### เสรีนิยมใหม่และรัฐสวัสดิการ: บทเปรียบเทียบสวัสดิการ สำหรับแรงงานข้ามชาติในไทยและกลุ่มประเทศนอร์ดิก ระหว่างปี 1990-2010

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### บทคัดย่อ

บทความได้ทำการพิจารณาถึงรูปแบบสวัสดิการสำหรับแรงงานข้ามชาติ ในประเทศไทยโดยเปรียบเทียบกับรูปแบบสวัสดิการสำหรับแรงงานข้ามชาติใน กลุ่มประเทศนอร์ติก บทความใช้กรอบแนวคิด "สวัสดิการที่ปรับเข้าสู่รูปแบบ เดียวกัน" เพื่ออธิบายถึงความเป็นไปได้ในการพัฒนารูปแบบสวัสดิการที่คล้ายคลึง กันภายใต้เงื่อนไขเศรษฐกิจแบบโลกาภิวัตน์ บทความได้พิจารณาถึงรูปแบบ สวัสดิการแบบพกพาเพื่อสร้างเงื่อนไขยึดหยุ่นสำหรับแรงงานข้ามชาติ ถึงแม้ว่า ไทยและกลุ่มประเทศนอร์ดิกจะเผชิญเงื่อนไขส่งเสริมและกีดขวางการพัฒนา สวัสดิการสำหรับแรงงานข้ามชาติ แต่ข้อค้นพบสำคัญของบทความคือการแสดง ให้เห็นถึงความจำเป็นของการสร้างความร่วมมือระหว่างประเทศต้นทางและ ปลายทางเพื่อสร้างสวัสดิการระยะยาวสำหรับแรงงานข้ามชาติ

**คำสำคัญ:** สวัสดิการสำหรับแรงงานข้ามชาติ นโยบายไทยต่อแรงงานข้ามชาติ ตัวแบบนอร์ดิก

### Neoliberalism and Welfare State: The comparative case study of Thai and Nordic welfare model for migrant workers 1990-2010<sup>1,2</sup>

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#### Abstract

The paper focused on the possible model of welfare protection for migrant workers in Thailand by comparing with Nordic countries' models. The paper utilizes the welfare convergence model to explain the possibility of the development of welfare provision in Thailand under the globalizing economy. The paper explains how portable welfare is an important policy for transnational workers

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<sup>&</sup>lt;sup>2</sup> The paper replicated the idea from the research project "The making of State Security under Economic Vulnerability: A case study of Human Security empowerment under Neoliberalism Vulnerability 2010-2515"- The research is funded by College of Interdisciplinary Studies Thammasat University 2016-2017

who are likely to stay in one country on a temporary basis. On the other hand, Nordic Model delivered an integrated and flexibility condition for transnational workers . In comparing Thai and Nordic countries, there are several different concepts which enhance and obstruct development for transnational workers. The paper concluded that the cooperation between host-home countries for welfare provision could offer a long-term solution for transnational worker's welfare.

**Key Words:** Welfare for migrant worker; Thai policy toward migrant workers; Nordic Model

#### 1. Introduction

The paper replicated the idea from a research project which focused on the possible model of welfare protection for migrant workers in Thailand. Thailand, labor-intensive industry and agricultural based society, is the destination of migrant workers from relatively poor neighbors since the late twentieth century. According to the demand for the low competitive cost to meet the requirement of the global supply chain; it seems difficult to introduce welfare protection even for local workers. Somehow, the class struggle from civil society since 1990's generate the ambitious policy which is hard to imagine for a low-income economy like Thailand. The social security act was introduced in 1993 and became the primary form of welfare protection for nonbureaucratic workers in Thailand. In the following decade, the universal health care protection had been introduced which covered all Thai citizens under the standard healthcare provision with only 1 USD levy service per time (Lawson, 2012)

Though civil society welcomes the welfare revolution in two decades, many observers suggest that it may become a late revolution. According to the rise of Neoliberalism, Thai state plays the significant part as primary product producers: the footloose factory, migrant workers, the globalizing financial sector had shaped the different scenario of labor power. The temporary migrant workforce drastically increases since the turning of centuries. They work in an over-exploited condition. Even though the attempts of legalize process for illegal migrant workers can integrate migrant workers for normal welfare protection, there are migrant workers who are young adults and require less for welfare provision. They are likely

