Beyond Traditional GDP: Thailand’s Well-being Index

Dr. Arnunchanog Sakondhavat

Office of the National Economic and Social Development Council

26 May 2022
Evolution of Thailand Development Plan

1st Plan 1961-66
2nd Plan 1967-71
3rd Plan 1972-76
4th Plan 1977-81
5th Plan 1982-86
6th Plan 1987-91
7th Plan 1992-96
8th Plan 1997-2001
9th-12th Plan 2002-Present

- Emphasize on economic growth and infrastructure development
- Emphasize on economic growth and social development
- Emphasize on economic stability and regional areas development
- Adoption of Philosophy of Sufficiency Economy; People-centered development; Actively engaging civil society; Sustainable development

Central Planning - Top-down

Bottom-up Planning

Multi-sectoral Plan

Strategic Plan

Comprehensive Plan

Specialist Plan

Sectoral Plan
History of Thailand’s well-being index

Well-being Index
Recognizing “people” as the center and target of development. The index will cover all dimensions of people life, including health, living standard, knowledge, working life, income and income distribution.

Sustainable Development Index
Corresponds to the context of sustainable development from the Rio+20 Summit in 2012, developed a tool to measure the impact of development not only on the economy, but also on natural resources and environment.

Human Achievement Index
The index assesses human development progress at the provincial level, including health, education, job, income, environment as well as social status.

Economic Strength Index
The economic strength index is built, after the 1997 crisis, based on the sufficiency economy philosophy with the following key components; (i) economic self-reliant, (ii) economic immunity, (iii) resilience to global situations, (iv) economic stability, and (v) equally and fairly benefits distribution.

Green and Happiness Index
The index has further included human and society dimension, thus also assess the happiness of oneself in all levels (individual, family, community and society).
Green and Happiness Index (GHI)

The state of good quality of life, balanced livelihoods of the mind, body and intelligence as the result of holistic connection between members of families, communities, economic system, society, politics and environment of which the relationships are based on the rule of law and governance, leading to the peaceful and sustainable development and co-existence.
Green and Happiness Index in 2019

1. **Health**
   - 2017: 79.88 (Moderate)
   - 2018: 80.39 (Good)
   - 2019: 79.18 (Moderate)

2. **Strong and Equitable Economy**
   - 2017: 80.87 (Good)
   - 2018: 82.45 (Good)
   - 2019: 84.51 (Good)

3. **Balanced Environment and Ecosystem**
   - 2017: 63.81 (Moderate)
   - 2018: 73.47 (Good)
   - 2019: 70.57 (Moderate)

4. **Democratic Society with Good Governance**
   - 2017: 57.82 (Moderate)
   - 2018: 62.43 (Good)
   - 2019: 65.86 (Moderate)

5. **Just Society and Inequality Reduction**
   - 2017: 73.40 (Moderate)
   - 2018: 77.20 (Moderate)
   - 2019: 76.22 (Moderate)

---

**Green and Happiness Index (GHI)**

- *Health*
- *Strong and Equitable Economy*
- *Balanced Environment and Ecosystem*
- *Democratic Society with Good Governance*
- *Just Society and Inequality Reduction*
The Green and Happiness Index (GHI) is a composite index of five components:

1) Health
2) Strong and Equitable Economy
3) Democratic Society with Good Governance
4) Balanced Environment and Ecosystem
5) Just Society and Inequality Reduction

**Health = 79.18**

<table>
<thead>
<tr>
<th>Physical and mental Health</th>
<th>Social health</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) People with good health</td>
<td>(1) Health expense to GDP</td>
</tr>
<tr>
<td>(2) Average life expectancy at birth</td>
<td>(2) Prosecuted juvenile</td>
</tr>
<tr>
<td>(3) Suicide rate</td>
<td>(3) Family violence</td>
</tr>
</tbody>
</table>

**Quality democracy**

| (1) Violation of human rights | (1) Corruption Perception Index (CPI) |
| (2) Number of people who vote | (2) Cases investigated by NACC |
| (3) Draft laws proposed by petition | (3) Healing from being arrested without prosecution |
| (4) World Press Freedom Index | (4) Cases released from civil court |
| (5) Female member of parliament | (5) Cases investigated by NACC |

**Strong and equitable Economy = 84.51**

<table>
<thead>
<tr>
<th>Security of work and quality of life</th>
<th>Strong and efficient economy</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Underemployment rate</td>
<td>(1) Saving-investment gap to GDP</td>
</tr>
<tr>
<td>(2) Gender pay gap index</td>
<td>(2) Ratio of household debt to GDP</td>
</tr>
<tr>
<td>(3) Welfare workforce</td>
<td>(3) R&amp;D expenditure to GDP</td>
</tr>
<tr>
<td>(4) Accident or illness of employee</td>
<td>(4) GDP per capita growth</td>
</tr>
</tbody>
</table>

