

Labour

Thailand has attached importance to the development of labour, a critical factor in economic development and social progress. To do this, a policy has been pursued to promote employment, skill development, labour protection, sound labour relations, and social security and to ensure the materialization of labour rights.

The crisis with its onset in 1997 has resulted in the bankruptcy of businesses. Layoffs have ensued, leading to unemployment in sectors such as the financial and banking sector, the manufacturing sector and the construction sector. Workers became jobless and some of them have returned to the agricultural sector. The Government has set many measures to alleviate the unemployment problem, to recover the economy and to restructure the bureaucracy. During the period between 1998-2002 labour situation showed improving trends along with the overall economy.

Employment situation in 2002 and future trends

In 2002 Thailand has a labour force of 35.11 millions. Of this, 34.60 millions are employed, 0.49 million are unemployed and 0.02 million are seasonal workers. In addition, 12.85 million people are outside the labour force as shown in Table 1.

Table 1 : Labour Force Status as of December 2002

Source : National Statistical Office
As of December 2002
Unit : Million

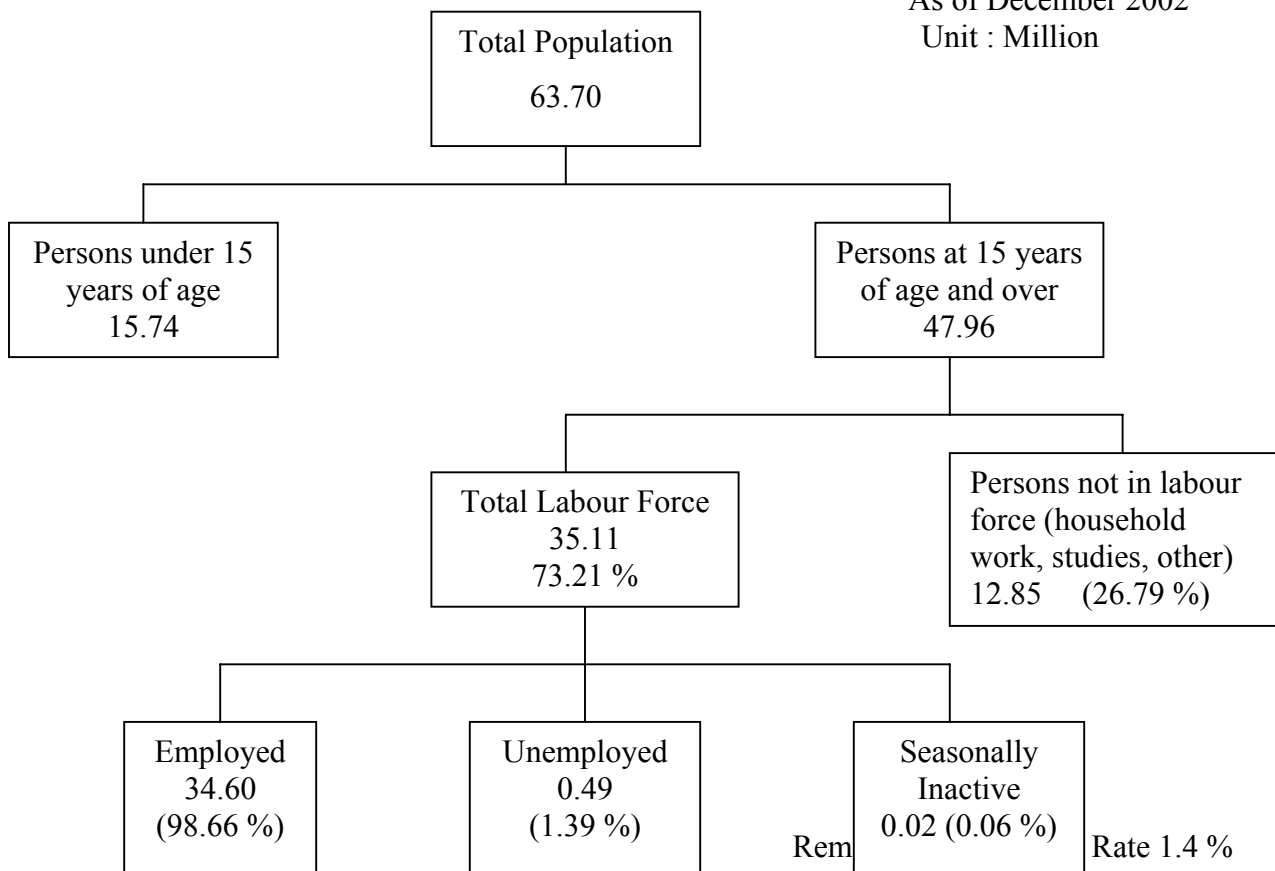


Table 2 : The Total Number of Establishments and Employees Registered with Social Security Office, 2002

Year Month	Establishment	Employee
Jan.	115,984	5,871,465
Feb.	112,914	5,911,399
Mar.	115,984	5,978,822
Apr.	243,681	6,298,343
May	270,089	6,591,693
Jun.	257,589	6,696,562
Jul.	280,206	6,756,205
Aug.	284,625	6,823,078
Sep.	290,494	6,876,983
Oct.	295,321	6,899,912
Nov.	299,127	6,894,191
Dec.	301,518	6,900,223

Remark : 1. Data as of 27 January, 2003 from Social Security Office (SSO)
 2. Social Security Office extends coverage to establishment with 1 or more employee starting April 2002



"Labour activities on Labour Day, First of May"

The sector with the largest increase in employment was the service sector, with tourism, hotels and restaurants registering the biggest increase. 500,000 more people were employed, boosting the total of 1.6 million in 1998 to a new total of 2.1 million in 2002 or an increase of 31.2%. The manufacturing sector came in second as regards employment generation, with the number of employed persons growing almost every year.

