

Poverty & Equity Brief

East Asia & Pacific

Thailand

April 2024

Thailand's progress in poverty reduction slowed after 2015, with poverty increasing in 2016, 2018, and 2020. The transition from agriculture to higher-productivity jobs, which was a key driver of income gains in the past, began to decline in 2015. Yet, there was a notable decline in poverty in 2019 due to the expansion of social assistance, which was increased during 2020-21 to mitigate the impacts of the pandemic. The national poverty rate increased from 6.2 to 6.8 percent in 2019-20, before falling to 6.3 percent in 2021 as most relief measures were extended amid a slow pace of economic recovery. When measured at the upper-middle-income poverty line (US\$ 6.85 a day in 2017 PPP), the poverty rate remained unchanged at 13.2 percent during 2019-20 and declined to 12.2 percent in 2021.

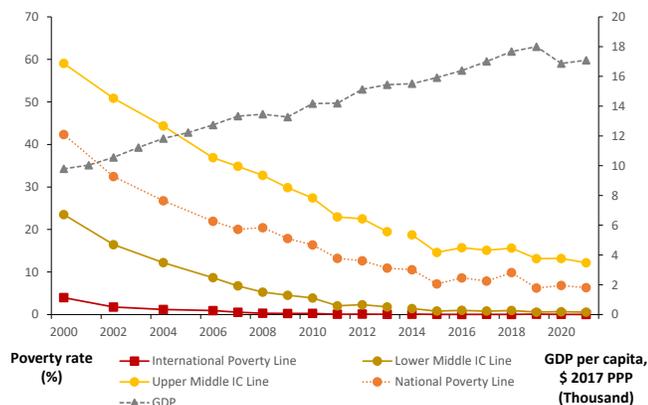
Per capita household consumption surged by 8.1 percent during 2021- 22, with the bottom 40 percent experiencing faster growth. The national poverty rate dropped from 6.3 to 5.3 percent during the same period. However, this decline varied across regions; the northeast saw the largest drop by 2.4 percentage points, while Bangkok experienced an increase in poverty. Despite these improvements, the south and northeast regions, especially their rural areas, still suffer from high poverty rates, exceeding 8 percent, and in many provinces, poverty surpasses 20 percent. The consumption Gini index decreased from 35 to 34.3 points during 2021-22, indicating moderate consumption inequality. However, income inequality remains a significant concern, with Thailand recording the highest income Gini index in East Asia at 43 points in 2021.

In 2023, employment and wages increased, driven by growth in non-agricultural sectors such as tourism and industry. However, agriculture faced challenges due to drought conditions. With the gradual recovery of the economy, the poverty rate (\$6.85 in 2017 PPP) is anticipated to decline to 10.3 percent in 2023 and maintain a downward trajectory throughout 2024 and 2025. However, significant challenges persist, including high levels of informal employment, substantial household debt reaching 90.6 percent of GDP in 2023Q1, financial strains from debt accumulation, climate-related events, population aging, and constrained fiscal capacity. These pose significant challenges to sustainable poverty reduction efforts.

POVERTY	Number of Poor (thousand)	Rate (%)	Period
National Poverty Line	4,525.2	6.3	2021
International Poverty Line 29.2 in Thai baht (2021) or US\$2.15 (2017 PPP) per day per capita	10.0	0.0	2021
Lower Middle Income Class Poverty Line 49.5 in Thai baht (2021) or US\$3.65 (2017 PPP) per day per capita	401.2	0.6	2021
Upper Middle Income Class Poverty Line 93 in Thai baht (2021) or US\$6.85 (2017 PPP) per day per capita	8,717.1	12.2	2021
Multidimensional Poverty Measure		0.1	2021
SHARED PROSPERITY			
Annualized Consumption Growth per capita of the bottom 40 percent		1.49	2017-2021
INEQUALITY			
Gini Index		34.9	2021
Shared Prosperity Premium = Growth of the bottom 40 - Average Growth		0.94	2017-2021
GROWTH			
Annualized GDP per capita growth		0.12	2017-2021
Annualized Consumption Growth per capita from Household Survey		0.55	2017-2021
MEDIAN INCOME			
Growth of the annual median income/consumption per capita		0.87	2017-2021