**Just society and inequality reduction = 76.22**

<table>
<thead>
<tr>
<th>Right protection and non-discrimination</th>
<th>Equity in environment and natural resources</th>
<th>Social welfare and economic resource access</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Inequality-adjusted Human Development Index (IHDI)</td>
<td>(1) Newly registered Community forestry</td>
<td>(1) Percentage of welfare disables</td>
</tr>
<tr>
<td>(2) Complaints on discrimination</td>
<td>(2) Pollution complaints</td>
<td>(2) Percentage of welfare AIDS patients</td>
</tr>
<tr>
<td>(3) Cases approved from Justice Fund</td>
<td></td>
<td>(3) Agricultural land processors who are not</td>
</tr>
<tr>
<td>(4) Suspects who get rights promotion</td>
<td></td>
<td>(4) Informal employment in agricultural sector</td>
</tr>
</tbody>
</table>

**Balanced environment and ecosystem = 70.57**

<table>
<thead>
<tr>
<th>Good quality environment</th>
<th>Green economy</th>
<th>Green household</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Good quality water resource</td>
<td>(1) Renewable and alternative energy used</td>
<td>(1) Green household energy consumption</td>
</tr>
<tr>
<td>(2) Correct garbage disposal</td>
<td>(2) Economic activities</td>
<td>(2) Organic farming</td>
</tr>
<tr>
<td>(3) Air quality meets standard</td>
<td>(3) Import of agricultural hazardous substance</td>
<td>(3) People using internet</td>
</tr>
<tr>
<td>(4) Damage from natural disaster</td>
<td>(4) Emergency chemical accident</td>
<td>(4) Academic achievement</td>
</tr>
</tbody>
</table>

**Decentralization**

| (1) Local ordinances issued by LAOs | (1) People accused in political protest and conflict |
| (2) Revenue collected by LAOs | (2) Forced disappearance cases |
| (3) Female chief executive of Provincial and subdistrict Administrative Organization | (3) Deaths from unrest in southern Thailand |
| (4) Using violence to other people's idea | (4) Using violence to other people's idea is unacceptable |
| (5) Respecting and accepting other people's idea | (5) Respecting and accepting other people's idea |

- **Score of GHI**: 74.98
- **GHI Dimension**
  - Very Good: 90.00-100.00
  - Good: 80.00-89.99
  - Moderate: 70.00-79.99
  - Need improvement: 60.00-69.99
  - Need urgent correction: Unless 60.00
Human Achievement Index (HAI)

**OBJECTIVE**

The HAI is a crucial tool for evaluating the human development at the provincial level. To lead to in-depth studies for solutions to further uplift provincial well-being.

**BACKGROUND**

- UNDP Thailand has adapted the concept and methodology underlying the Human Development Index (HDI) to develop the HAI, and firstly conduct in 2003.
- The UNDP later collaborated with the NESDC since 2014.
- The NESDC compiles and publishes the HAI biennially (every 2 years).
- The 2020 HAI as adjusted to be in line with the source data’s timeframe. The list of indicators was revised to be in line with the data source, to increase the effectiveness of reflecting the current human development situation, and thus the 2015 – 2019 data were also revised. Moreover, the 2020 HAI is well exhibited impact of Covid-19 pandemic among provinces.
Human Achievement Index (HAI)

**UNDERLYING CONCEPT**

- **Human development should be comprehensive**, following a human’s lifecycle, starting with health, education, employment, securing enough income, stable housing, good environment, safe family and community life, convenient and accessible transportation, and political and social participation.

- **The HAI is a composite index**, covering 8 aspects of human development through 8 subindices, thus using 32 indicators in total.

**CONSTITUTING INDICATORS**

- 8 subindices, 4 indicators each
  (32 indicators in total)

1. Health
2. Education
3. Employment
4. Income
5. Housing and Living Environment
6. Family and Community Life
7. Transportation and Communication
8. Participation

26 May 2022

www.nesdc.go.th
Overview of Human Development in each Dimensions

“In 2020, Thailand’s human development outlook was improved, indicating by a rise of Human Achievement Index”

<table>
<thead>
<tr>
<th>Index</th>
<th>2019 Value</th>
<th>2020 Value</th>
<th>Growth (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Human Achievement Index (HAI)</td>
<td>0.6457</td>
<td>0.6501</td>
<td>0.7</td>
</tr>
<tr>
<td>Health</td>
<td>0.6078</td>
<td>0.6078</td>
<td>0.0</td>
</tr>
<tr>
<td>Education</td>
<td>0.5669</td>
<td>0.5953</td>
<td>5.0</td>
</tr>
<tr>
<td>Employment</td>
<td>0.7312</td>
<td>0.6944</td>
<td>-5.0</td>
</tr>
<tr>
<td>Income, poverty and debt</td>
<td>0.6946</td>
<td>0.6923</td>
<td>-0.3</td>
</tr>
<tr>
<td>Housing and living environment</td>
<td>0.6610</td>
<td>0.6655</td>
<td>0.7</td>
</tr>
<tr>
<td>Family and community life</td>
<td>0.6371</td>
<td>0.6571</td>
<td>3.1</td>
</tr>
<tr>
<td>Transportation and Communication</td>
<td>0.7008</td>
<td>0.7132</td>
<td>1.8</td>
</tr>
<tr>
<td>Social Inclusion</td>
<td>0.5846</td>
<td>0.5878</td>
<td>0.5</td>
</tr>
</tbody>
</table>

