ratio	40.984	4	.000
	Linear-by-Linear Association	5.578	1	.018
	N of Valid Cases	118		
Total	Pearson Chi-Square	57.513 <sup>a</sup>	4	.000
	Likelihood Ratio	69.921	4	.000
	Linear-by-Linear Association	6.198	1	.013
	N of Valid Cases	204		

- a. 0 cells (.0%) have expected count less than 5. The minimum expected count is 14.12.
- b. 4 cells (40.0%) have expected count less than 5. The minimum expected count is 1.78.
- c. 1 cells (10.0%) have expected count less than 5. The minimum expected count is 3.97.

**Table 4.6**

**Gender \* SavingsBehaviour \* FinancialSupport Crosstabulation**

FinancialSupport			SavingsBehaviour		Total	
			No	Yes		
No	Gender	Male	Count	11	21	32
			% within Gender	34.4%	65.6%	100.0%
			% within SavingsBehaviour	18.0%	65.6%	34.4%
			% of Total	11.8%	22.6%	34.4%
	Female	Count	50	11	61	
		% within Gender	82.0%	18.0%	100.0%	
		% within SavingsBehaviour	82.0%	34.4%	65.6%	
			% of Total	53.8%	11.8%	65.6%
	Total	Count	61	32	93	
		% within Gender	65.6%	34.4%	100.0%	
		% within SavingsBehaviour	100.0%	100.0%	100.0%	
		% of Total	65.6%	34.4%	100.0%	
Yes	Gender	Male	Count	6	48	54
			% within Gender	11.1%	88.9%	100.0%
			% within SavingsBehaviour	17.1%	63.2%	48.6%
			% of Total	5.4%	43.2%	48.6%
	Female	Count	29	28	57	
		% within Gender	50.9%	49.1%	100.0%	
		% within SavingsBehaviour	82.9%	36.8%	51.4%	
			% of Total	26.1%	25.2%	51.4%
	Total	Count	35	76	111	
		% within Gender	31.5%	68.5%	100.0%	
		% within SavingsBehaviour	100.0%	100.0%	100.0%	
		% of Total	31.5%	68.5%	100.0%	
Total	Gender	Male	Count	17	69	86
			% within Gender	19.8%	80.2%	100.0%
			% within SavingsBehaviour	17.7%	63.9%	42.2%
			% of Total	8.3%	33.8%	42.2%
	Female	Count	79	39	118	
		% within Gender	66.9%	33.1%	100.0%	
		% within SavingsBehaviour	82.3%	36.1%	57.8%	
			% of Total	38.7%	19.1%	57.8%
	Total	Count	96	108	204	
		% within Gender	47.1%	52.9%	100.0%	
		% within SavingsBehaviour	100.0%	100.0%	100.0%	
		% of Total	47.1%	52.9%	100.0%	

**Chi-Square Tests**

FinancialSupport		Value	df	Asymptotic Significance (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
No	Pearson Chi-Square	21.065 <sup>a</sup>	1	.000		
	Continuity Correction <sup>b</sup>	19.009	1	.000		
	Likelihood Ratio	20.976	1	.000		
	Fisher's Exact Test				.000	.000
	Linear-by-Linear Association	20.838	1	.000		
	N of Valid Cases	93				
	Yes	Pearson Chi-Square	20.311 <sup>a</sup>	1	.000	
Continuity Correction <sup>b</sup>		18.511	1	.000		
Likelihood Ratio		21.695	1	.000		
Fisher's Exact Test					.000	.000
Linear-by-Linear Association		20.128	1	.000		
N of Valid Cases		111				
Total		Pearson Chi-Square	44.449 <sup>a</sup>	1	.000	
	Continuity Correction <sup>b</sup>	42.575	1	.000		
	Likelihood Ratio	46.835	1	.000		
	Fisher's Exact Test				.000	.000
	Linear-by-Linear Association	44.231	1	.000		
	N of Valid Cases	204				

a. 0 cells (.0%) have expected count less than 5. The minimum expected count is 40.47.  
 b. Computed only for a 2x2 table  
 c. 0 cells (.0%) have expected count less than 5. The minimum expected count is 11.01.  
 d. 0 cells (.0%) have expected count less than 5. The minimum expected count is 17.03.