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to work on a temporary basis. However, once they migrate their aging or unable to work bodies back home , the welfare provision in Thailand is designed for people who stay in Thailand for permanent term basis which is not cover for migrant workers who decide to come home after 7-10 years. The studies attempt to project the possible portable welfare model for migrant workers by the experience from economic history of welfare development (Annuska, 2013)

Utilizing the Nordic model as the comparative case study will show the experience of welfare integration for immigrant workers (Bergh, 2012). Though the tremendously different economic condition compared to Thailand, the common experience from the age of economic transition is still useful to develop practical welfare model in the future. The paper will be presented in four parts; the first part clarifies the theoretical framework; the second part explains the development of welfare policy in Thailand and Nordic countries during the emergence of Neoliberalism. The third part illustrates the challenge from the wave of immigration to Thailand and Nordic welfare regime (Castles, 2000). The fourth part shows the possibility of 'portable welfare' as policy recommendation for the transnational state (Alves, 2015).

#### 2. Theoretical Framework

This article will utilize the Welfare Convergence idea of Gosta Esping Andersen (2015) to explain the transformation of welfare policy under global capitalism. The idea of welfare convergence based on the hypothesis that it will alter according to the economic condition. The implication is that under globalization with the converged economic condition, the possibility to introduce a welfare policy in one country is also possible in the other countries. Portable Welfare, as the major solution of this paper, is constructed according to welfare convergence hypothesis. There are some specific term that needs to clarify in this session

#### 2.1 Nordic Model

Nordic countries refer to Norway, Sweden, Denmark Finland, and Iceland which is grouped by socio-cultural category. Somehow, Nordic Model is commonly reflected political-economic condition of universal and comprehensive welfare system for native and immigrants (Bergh, 2013)

#### 2.2 Fordism and Post-Fordism Production

Fordism refers to assembly-line production which is the core production method in the 20th century. The productions base on the relatively closed economy where producers and consumers are likely to stay in one state. Since the 1980s, Fordism productions are likely to be replaced by Post-Fordism productions or Just-In-Time production. The productions rely on international division of labor which investor producers or consumers are not necessary to locate in one state (Jessop, 2013)

#### 2.3 Neoliberalism

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Neoliberalism in this article is considered as another form of Capitalism. Since the 1970s- oil crisis, Capitalism attempts to get rid of the unnecessary cost of productions. By reducing welfare provision by state, there are massive of privatization all over the world. The result is that the individual in the 21st century is likely to take high risk in their own life without suitable social protection. (Harvey, 2003)

#### 2.4 Citizenship and Welfare Rights

Using T.H.Marshall's explanation of citizenship, the concept explores three major concepts of citizenship rights- economic, civic, and socio-cultural rights. The paper will consider welfare rights as the sum of three dimensions of rights. The paper argued that the concept of Jus Soli and Jus Sanguinis or tie by land and blood which is commonly use in Thai context of citizenship neither meet the minimum definition of Marshall's citizenship nor the context of the globalizing economy (Holmwood, 2000).

# 3. The Development of Welfare Policy in Thailand and Nordic countries under Neoliberalism

# 3.1 The Comparision of Thai Welfare System and Nordic Welfare State

Welfare policy in Thailand has not been common to Thai society since the 1990s when the first social security-act was introduced in 1995. Tracing back to the middle of the twentieth century, most of the Thai population were left in the agricultural sector and lacking any welfare provision from the state. Even the basic infrastructure like transportation, hospital and formal education are beyond their reach until the beginning of the 1980s. There are some state officers who are granted healthcare/pension provision, but the proportion of the coverage is less than 5% of the population. According to Plaza Accord in 1985, the relocation of production from Japan to Thailand boosts up Thai oriented exports. There are masses of internal migration from rural agricultural sector to the urban area to meet the demand of transforming economy (Glassman, 2007). The turning of the 21st century became the crucial point of Thai welfare policy; universal health care policy is introduced in 2001 for the first time. At the same time, the big wave of temporally international migration raises the challenging issue for the new faction which requires new modes of welfare protection.