- **Human Development Index** increased by 0.7%
- **Health** remained stable (0.0% growth)
- **Education** improved by 5.0%
- **Employment** decreased by 5.0%
- **Income, poverty and debt** decreased by 0.3%
- **Housing and living environment** improved by 0.7%
- **Family and community life** improved by 3.1%
- **Transportation and Communication** increased by 1.8%
- **Social Inclusion** increased by 0.5%

**Notes:**
- Improvements in (1) high-school O-NET scores (2) children aged under 15 years with age-appropriate development and (3) averaged years of schooling for people aged 15+
- Unemployment and under-employment rates increased, while improving in working life but only in some region
- Poverty rate increased due to COVID-19 pandemic, which severely affected economy, especially agricultural sector.
- Higher number of (1) proportions of Own dwelling and durable materials housing and (2) proportion of renewable energy to total electricity production
- Lower number of (1) reported murders, violence, gender violence, and thievery (2) Elderly living alone, and (3) Children and adolescents admitted to a juvenile detention and protection facility.
- Declined in fatality rates from road accident.
- The number of local community organizations increased but only in the developed northern provinces. The situation is worse in Bangkok and vicinity and eastern provinces than in other regions.
Human development in the regional and provincial level

**HAI 2020**

<table>
<thead>
<tr>
<th>Region</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Central (excl. Bangkok)</td>
<td>0.6639</td>
<td>0.6691</td>
</tr>
<tr>
<td>Eastern</td>
<td>0.6568</td>
<td>0.6504</td>
</tr>
<tr>
<td>Northern</td>
<td>0.6245</td>
<td>0.6325</td>
</tr>
<tr>
<td>Southern (excl. 3 SB)</td>
<td>0.6373</td>
<td>0.6432</td>
</tr>
<tr>
<td>Northeastern</td>
<td>0.6176</td>
<td>0.6202</td>
</tr>
<tr>
<td>3 Southern Borders</td>
<td>0.6112</td>
<td>0.6004</td>
</tr>
</tbody>
</table>

- **Central region** has the highest score in HAI, especially health, and transportation and communication index.
- **3 southern border provinces** has the least scores in HAI, especially in education, work, and income aspects. However, family and community index are higher than other regions.
- **Eastern region** performs better in education, work, and income aspects. Nevertheless, family and community, and accommodation aspects are the lowest.
- **Northeastern region** has the highest score in accommodation index.
- **Northern region** has the highest score in participation index.

- There are 54 provinces, mostly Northern region, have their HAI improving from 2019.
- On the other hand, only 23 provinces, mostly Northeastern region, have their HAI declining.

Nonthaburi, Bangkok, Ayutthaya, Chonburi, and Pattum Thani are the top-5 highest HAI, while Mae Hong Son, Pattani, Buriram, Narathiwat, and Surin have the lowest HAI.

Chumphon, Suphanburi, and Satun have the most improvement in HAI. Pattani, Phang nga, and Phuket have the most deceleration in HAI.
Government expenditures are concentrated (above 70%) in highly developed provinces, with government expenditures per capita in those provinces was 5.83 times higher than low-developed provinces.

<table>
<thead>
<tr>
<th>Level of Development</th>
<th>Government Expenditure Value</th>
<th>Government Expenditure Per Capita</th>
</tr>
</thead>
<tbody>
<tr>
<td>Very high (13 provinces)</td>
<td>1,161 Billion Baht (72.3%)</td>
<td>52,042 Baht per person</td>
</tr>
<tr>
<td>High (16 provinces)</td>
<td>113 Billion Baht (6.8%)</td>
<td>9,441 Baht per person</td>
</tr>
<tr>
<td>Moderate (16 provinces)</td>
<td>109 Billion Baht (7.0%)</td>
<td>10,201 Baht per person</td>
</tr>
<tr>
<td>Low (16 provinces)</td>
<td>102 Billion Baht (6.4%)</td>
<td>9,232 Baht per person</td>
</tr>
<tr>
<td>Very low (16 provinces)</td>
<td>121 Billion Baht (7.5%)</td>
<td>8,921 Baht per person</td>
</tr>
</tbody>
</table>

The correlation between government expenditure and the level of human development (excluding Bangkok) is unclear, but reflected the concentration of per capita government expenditures in Bangkok which is high development province.

Some highly developed provinces are allocated or have high levels of government expenditure per capita (Group B), while with low development levels and expenditure per capita reached 28 provinces.
Thank You

www.nesdc.go.th