**Table 4.7**

**Income \* SavingsBehaviour \* Gender Crosstabulation**

Gender				SavingsBehaviour		Total	
				No	Yes		
Male	Income	Low income	Count	7	8	15	
			% within Income	46.7%	53.3%	100.0%	
			% within SavingsBehaviour	41.2%	11.6%	17.4%	
			% of Total	8.1%	9.3%	17.4%	
			Middle income	Count	8	35	43
				% within Income	18.6%	81.4%	100.0%
				% within SavingsBehaviour	47.1%	50.7%	50.0%
			% of Total	9.3%	40.7%	50.0%	
			High income	Count	2	26	28
				% within Income	7.1%	92.9%	100.0%
				% within SavingsBehaviour	11.8%	37.7%	32.6%
			% of Total	2.3%	30.2%	32.6%	
			Total	Count	17	69	86
		% within Income		19.8%	80.2%	100.0%	
		% within SavingsBehaviour		100.0%	100.0%	100.0%	
		% of Total		19.8%	80.2%	100.0%	
Female	Income	Low income	Count	48	7	55	
			% within Income	87.3%	12.7%	100.0%	
			% within SavingsBehaviour	60.8%	17.9%	46.6%	
			% of Total	40.7%	5.9%	46.6%	
			Middle income	Count	31	17	48
				% within Income	64.6%	35.4%	100.0%
				% within SavingsBehaviour	39.2%	43.6%	40.7%
			% of Total	26.3%	14.4%	40.7%	
			High income	Count	0	15	15
				% within Income	0.0%	100.0%	100.0%
				% within SavingsBehaviour	0.0%	38.5%	12.7%
			% of Total	0.0%	12.7%	12.7%	
			Total	Count	79	39	118
		% within Income		66.9%	33.1%	100.0%	
		% within SavingsBehaviour		100.0%	100.0%	100.0%	
		% of Total		66.9%	33.1%	100.0%	
Total	Income	Low income	Count	55	15	70	
			% within Income	78.6%	21.4%	100.0%	
			% within SavingsBehaviour	57.3%	13.9%	34.3%	
			% of Total	27.0%	7.4%	34.3%	
			Middle income	Count	39	52	91
				% within Income	42.9%	57.1%	100.0%
				% within SavingsBehaviour	40.6%	48.1%	44.6%
			% of Total	19.1%	25.5%	44.6%	
			High income	Count	2	41	43
				% within Income	4.7%	95.3%	100.0%
				% within SavingsBehaviour	2.1%	38.0%	21.1%
			% of Total	1.0%	20.1%	21.1%	
			Total	Count	96	108	204
		% within Income		47.1%	52.9%	100.0%	
		% within SavingsBehaviour		100.0%	100.0%	100.0%	
		% of Total		47.1%	52.9%	100.0%	

**Chi-Square Tests**

Gender		Value	df	Asymptotic Significance (2-sided)
Male	Pearson Chi-Square	9.694 <sup>b</sup>	2	.008
	Likelihood Ratio	9.056	2	.011
	Linear-by-Linear Association	8.702	1	.003
	N of Valid Cases	86		
Female	Pearson Chi-Square	40.773 <sup>c</sup>	2	.000
	Likelihood Ratio	45.424	2	.000
	Linear-by-Linear Association	35.751	1	.000
	N of Valid Cases	118		
Total	Pearson Chi-Square	59.587 <sup>a</sup>	2	.000
	Likelihood Ratio	68.890	2	.000
	Linear-by-Linear Association	59.264	1	.000
	N of Valid Cases	204		

a. 0 cells (.0%) have expected count less than 5. The minimum expected count is 20.24.

b. 1 cells (16.7%) have expected count less than 5. The minimum expected count is 2.97.

c. 1 cells (16.7%) have expected count less than 5. The minimum expected count is 4.96.