Contrastingly, welfare provision is a trademark for Nordic countries (Hagstorm 1994). The idea of welfare provision can date back to the pre-industrialization period. The prominent role of the Social Democratic Party established welfare-state via consensus politics. State plays a significant role as welfare provider with a high-tax policy. Though there are several problems during the 1970's world economy stagflation period, high economic performance and the upgrade of economy solve the uneasy condition on later period. Originally, high homogeneity society raises the question of the unique condition of welfare construction. However, many researchers suggest that political struggle is the major cause of the emergence of welfare state rather than the unique cultural or demographic condition. Though there are many challenges during the turning of century, the Nordic model can adapt itself and maintain its core values (Borjeson 2002)

The following table shows the development of Thai welfare policy and Nordic model according to major economic transition. The first wave of welfare emergence refers to a Post-WWII period; the second wave displays the economic regression during 1970-1990. Finally-neoliberal globalization during 1990-2010 is considered as the third wave of welfare provision (Diamond and Lodge 2014).



Period of Time	Factor	Thai Welfare Policy	Nordic Model
Post-WWII- Period (1945-1970)	Political Party	Military Government (1957-1973)	Social Democrat Party
	Economic Condition	Rising of Fordism Import Substituted Industry	Settle of Industry. Corporatism and Trade Unionism
	Characteristic- Coverage	Universal Coverage for State Officer (less than 5% of Population)	Universal Coverage for the whole population.
	Challenge	Most of the population in semi-sufficient agriculture sector	Unemploy- ment/High Income Tax
Stagflation- Period (1970-1999)	Political Party	Semi- Democracy	Decline of Social Democrat Party
	Economic Condition	Plaza Accord- Rise of Export Oriented Industry/ Big wave of urbanization	Stagflation/ The turndown of Global Economy

 Table I. The development of welfare policy in Thailand and

#### Nordic Countries

Period of Time	Factor	Thai Welfare Policy	Nordic Model
	Characteristic- Coverage	Social Security Act Cover 10-15% of the population.	Defending the philosophy of Welfare State
	Challenge	Economic Crisis in 1997	Immigrant/ Xenophobia
Neoliberalism (2000-2010)	Political Party	Democratic- Catch, All government	New combination of Coalition Government
	Economic Condition	Economic growth after crisis	Rising of Offshore Economy
	Characteristic- Coverage	Universal Health Care (100%) coverage	Mixing with the third way welfare-state
	Challenge	Political Crisis 2006-2010	Rising of Right-Wing Extremism

According to Table I, there are many uncommon scenarios among two cases. Firstly, the dimension of time is the key distinction between two cases. Thailand takes more than a century after the emergence of the modern state to develop universal health care benefit and century after Nordic model. The Nordic model takes a shorter time to develop a comprehensive model and consolidate in their countries (Dahl 2001). The second distinctive dimension is a significant political actor. The military and Bureaucratic was ruling for the major parts of the Cold War period in Thailand. External factor such as foreign aid to support structural development played an important role in the twentieth century. Somehow, the Social Democrat Party becomes a single significant player to ensure the consolidation of Welfare-State. The third contrasting issue is the threat to the welfare state. The Nordic model seems to deal the conflicts via political solution while the welfare policy of Thailand seems to rely on the condition of the global economy. Nevertheless, the important common phenomena from Thailand and Nordic welfare issue is the convergence of welfare-state coverage. Though the late welfare introduction, authoritarian and economic threat, Thailand is moving to the universal protection scheme.

3.2 Comparison of recent condition of Welfare System in Thailand and Nordic Welfare state for migrant workers 2010-2015

#### 4. The challenge of welfare provision from migrant workers.

Migration is the controversial issue for welfare state provision. According to the Marshallian model, civic-welfare right may come after economic and political rights which are developed by their citizenship by nature or nurture. Temporally, migration raises the important question. Though their economic contribution as the working class fulfills the demand of a flexible economy, their obligation to the political sphere is low, and their temporary status obstructs them to gain long-term welfare benefit. This condition challenges both traditional welfare regimes like the Nordic-model and new emerging welfare countries like Thailand (Standing, 2011, 2012). Table II illustrates migration worker issue from the view of politics/economics and philosophy on the Thai and Nordic models.

Relations between migrant workers and welfare provision	Thai Model	Nordic Model
Philosophical Issue	Challenge to Jus Soli/Jus sanguine. Thainess and civil right is a related issue in an nseparable condition.	Integration to common dignity as the solution
Political Issue	Politics of Uncontrolled	Politics of Inclusion/ Stranger in our midst.
Economic Issue	The emergence of precariat workers/ flexible human resource.	Unskilled laborer/jobs obstructed the upgrading of the economy.

