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**REFORM NEEDED FOR THAILAND'S PENSION SYSTEM:
A REVIEW OF OLD AGE SOCIAL SECURITY IN THE
CONTEXT OF INSURER NEEDS IN PHUKET, THAILAND,
USING ALDERFER'S ERG THEORY**

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ABSTRACT

In 1952, under the administration of Plaek Phibunsongkhram, the Social Security concept was introduced in Thailand. This led to the first enactment of Social Security Act B.E. 2533 (1990) and Social Security Act (No.3), B.E.2542 (1999). As the Thai society at present, is becoming increasingly interacting with the senior community, but hardly any focus has been placed on assisting and understanding their needs. The elderly has Social Security as a guarantee that they won't be abandoned when they get old. Therefore, social security is a measure that is crucial and essential for employees who apply for old age insurance. Furthermore, the Social Security Office has prescribed the old age compensation benefit as part of a program to improve quality of life or as a guarantee of employment security while retiring in order to produce long-term benefits for the insurer. This article

concerned and discussed on the needs of the insurer who applied old age social security benefit: ensuring rights, dignity as well as income security in later life by using the Hierarchy of Need theory of Abraham Maslow and Alderfer's ERG Theory of Clayton Alderfer.

Keywords: Social Security Pension Case, Old Age Pensions, Old Age Pension, Thailand.

INTRODUCTION

Thailand's Social Security Concept The first instance took place in 1952 under the leadership of Field Marshal Plaek Phibunsongkhram. who are interested in the welfare of Thai people have a life assurance Even if you can't conceive or need to give birth, don't worry or while going through a difficult moment that leaves them disabled, including needing care at night when they are elderly or until the end of their life the inability to enforce this law due to policy issues The Social Security Act was drafted during the General Chatichai Choonhavan administration and was not put into effect as a legislation until 1990, when it was given the name "Social Security Act 1990."

Social Security Fund the Social Security Act, BE 2533, states that the requirements for receiving old age benefits are as follows: "In the event that the insured person has paid contributions for not less than 180 months or 180 instalments, he or she is entitled to receive the old age pension from the month following the month attaining 55 years of age, except for age of 55 years and being an insured person. has not concluded in accordance with section 38 or section 41 Beginning with the month after the month the insured is cancelled, that person will be eligible to receive. The insured person is eligible to the old age pension if they don't make contributions for 180 months or 180 instalments and their covered status has expired as a result of section 38 or section 41.

Thailand is now dealing with an aging society, which is defined as one where 10% or more of the population is over the age of 60. The first effect is "financial collateral," and it has already begun to happen in Thailand since 2005. By 2040, it will be an aging society with an elderly population of up to 30%, or about a third of the entire nation (Worawet Suwan Radha, 2020: Online). The need for quality of life in old age will rise as you get older. Retirement planning can take many

different forms, such as saving money and investing with retirement funds. pension from the government's provident fund, pension derived from contributions to the Social Security Fund, etc. For the majority of people, life insurance specifically comes from the Social Security Fund. The insured under Sections 33, 39, and 40 are all protected in the event of "old age."

When determining the insured's wage basis under various sections, such as section 33's wage base of 15,000 baht and section 39's wage base of 4,800 baht, to compute the old-age pension, the Social Security Office, Insurance Manual, pages 31-33) A person covered by section 33 will receive an old age pension of 3,000 baht per month, a person covered by section 39 will receive an old age pension of 960 baht per month, a person covered by section 40 has no wage base but contributes 100 baht per month, and a person covered by section 33 can only receive the old age pension. not eligible for an old age pension.

Even if it is included in the old living allowance, which is eligible for an additional 600 to 800 bahts (Napoom Suvarnabhumi, 2017, 10), the national average of 2,672 bahts is still below the poverty level for 2020 (National Statistical Office, 2020). If someone is covered by Section 33 insurance, their monthly income will be between 3,600 and 3,800 baht, which is above the poverty threshold for the year 2020. However, it is regarded as lower if the insured individual under Section 39 has a monthly income of between 1,560 and 1,760 baht in comparison to the poverty level in 2020. These earnings are out of step with the current economic climate. and residing in an aged insured population in a society whose monthly household expense will be on average 19,168.25 baht in 2020.

Due to the inability to collect contributions in a manner that is consistent with the current economic climate and to design an old age benefit payment system that meets the needs of insurers for the actual use of the old age benefits, Increasing the pay basis used to determine contributions The cost of living is currently quite high, as are all other benefits obtained throughout the course of being an insured individual. resulting in an increase in the cost of expenses from the initial.