**Table 4.8**

**TypesOfJob \* Education \* Gender Crosstabulation**

Gender	TypesOfJob	Formal		Education				Total
				No schooling	Primary	Secondary	University	
Male	TypesOfJob	Formal	Count	0	0	1	17	18
			% within TypesOfJob	0.0%	0.0%	5.6%	94.4%	100.0%
			% within Education	0.0%	0.0%	3.1%	42.5%	20.9%
			% of Total	0.0%	0.0%	1.2%	19.8%	20.9%
		Multiple/ Street jobs	Count	2	1	6	0	9
			% within TypesOfJob	22.2%	11.1%	66.7%	0.0%	100.0%
			% within Education	50.0%	10.0%	18.8%	0.0%	10.5%
			% of Total	2.3%	1.2%	7.0%	0.0%	10.5%
		Service sector	Count	0	5	7	0	12
			% within TypesOfJob	0.0%	41.7%	58.3%	0.0%	100.0%
			% within Education	0.0%	50.0%	21.9%	0.0%	14.0%
			% of Total	0.0%	5.8%	8.1%	0.0%	14.0%
	Family worker/ retired	Count	2	2	9	20	33	
		% within TypesOfJob	6.1%	6.1%	27.3%	60.6%	100.0%	
		% within Education	50.0%	20.0%	28.1%	50.0%	38.4%	
		% of Total	2.3%	2.3%	10.5%	23.3%	38.4%	
	Self-employed	Count	0	2	9	3	14	
		% within TypesOfJob	0.0%	14.3%	64.3%	21.4%	100.0%	
		% within Education	0.0%	20.0%	28.1%	7.5%	16.3%	
		% of Total	0.0%	2.3%	10.5%	3.5%	16.3%	
	Total	Count	4	10	32	40	86	
		% within TypesOfJob	4.7%	11.6%	37.2%	46.5%	100.0%	
		% within Education	100.0%	100.0%	100.0%	100.0%	100.0%	
		% of Total	4.7%	11.6%	37.2%	46.5%	100.0%	
Female	TypesOfJob	Formal	Count	0	0	2	10	12
			% within TypesOfJob	0.0%	0.0%	16.7%	83.3%	100.0%
			% within Education	0.0%	0.0%	5.6%	55.6%	10.2%
			% of Total	0.0%	0.0%	1.7%	8.5%	10.2%
		Multiple/ Street jobs	Count	4	16	6	0	26
			% within TypesOfJob	15.4%	61.5%	23.1%	0.0%	100.0%
			% within Education	22.2%	34.8%	16.7%	0.0%	22.0%
			% of Total	3.4%	13.6%	5.1%	0.0%	22.0%
		Service sector	Count	1	11	12	0	24
			% within TypesOfJob	4.2%	45.8%	50.0%	0.0%	100.0%
			% within Education	5.6%	23.9%	33.3%	0.0%	20.3%
			% of Total	0.8%	9.3%	10.2%	0.0%	20.3%
	Family worker/ retired	Count	8	10	13	7	38	
		% within TypesOfJob	21.1%	26.3%	34.2%	18.4%	100.0%	
		% within Education	44.4%	21.7%	36.1%	38.9%	32.2%	
		% of Total	6.8%	8.5%	11.0%	5.9%	32.2%	
	Self-employed	Count	5	9	3	1	18	
		% within TypesOfJob	27.8%	50.0%	16.7%	5.6%	100.0%	
		% within Education	27.8%	19.6%	8.3%	5.6%	15.3%	
		% of Total	4.2%	7.6%	2.5%	0.8%	15.3%	
	Total	Count	18	46	36	18	118	
		% within TypesOfJob	15.3%	39.0%	30.5%	15.3%	100.0%	
		% within Education	100.0%	100.0%	100.0%	100.0%	100.0%	
		% of Total	15.3%	39.0%	30.5%	15.3%	100.0%	
Total	TypesOfJob	Formal	Count	0	0	3	27	30
			% within TypesOfJob	0.0%	0.0%	10.0%	90.0%	100.0%
			% within Education	0.0%	0.0%	4.4%	46.6%	14.7%
			% of Total	0.0%	0.0%	1.5%	13.2%	14.7%
		Multiple/ Street jobs	Count	6	17	12	0	35
			% within TypesOfJob	17.1%	48.6%	34.3%	0.0%	100.0%
			% within Education	27.3%	30.4%	17.6%	0.0%	17.2%
			% of Total	2.9%	8.3%	5.9%	0.0%	17.2%
		Service sector	Count	1	16	19	0	36
			% within TypesOfJob	2.8%	44.4%	52.8%	0.0%	100.0%
			% within Education	4.5%	28.6%	27.9%	0.0%	17.6%
			% of Total	0.5%	7.8%	9.3%	0.0%	17.6%
	Family worker/ retired	Count	10	12	22	27	71	
		% within TypesOfJob	14.1%	16.9%	31.0%	38.0%	100.0%	
		% within Education	45.5%	21.4%	32.4%	46.6%	34.8%	
		% of Total	4.9%	5.9%	10.8%	13.2%	34.8%	
	Self-employed	Count	5	11	12	4	32	
		% within TypesOfJob	15.6%	34.4%	37.5%	12.5%	100.0%	
		% within Education	22.7%	19.6%	17.6%	6.9%	15.7%	
		% of Total	2.5%	5.4%	5.9%	2.0%	15.7%	
	Total	Count	22	56	68	58	204	
		% within TypesOfJob	10.8%	27.5%	33.3%	28.4%	100.0%	
		% within Education	100.0%	100.0%	100.0%	100.0%	100.0%	
		% of Total	10.8%	27.5%	33.3%	28.4%	100.0%	