The sector with the biggest decrease in employment is construction, with the number of employed persons diminished from 1.9 million in 1998 to 1.4-1.7 million in 1999-2001. Trends are that the figure is growing for 2002 along with the economic recovery.

Those hardest hit by the economic crisis have been employees in the private sector, especially during the period from 1998-1999. As statistics points out, there were 9.7 million employees in the sector in 1998 and the figure came down to 9.3 million in 1999 or an approximate total of 400,000 people affected. Most employees were laid-off in financial institutions and banks. The situation began to improve in the latter half of 1999, and at the end of 2002 the number of employed persons in the private sector notching higher at 11.5 million. Those employed by the government have had secured jobs and have felt the lightest impact, with the number of employed persons in the sector being rather stable at 2.5-2.7 million between 1998-2002.

Wage

Thai workers are protected under labour law. The national tripartite committee determines minimum wage rates. It has also established criteria for wage rate adjustment with due regard to changing economic situation and the particular circumstances of the province.

Table 3 : Minimum Wages Rate Effective from 1 January, 2002

Daily Rate (Baht)	Province
169	Bangkok Metropolis, Nakorn Pathom, Pathum Thani, Samut Prakarn
168	Phuket
167	Nonthaburi
165	Samut Sakorn
150	Chon Buri
148	Saraburi
145	Nakorn Ratchasima
143	Chiang Mai, Phangna, Ranong
141	Rayong
139	Pra Nakorn Sri Ayuttaya
138	Krabi, Ang Thong
137	Cha-choengsao, Lamphun, Sukhothai
136	Khon Kaen, Buri Ram, Petchaburi
135	Kanchanaburi, Kalasin, Kamphaeng Phet, Chantaburi, Chumporn, Chai Nat, Trat, Nakorn- Panom, Narathiwat, Prachi Buri, Phetchabun, Ratchaburi, Songkhla, Singburi, Surat Thani, Nong Bua Lam Phu, Uthai Thaini
134	Nakorn Nayok
133	Others (35 provinces)

Labour relations situation

Thailand has promoted the freedom of association of both workers and employers. It has also accorded them the right to collective bargaining under the law for improvement of employment and working conditions. In 2002 there were 11 national employers' confederations, 9 labour union congresses, 1,162 unions in private enterprises. 19 labour confederations and 44 unions in public enterprises.

During the fiscal year 2002 (October 2001-September 2002) 72 disputes erupted at 69 establishments involving 30,088 employees. Of this number of establishments, 14 were in

the central area involving 6,064 employees. The remaining 55 were establishments in the provinces involving 24,024 employees, showing that disputes erupted at 41 more establishments in the provinces than in the central area. The total number of disputes meant a decline of 48.51% over the fiscal year 2001.



"Tripartite consultation"

Alien labour situation in 2002 and trends

As regards aliens entering the country legally and applying for work permits, the Ministry of Labour issues work permits to them and renew their work permits only as is necessary. This policy is intended to give priority to the employment of Thai people. In implementing the policy, account is also taken of economic benefits-that is whether the activity will bring in a large amount of foreign exchanges in investment or expenditure funds or whether the activity will lead to employment generation for Thais. National security and humanitarian principles are taken heed of ,too. The work permits are valid for no more than 1 year except those issued to aliens entering the country under the Investment Promotion Act or under other laws. In 2002, there were 94,178 aliens allowed to work in Thailand.

Trends are that more aliens with abilities and more alien investors will be allowed to work in Thailand in 2003 as the economy is now recovering, resulting in the need to attract more alien investors to come and do their businesses in the country so that the employment of Thais will benefit. Another conducive factor is the Government' s policy to promote foreign investment so as to mobilize more capital for economic recovery.

Measures to ensure quality of life for Thai labour

Apart from protection being provided to their legal rights, Thai workers are also developed so as to enhance their skills, to boost their employment opportunity and to enable them to adapt better to the labour market and to compete in the free global market. In 2002 a

number of 132,812 persons underwent skill-upgrading training organized by the Ministry of Labour.

With regard to social security, Thai workers have the guarantee of the Social Security Fund worth 37,532.31 million baht. The Fund has now been extended to cover establishments with 1 employee or more. The benefits provided cover occupational injury, disability, death, maternity, child allowances and old age pension. These benefits are part of a social safety net to provide more security to workers' lives.