THAILAND'S SOCIAL SECURITY SYSTEM

The Compensation Fund is Thailand's first step toward social security, offering protection to workers in the case of danger or illness brought on by their employment. The fund for compensation According to the Revolutionary Council Announcement No. 103 dated March 16, 1972, it initially took place in Thailand in 1972 under the supervision of the Compensation Fund Office, Department of Labour. On July 1, 1988, the coverage was gradually extended to all provinces nationwide until the Social Security Act was enacted, with the exception of Bangkok-based businesses with 20 or more employees during the first year of coverage. starting on September 2, 1990, number 2533.

Social Security Definition

According to the International Labour Organization, social security is a guarantee of each person's economic and health status, as well as that of any dependents they may have, in the event of a temporary income shortfall. due to a whole or partial loss of income or inadequate revenue to support one's lifestyle It consists of several insurance policies designed to safeguard against mishaps or minimize suffering in the event of disease pregnancy, a variety of risks, impairments or disabilities, old age, and unemployment (Sukhothai Thammathirat Open University, 1995).

Elderly Cases (Old-Age)

Benefits of Age This is a collection of a portion of the prior income that was donated, in accordance with social security standards. The insured will have enough retirement funds to repay the insured after a period of 10 to 15 years. to leave the workforce The old age pension is defined as work at age 60 or older.

Definition of Need

The motivators and stimulants for human activity are human needs. Either emerged in order to carry out activities based on ideas or presumptions that Humans have wants and behaviours that are common to all humans, as determined by psychological needs that are the subject of investigations.

Theories of Needs

Humans will diligently attempt to address their bodily and mental demands when they arise, strengthening their urge to succeed.

Maslow's Theory of Hierarchical Needs

According to Maslow's Theory of Hierarchical Needs (Maslow, 1954; referenced in Priyaporn Wong Anutararot, 2004), human motivation is driven by the need to possess. He proposed the following requirements for a person (Hick, 1967).

1. A person has ongoing, constant needs. even after all needs have been addressed, there is always a constant new need.
2. Unmet needs will no longer serve as an incentive for further activities. Unmet needs are therefore influencing behaviours of the person.
3. The needs of people are given priority. When low-level requirements are met Individuals will continue to pay attention to high-level needs.

Following are the five steps, in order of personal needs:

- a) Needs of the body It's the most fundamental prerequisite. For example, you need food, water, air, a comfortable temperature, etc. to survive.
- b) Requirements for security It is the desire for environmental safety. and defence against others
- c) The yearning for love and belonging; the desire to feel liked and to be a member of the group
- d) Demands to be regarded and honoured It is the requirement that others honour them. and recognize their value
- e) The requirement for life success It is their most pressing requirement. It is a requirement related to your job that you enjoy it or aspire to be more than you now are.

Alderfer's ERG Theory of Requirements

ERG Theory of Requirements is a theory of demands that was created from Maslow's Hierarchy of Needs by Clayton P. Alderfer (Yale

University, 1969) by reclassifying needs from the original 5 phases into 3 steps, consisting of:

1. Existence needs are the requirements that must be satisfied in order to survive, such as the need for food, water, medicine, shelter, and safety in life. It can be comparable to being a member of staff in an organization. The first specifications cover pay, perks, health insurance, and workplace security. All of them are instruments that help us meet our daily demands. also security In Maslow's section, it was already mentioned.
2. The Needs of Social Relationships (R: Relatedness Needs) social relationships involving feelings, affection, and co-workers. The Social Needs and Esteem Needs levels of Maslow's hierarchy of needs can be equated to the respect and acceptance of those around them.
3. The largest demand is for growth needs (G: Growth Needs). This, as previously noted, is about the evolution of status changes, such as receiving recognition for one's achievements in life. Growth to realize one's potential falls under Maslow's Esteem Needs and Self-Actualization Needs.

Benefits from Retirement in Case of Old Age

The Social Security Act BE 2533's seven categories of compensation benefits include cases of illness or injury brought on by employment, childbirth, child support, unemployment, disability, old age, and death. by virtue of the advantages to replace old age It followed the Social Security Act's change in B.E. 2533 (No. 3) and B.E. 2542. Conditions and benefits that are paid out in accordance with contributions will apply in each situation. Payments to the fund will be made in a variety of situations by subtracting 5% of wages used as a base for calculating contributions, which cannot be less than 1,650 baht per month or greater than 15,000 baht.

The Social Security Act, B.E. 2533, Section 77 bis, says that the insured has the right to collect the old age pension beginning in the month after the month in which they turn fifty- five years of age if they have paid contributions for at least one hundred and eighty months. The individual is eligible to receive it starting from the month after the month in which his insurer has ceased under Section 38; or Section 41;

unless he reaches the age of fifty-five and his insured status has not yet expired under Section 38 or Section 41.