**Chi-Square Tests**

Gender		Value	df	Asymptotic Significance (2-sided)
Male	Pearson Chi-Square	54.515 <sup>b</sup>	12	.000
	Likelihood Ratio	61.963	12	.000
	Linear-by-Linear Association	3.812	1	.051
	N of Valid Cases	86		
Female	Pearson Chi-Square	67.899 <sup>c</sup>	12	.000
	Likelihood Ratio	63.431	12	.000
	Linear-by-Linear Association	10.521	1	.001
	N of Valid Cases	118		
Total	Pearson Chi-Square	103.865 <sup>a</sup>	12	.000
	Likelihood Ratio	121.909	12	.000
	Linear-by-Linear Association	11.611	1	.001
	N of Valid Cases	204		

- a. 4 cells (20.0%) have expected count less than 5. The minimum expected count is 3.24.
- b. 13 cells (65.0%) have expected count less than 5. The minimum expected count is .42.
- c. 10 cells (50.0%) have expected count less than 5. The minimum expected count is 1.83.

**Table 4.9**

**Income \* Education \* LabourMarket \* Hometown Crosstabulation**

Hometown	LabourMarket	Income		Education				Total	
				No schooling	Primary	Secondary	University		
Rural	Informal	Income	Low income	Count	6	13	12	0	31
				% within Income	19.4%	41.9%	38.7%	0.0%	100.0%
				% within Education	54.5%	48.1%	48.0%	0.0%	48.4%
			% of Total	9.4%	20.3%	18.8%	0.0%	48.4%	
			Middle income	Count	5	14	13	0	32
				% within Income	15.6%	43.8%	40.6%	0.0%	100.0%
		% within Education		45.5%	51.9%	52.0%	0.0%	50.0%	
		% of Total	7.8%	21.9%	20.3%	0.0%	50.0%		
		High income	Count	0	0	0	1	1	
			% within Income	0.0%	0.0%	0.0%	100.0%	100.0%	
			% within Education	0.0%	0.0%	0.0%	100.0%	1.6%	
		% of Total	0.0%	0.0%	0.0%	1.6%	1.6%		
	Total	Count	11	27	25	1	64		
		% within Income	17.2%	42.2%	39.1%	1.6%	100.0%		
		% within Education	100.0%	100.0%	100.0%	100.0%	100.0%		
	% of Total	17.2%	42.2%	39.1%	1.6%	100.0%			
	Formal	Income	Middle income	Count				1	1
				% within Income				100.0%	100.0%
				% within Education				20.0%	20.0%
			% of Total				20.0%	20.0%	
			High income	Count				4	4
				% within Income				100.0%	100.0%
		% within Education					80.0%	80.0%	
		% of Total				80.0%	80.0%		
Total		Count				5	5		
		% within Income				100.0%	100.0%		
		% within Education				100.0%	100.0%		
% of Total					100.0%	100.0%			
Total	Income	Low income	Count	6	13	12	0	31	
			% within Income	19.4%	41.9%	38.7%	0.0%	100.0%	
			% within Education	54.5%	48.1%	48.0%	0.0%	44.9%	
		% of Total	8.7%	18.8%	17.4%	0.0%	44.9%		
		Middle income	Count	5	14	13	1	33	
			% within Income	15.2%	42.4%	39.4%	3.0%	100.0%	
	% within Education		45.5%	51.9%	52.0%	16.7%	47.8%		
	% of Total	7.2%	20.3%	18.8%	1.4%	47.8%			
	High income	Count	0	0	0	5	5		
		% within Income	0.0%	0.0%	0.0%	100.0%	100.0%		
		% within Education	0.0%	0.0%	0.0%	83.3%	7.2%		
	% of Total	0.0%	0.0%	0.0%	7.2%	7.2%			