Table II. Relations between	migrant workers	and welfare provision
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According to Table II, Thai perception of citizenship is based on 'jus-soli' (People who are tied by place of birth) and-or 'jus sanguinis' (People who are tied by blood or nationality of their parents). It is difficult to introduce welfare right to people who are not based on mentioned philosophical conditions. Thai authority considers the migrant working issue as a threat to state security rather than people who contribute to the domestic economy. This led to politics of uncontrolled. The new emerging class always raises uneasy questions to Thai society. During the 1970s, the state experienced urban uprising, which was an indirect result rural-urban migration. In sum, newcomers are always controlled by the authority which is embedded in their perception. Contrastingly, the homogeneous Nordic countries are more comfortable with newcomers. Common dignity became the core idea of integration project which is not mere politics and economic integration. Somehow, it is hard to conclude that the Nordic model develops smoothly. The rising of xenophobia during economic recession always became a controversial issue for the welfare-state (Jessop, 2013)

The other big question is how migrant workers contribute to the domestic economy. In Thailand, the export-oriented industry requires a flexible human resource to meet the demand of just-intime production. Most of the migrant workers are employed in a temporary job with lower salary compared to minimum legal wages. Cheap and docile labor attract an investor to the border city to set up a new factory. Somehow, many economists suggest that a cheap and enormous labor pool in neighbor countries may obstruct the motivation of innovation of production during an economic crisis. This is a common awareness to Nordic countries (Jochem, 2011). Once the economy requires upgrading, unskilled labor may not fit with the high-end production. Nevertheless, both of the models cannot deny the fact that migrant workers pay significant role to their economy, but the welfare provision which is based on state-provision is not matched with the globalizing characteristic (Tangcharoensathien et al., 2017)

# 5. Concluding Remark-Portable Welfare Model-Policy Recommendation

It is evident that migrant workers are committed to market-

membership rather than state-citizenship. Their option to stay in the host country is relatively unpredictable compared to those who migrated during the twentieth century. They may choose to permanently remain once they can achieve economic status during their mid-career. On the other hand, to emigrate back home is not a surprising scenario. The introduction of the flexible mode of protection is required. In Thailand, universal health care benefits are restricted to a Thai citizen<sup>31</sup>. Moreover, Thai citizenship is not common to grant for foreigner unless marriage with Thai. The more flexible scheme is social insurance which guarantees old age pension for workers with an employer who work over 15 years in Thailand. The problem is that the legal status of migrant workers in Thailand will be expired after two years which is not renewable. The implication is that the current provision does not match with the current demand of flexible human resource.

For Nordic model, to grant citizenship for the immigrant is relatively more possible compared to Thailand. Once they received citizenship, long-term welfare provision will be granted for them by the same condition with the native citizens. They may receive welfare provision even if they decide to retire in their home country. However, there are more complex scenario than this case. These flexible human resources may stay in the host country for three or five years. High-end employees may accumulate their workfare and long-term private insurance which is portable across the state. Most of the people who migrate are temporary workers with a minimum legal wage. They may receive 200-300% wage higher than their wage in their home country, but five years is long enough to exclude them for a sustainable way if they decide to leave their hometowns (Thammaboosadee, 2012)

The simple way is coalition from two countries to construct portable justice for the migrant worker. The implication is that state still has to pay a significant role for welfare provision. Workfare market-oriented alone cannot construct a sustained mode of protection. Civil Society-State-Firm from both countries will pay significant part of the coalition. I can deliver four key points for policy implication;

1. The cooperation between a host-home state for temporary migrant workers is required. Welfare benefit from host countries will be able to calculate once they migrate back home.

2. The integration of migrant workers to long-term welfare system is required. The training and development for workforce will benefit both workers and host countries.

3. Considering alternative status for migrant workers (i.e., permanent residents who can vote in local politics and participate in another dimension apart from economic activity).

According to the globalizing economy, it is not an economic condition to determine the possibility of welfare introduction like the post-war economy. Somehow, it still requires a democratic atmosphere and political power which relates to the majority of the people in the host-home country.

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