Old Age Insurance Concept

The International Labour Organization (ILO) designated old-age benefits as a sort of social security system guarantee in 1989. This is equally crucial to provide compensation in the event of injury or illness, childbirth, disability, and death. This is due to the fact that the elderly will have the same health issues from aging as individuals who have already dealt with the issues in the four aforementioned circumstances. Consequently, to stop social issues Consequently, a management system is required to ensure the survival of the old. It is appropriate to ask what criteria elderly people should be able to live in. It can be put into practice based on two fundamental ideas. The first is that society only has a responsibility to make sure that all elderly people can live up to the least standards that society can accept (Minimum Acceptable Standard). Any individual or group in each occupation has an obligation to create their own arrangements if they are over this minimum. This idea states that participants in the system must be qualified and elderly. And the state tax is typically the source of money used for compensation. Verification of the beneficiary's inability to obtain money from any other sources may be required. Additionally, it is essential to get benefits when required, a policy known as the "Means-Tested System".

Model of Compensatory Payment

The compensation payment plans that will be covered in this discussion include:

Defined Contribution (DC) Form

A provident fund with a predetermined contribution rate is called a contribution formulation. and will earn a return from the investments made with the money that has accrued in each member's unique account. Members can choose which fund to invest in. The gratuity is provided as a one-time lump amount at retirement or changed to a regular pension. using the individual account's savings base divided by the number of periods Return on savings investments.

Defined Benefit (DB) Form

In this type of compensation, the amount of compensation is initially decided using the calculation's formula. This guarantees retirees, especially those with low earnings, enough income security for the remainder of their lives. So helping to equally divide income can aid in reducing the issue of poverty. Financial stability among members

The Elderly Act, B.E. 2546

The Elderly Act B.E. 2546 in Section 11 certifies the rights of persons who are over sixty years of age and have Thai nationality are entitled to protection, promotion, and support in various fields. The Older Persons Act 2003 (Worawet Suwanrada and Worawan Chanduewit, 2010) was enacted with the intention of making the operation of protection, promotion, and support for the rights and benefits of the elderly as to effectively benefit the elderly received under that act. to provide for the fundamental requirements of the elderly in Thai society in order to improve their standard of living

Social Welfare Promotion Act 2003

A system for delivering social services in relation to prevention, resolving development issues, and fostering stability is intended to be established by the Social Welfare Promotion Act of 2003 (Worawet Suwanrada and Worawanchanduewit, 2010). society should provide for people's essential requirements so they can live well and fully, appropriately, and fairly rely on themselves.

RELATED STUDIES

A study was undertaken by Pensri Trairat (2015, abstract). Denmark, Belgium, the Netherlands, and Thailand's social security systems are compared. a senior case study. The findings revealed three factors that increase the probability of getting old: 1) The risk of establishing a low retirement age; 2) Low contribution rates and shorter contribution periods, placing a future load on the old age fund. The demographic structure has changed, resulting in large expenditures for the old-age social security fund and decreased income because there are fewer employees due to the low birth rate. The cost of pensions rises as the

number of retirees rises. 3) The pension rate is unrelated to the rise in living expenses brought on by the state of the economy. It poses a risk of inflation. The benefits' value will decline as a result of inflation.

Investment planning was examined by Montana Kongkaew, Chadamas Kaewsuksai, and Nadpolphichai Dulyawathit (2015). For the retirement years of the staff at Rajamangala University of Technology Srivijaya The findings indicated that sample group The majority of them have not even begun to arrange their retirement investments. There is a degree of thought and perception in the general situation was moderate in terms of retirement investment preparation. While there are aspects influencing investment planning for retirement life, these include: Factors affecting current debt and fund safety In terms of the financial freedom index, 91.41% of people could make ends meet on their own, while 96.01% had no financial independence. A beneficial impact on the survival value was made by the goals of focusing on retirement income as well as the degree of awareness and perception of the necessity of investment planning for retirement.

CONCLUSION

Conditions for using old age benefits by the insured Office of Social Security in Phuket Province:

1. Educating insurers on the old age pension is a good idea. To ensure that the insured is aware of the rules and laws of the Social Security Fund.
2. The contribution rate and pay basis are not appropriate given the current circumstances. As a result, raising the pay base and contribution rate is acceptable. to strike a balance between the fund's income and expenses.
3. A new pension calculation formula needs to be implemented. because the insurance is treated unfairly under the pension formula in use. Over the course of the working life, the formula for calculating pension based on the previous 60 average wage computations should be modified.
4. The elderly age should only be compensated with a pension. due to the lack of financial viability, should not be paid as a gratuity. Contrary to the tenets of social security and old-age insurance, such as the spirit of the Thai Social Security Law, which wants the

insured to have money to spend in retirement without burdening anyone.

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