Total	Count	11	27	25	6	69			
	% within Income	15.9%	39.1%	36.2%	8.7%	100.0%			
	% within Education	100.0%	100.0%	100.0%	100.0%	100.0%			
% of Total	15.9%	39.1%	36.2%	8.7%	100.0%				
Urban	Informal	Income	Low income	Count	8	19	8	3	38
				% within Income	21.1%	50.0%	21.1%	7.9%	100.0%
				% within Education	72.7%	65.5%	20.0%	10.0%	34.5%
		% of Total	7.3%	17.3%	7.3%	2.7%	34.5%		
		Middle income	Count	3	10	30	8	51	
			% within Income	5.9%	19.6%	58.8%	15.7%	100.0%	
	% within Education		27.3%	34.5%	75.0%	26.7%	46.4%		
	% of Total	2.7%	9.1%	27.3%	7.3%	46.4%			
	High income	Count	0	0	2	19	21		
		% within Income	0.0%	0.0%	9.5%	90.5%	100.0%		
		% within Education	0.0%	0.0%	5.0%	63.3%	19.1%		
	% of Total	0.0%	0.0%	1.8%	17.3%	19.1%			
Total	Count	11	29	40	30	110			
	% within Income	10.0%	26.4%	36.4%	27.3%	100.0%			
	% within Education	100.0%	100.0%	100.0%	100.0%	100.0%			
% of Total	10.0%	26.4%	36.4%	27.3%	100.0%				
Formal	Income	Low income	Count			1	0	1	
			% within Income			100.0%	0.0%	100.0%	
			% within Education			33.3%	0.0%	4.0%	
		% of Total			4.0%	0.0%	4.0%		
		Middle income	Count			2	5	7	
			% within Income			28.6%	71.4%	100.0%	
	% within Education				66.7%	22.7%	28.0%		
	% of Total			8.0%	20.0%	28.0%			
	High income	Count			0	17	17		
		% within Income			0.0%	100.0%	100.0%		
		% within Education			0.0%	77.3%	68.0%		
	% of Total			0.0%	68.0%	68.0%			
Total	Count			3	22	25			
	% within Income			12.0%	88.0%	100.0%			
	% within Education			100.0%	100.0%	100.0%			
% of Total			12.0%	88.0%	100.0%				
Total	Income	Low income	Count	8	19	9	3	39	
			% within Income	20.5%	48.7%	23.1%	7.7%	100.0%	
			% within Education	72.7%	65.5%	20.9%	5.8%	28.9%	
		% of Total	5.9%	14.1%	6.7%	2.2%	28.9%		
		Middle income	Count	3	10	32	13	58	
			% within Income	5.2%	17.2%	55.2%	22.4%	100.0%	
	% within Education		27.3%	34.5%	74.4%	25.0%	43.0%		
	% of Total	2.2%	7.4%	23.7%	9.6%	43.0%			
	High income	Count	0	0	2	36	38		
		% within Income	0.0%	0.0%	5.3%	94.7%	100.0%		
		% within Education	0.0%	0.0%	4.7%	69.2%	28.1%		
	% of Total	0.0%	0.0%	1.5%	26.7%	28.1%			
Total	Count	11	29	43	52	135			
	% within Income	8.1%	21.5%	31.9%	38.5%	100.0%			
	% within Education	100.0%	100.0%	100.0%	100.0%	100.0%			
% of Total	8.1%	21.5%	31.9%	38.5%	100.0%				
Total	Informal	Income	Low income	Count	14	32	20	3	69
				% within Income	20.3%	46.4%	29.0%	4.3%	100.0%
				% within Education	63.6%	57.1%	30.8%	9.7%	39.7%
		% of Total	8.0%	18.4%	11.5%	1.7%	39.7%		
		Middle income	Count	8	24	43	8	83	
			% within Income	9.6%	28.9%	51.8%	9.6%	100.0%	
	% within Education		36.4%	42.9%	66.2%	25.8%	47.7%		
	% of Total	4.6%	13.8%	24.7%	4.6%	47.7%			
	High income	Count	0	0	2	20	22		