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

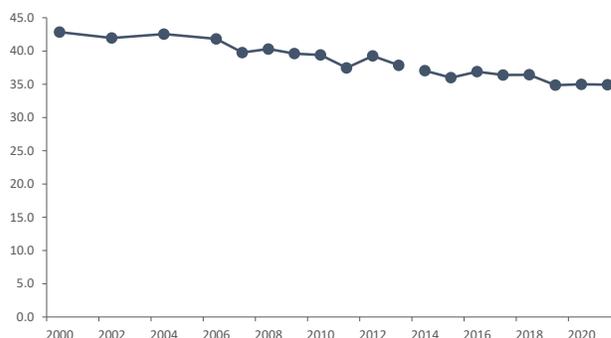
POVERTY HEADCOUNT RATE, 2000-2021



Source: World Bank using SES/EAPPOV/GMD

INEQUALITY TRENDS, 2000-2021

Gini Index



Source: World Bank using SES/EAPPOV/GMD

KEY INDICATORS

Distribution among groups: 2021	Upper Middle income line (%)		Relative group (%)	
	Non-Poor	Poor	Bottom 40	Top 60
Urban population				N/A
Rural population				N/A
Males				N/A
Females				N/A
0 to 14 years old	80	20	56	44
15 to 64 years old	90	10	35	65
65 and older	87	13	44	56
Without education (16+)	75	25	61	39
Primary education (16+)	86	14	49	51
Secondary education (16+)	91	9	32	68
Tertiary/post-secondary education (16+)	99	1	8	92

Source: World Bank using SES/EAPPOV/GMD

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

Multidimensional Poverty Measures: 2021	(% of population)
Monetary poverty (Consumption)	
Daily consumption less than US\$2.15 per person	0.0
Education	
At least one school-aged child is not enrolled in school	0.5
No adult has completed primary education	12.6
Access to basic infrastructure	
No access to limited-standard drinking water	0.4
No access to limited-standard sanitation	0.2
No access to electricity	0.1

Source: World Bank using SES/EAPPOV/GMD

POVERTY DATA AND METHODOLOGY

Poverty and inequality statistics are published by the Office of the National Economic and Social Development Council using data from the Thailand Socio-Economic Survey, which is conducted annually by the National Statistical Office of Thailand.

National and international trends in poverty are aligned but do not match exactly due to differences in methodology. A welfare aggregate based on nominal consumption per capita is used for both national and international measurement. The main differences between the national and World Bank international measures are due to the different poverty lines that are used. Thailand's official poverty lines are constructed at the household level. Food poverty lines are calculated based on calorie and protein requirements of each household which vary by household composition in age and gender, adjusted for regional and urban-rural price differences. Poverty lines are then derived by adding to the food poverty lines the average non-food expenditure of the reference households in each region and area. The average poverty line in 2020 was 2,762 Baht per person per month. Meanwhile, the World Bank measure is based on a singular poverty line expressed in Purchasing Power Parity (PPP) terms, which allows for ease of comparability across countries.

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

HARMONIZATION

The numbers presented in this brief are based on the EAPPOV database. EAPPOV is a database of socio-economic statistics constructed using microdata from household surveys in the East Asia and the Pacific (EAP) region and is managed by the East Asia & Pacific Team for Statistical Development (EAPSTD). As of February 2024, the collection includes 21 countries and 127 surveys. Harmonized surveys in the EAPPOV database are compiled into 4 modules following Global Monitoring Database (GMD) Harmonization guidelines. A subset of the harmonized variables forms the basis of the GMD collection, including the welfare aggregate which is used for Global Poverty Monitoring. Terms of use of the data adhere to agreements with the original data producers.