			% within Income	0.0%	0.0%	9.1%	90.9%	100.0%
			% within Education	0.0%	0.0%	3.1%	64.5%	12.6%
			% of Total	0.0%	0.0%	1.1%	11.5%	12.6%
		Total	Count	22	56	65	31	174
			% within Income	12.6%	32.2%	37.4%	17.8%	100.0%
			% within Education	100.0%	100.0%	100.0%	100.0%	100.0%
			% of Total	12.6%	32.2%	37.4%	17.8%	100.0%
	Formal	Income	Count			1	0	1
			% within Income			100.0%	0.0%	100.0%
			% within Education			33.3%	0.0%	3.3%
			% of Total			3.3%	0.0%	3.3%
		Middle income	Count			2	6	8
			% within Income			25.0%	75.0%	100.0%
			% within Education			66.7%	22.2%	26.7%
			% of Total			6.7%	20.0%	26.7%
		High income	Count			0	21	21
			% within Income			0.0%	100.0%	100.0%
			% within Education			0.0%	77.8%	70.0%
			% of Total			0.0%	70.0%	70.0%
		Total	Count			3	27	30
			% within Income			10.0%	90.0%	100.0%
			% within Education			100.0%	100.0%	100.0%
			% of Total			10.0%	90.0%	100.0%
	Total	Income	Count	14	32	21	3	70
			% within Income	20.0%	45.7%	30.0%	4.3%	100.0%
			% within Education	63.6%	57.1%	30.9%	5.2%	34.3%
			% of Total	6.9%	15.7%	10.3%	1.5%	34.3%
		Middle income	Count	8	24	45	14	91
			% within Income	8.8%	26.4%	49.5%	15.4%	100.0%
			% within Education	36.4%	42.9%	66.2%	24.1%	44.6%
			% of Total	3.9%	11.8%	22.1%	6.9%	44.6%
		High income	Count	0	0	2	41	43
			% within Income	0.0%	0.0%	4.7%	95.3%	100.0%
			% within Education	0.0%	0.0%	2.9%	70.7%	21.1%
			% of Total	0.0%	0.0%	1.0%	20.1%	21.1%
		Total	Count	22	56	68	58	204
			% within Income	10.8%	27.5%	33.3%	28.4%	100.0%
			% within Education	100.0%	100.0%	100.0%	100.0%	100.0%
			% of Total	10.8%	27.5%	33.3%	28.4%	100.0%

### Chi-Square Tests

Hometown	LabourMarket		Value	df	Asymptotic Significance (2-sided)	
Rural	Informal	Pearson Chi-Square	64.155 <sup>a</sup>	6	.000	
		Likelihood Ratio	10.454	6	.107	
		Linear-by-Linear Association	2.142	1	.143	
		N of Valid Cases	64			
	Formal	Pearson Chi-Square	.f			
		N of Valid Cases	5			
	Total	Pearson Chi-Square	56.951 <sup>d</sup>	6	.000	
		Likelihood Ratio	31.960	6	.000	
		Linear-by-Linear Association	15.311	1	.000	
		N of Valid Cases	69			
	Urban	Informal	Pearson Chi-Square	74.265 <sup>h</sup>	6	.000
			Likelihood Ratio	71.164	6	.000
Linear-by-Linear Association			47.039	1	.000	
N of Valid Cases			110			
Formal		Pearson Chi-Square	11.472 <sup>i</sup>	2	.003	
		Likelihood Ratio	9.970	2	.007	
		Linear-by-Linear Association	9.989	1	.002	
		N of Valid Cases	25			
Total		Pearson Chi-Square	97.147 <sup>g</sup>	6	.000	
		Likelihood Ratio	101.976	6	.000	
		Linear-by-Linear Association	68.766	1	.000	
		N of Valid Cases	135			
Total	Informal	Pearson Chi-Square	104.992 <sup>b</sup>	6	.000	
		Likelihood Ratio	86.364	6	.000	
		Linear-by-Linear Association	59.649	1	.000	
		N of Valid Cases	174			
	Formal	Pearson Chi-Square	13.333 <sup>c</sup>	2	.001	
		Likelihood Ratio	10.508	2	.005	
		Linear-by-Linear Association	11.154	1	.001	
		N of Valid Cases	30			
	Total	Pearson Chi-Square	136.298 <sup>a</sup>	6	.000	
		Likelihood Ratio	138.613	6	.000	
		Linear-by-Linear Association	94.436	1	.000	
		N of Valid Cases	204			

- a. 1 cells (8.3%) have expected count less than 5. The minimum expected count is 4.64.  
b. 2 cells (16.7%) have expected count less than 5. The minimum expected count is 2.78.  
c. 4 cells (66.7%) have expected count less than 5. The minimum expected count is .10.  
d. 7 cells (58.3%) have expected count less than 5. The minimum expected count is .43.  
e. 6 cells (50.0%) have expected count less than 5. The minimum expected count is .02.  
f. No statistics are computed because Education is a constant.  
g. 3 cells (25.0%) have expected count less than 5. The minimum expected count is 3.10.  
h. 2 cells (16.7%) have expected count less than 5. The minimum expected count is 2.10.  
i. 4 cells (66.7%) have expected count less than 5. The minimum expected count is .12.

**Results of mean scores and standard deviations**

**Table 4.11**

<b>Statistics</b>				<b>Statistics</b>			
		OverallSatisfaction OAA	OverallSatisfaction RMF			OverallSatisfaction NSF	OverallSatisfaction SSA40
N	Valid	204	204	N	Valid	174	174
	Missing	0	0		Missing	0	0
Mean		3.93	2.56	Mean		2.80	2.85
Std. Deviation		.742	.669	Std. Deviation		.620	.809

**Frequency Table**

**OverallSatisfactionOAA**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	3	60	29.4	29.4	29.4
	4	11	5.4	5.4	34.8
	4	77	37.7	37.7	72.5
	5	8	3.9	3.9	76.5
	5	48	23.5	23.5	100.0
	Total	204	100.0	100.0	

**OverallSatisfactionRMF**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	8	3.9	3.9	3.9
	2	3	1.5	1.5	5.4
	2	74	36.3	36.3	41.7
	3	18	8.8	8.8	50.5
	3	85	41.7	41.7	92.2
	4	7	3.4	3.4	95.6
	4	7	3.4	3.4	99.0
	5	2	1.0	1.0	100.0
	Total	204	100.0	100.0	

**OverallSatisfactionNSF**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1.00	2	1.1	1.1	1.1
	2.00	42	24.1	24.1	25.3
	2.50	15	8.6	8.6	33.9
	3.00	93	53.4	53.4	87.4
	3.50	9	5.2	5.2	92.5
	4.00	11	6.3	6.3	98.9
	4.50	1	.6	.6	99.4
	5.00	1	.6	.6	100.0
	Total	174	100.0	100.0	

**OverallSatisfactionSSA40**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1.00	2	1.1	1.1	1.1
	2.00	52	29.9	29.9	31.0
	2.50	8	4.6	4.6	35.6
	3.00	86	49.4	49.4	85.1
	3.50	7	4.0	4.0	89.1
	4.00	7	4.0	4.0	93.1
	4.50	1	.6	.6	93.7
	5.00	11	6.3	6.3	100.0
	Total	174	100.0	100.0	

**Table 4.12**

<b>Statistics</b>				<b>Statistics</b>			
		SatisfactionWith PoIOAA	SatisfactionWith PoIRMF			SatisfactionWith PoINSF	SatisfactionWith PoISSA40
N	Valid	204	204	N	Valid	174	174
	Missing	0	0		Missing	0	0
Mean		4.09	2.67	Mean		2.99	2.91
Std. Deviation		.744	.840	Std. Deviation		.745	.835

**Frequency Table**

**SatisfactionWithPoIOAA**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	moderately satisfied	48	23.5	23.5	23.5
	satisfied	90	44.1	44.1	67.6
	very satisfied	66	32.4	32.4	100.0
	Total	204	100.0	100.0	

**SatisfactionWithPoIRMF**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	least satisfied	11	5.4	5.4	5.4
	less satisfied	78	38.2	38.2	43.6
	moderately satisfied	89	43.6	43.6	87.3
	satisfied	20	9.8	9.8	97.1
	very satisfied	6	2.9	2.9	100.0
	Total	204	100.0	100.0	

**SatisfactionWithPoINSF**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	least satisfied	3	1.7	1.7	1.7
	less satisfied	38	21.8	21.8	23.6
	moderately satisfied	93	53.4	53.4	77.0
	satisfied	38	21.8	21.8	98.9
	very satisfied	2	1.1	1.1	100.0
	Total	174	100.0	100.0	

**SatisfactionWithPoISSA40**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	least satisfied	2	1.1	1.1	1.1
	less satisfied	51	29.3	29.3	30.5
	moderately satisfied	94	54.0	54.0	84.5
	satisfied	15	8.6	8.6	93.1
	very satisfied	12	6.9	6.9	100.0
	Total	174	100.0	100.0	

**Table 4.13**

<b>Statistics</b>				<b>Statistics</b>			
		SatisfactionWith LocOAA	SatisfactionWith LocRMF			SatisfactionWith LocNSF	SatisfactionWith LocSSA40
N	Valid	204	204	N	Valid	174	174
	Missing	0	0		Missing	0	0
Mean		3.78	2.45	Mean		2.61	2.79
Std. Deviation		.913	.675	Std. Deviation		.718	.908

**Frequency Table**

<b>SatisfactionWithLocOAA</b>					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	least satisfied	1	.5	.5	.5
	less satisfied	13	6.4	6.4	6.9
	moderately satisfied	67	32.8	32.8	39.7
	satisfied	72	35.3	35.3	75.0
	very satisfied	51	25.0	25.0	100.0
	Total	204	100.0	100.0	

<b>SatisfactionWithLocRMF</b>					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	least satisfied	15	7.4	7.4	7.4
	less satisfied	88	43.1	43.1	50.5
	moderately satisfied	95	46.6	46.6	97.1
	satisfied	6	2.9	2.9	100.0
	very satisfied				
	Total	204	100.0	100.0	

<b>SatisfactionWithLocNSF</b>					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	least satisfied	6	3.4	3.4	3.4
	less satisfied	71	40.8	40.8	44.3
	moderately satisfied	83	47.7	47.7	92.0
	satisfied	12	6.9	6.9	98.9
	very satisfied	2	1.1	1.1	100.0
	Total	174	100.0	100.0	

<b>SatisfactionWithLocSSA40</b>					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	least satisfied	6	3.4	3.4	3.4
	less satisfied	62	35.6	35.6	39.1
	moderately satisfied	81	46.6	46.6	85.6
	satisfied	12	6.9	6.9	92.5
	very satisfied	13	7.5	7.5	100.0
	Total	174	100.0	100.0	

## LIST OF ABBREVIATION

ADB	Asian Development Bank
AFC	Asian Financial Crisis
BMA	Bangkok Metropolitan Administration
CPD	City Planning Department
FPO	Fiscal Policy Office
GP	Government Pension
GPF	Government Pension Fund
HDN	Human Development Network
ILO	International Labour Organisation
MOF	Ministry of Finance
MSDHS	Ministry of Social Development and Human Security
NSF	National Savings Fund
NSF Act	National Savings Fund Act
NESDB	National Economic and Social Development Board
NESDP	National Economic and Social Development Plan
NSO	National Statistical Office
OAA	Old-Age Allowance
OECD	Organisation for Economic Co-operation and Development
OAP	Old-Age Pension
PAOs	Provincial Administrative Organisations
RMF	Retirement Mutual Fund
SSA	Social Security Act
SSA 33	Social Security Act 33
SSA 39	Social Security Act 39
SSA 40	Social Security Act 40
SSF	Social Security Fund
SSO	Social Security Office
SSS	Social Security Scheme
TAOs	Tambon Administrative Organisations
TDRI	Thailand Development Research Institute
TGRI	Thai Gerontology Research and Development Institute
UN	United Nations
UNDP	United Nations Development
UNDP	United Nations Development Programme
UNPAF	United Nations Partnership Framework

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