Shifts in Household Demographics Herald Economic Changes for Thailand

THAILAND'S demographic transition is noteworthy for its rapid pace and its impact on families and households. Steep declines in fertility and steady decreases in mortality over the past two decades have affected the size and character of Thailand's population and households, and trends point to continuing changes for the future. Life expectancy has increased, while population growth rates continue to slow. Total fertility has reached, and is expected to drop below, replacement level. Households are fast becoming smaller—and older.

Changes in household size and characteristics have important social and economic consequences. As Thai policymakers work to realize national development goals, shifts in household demographics present new challenges in every sector of the economy. School enrollment, employment and wages, saving and spending patterns, the demand for health services, and the need for housing are all influenced by the size, age, and composition of families and households. National response to changing needs is possible only when the importance of household demographics is recognized and incorporated into long-range forecasts and development plans.

The authors of a forthcoming book, The Economic Impact of Demographic Change in Thailand, 1980–2015, document the far-reaching effects that the rapid decline in average household size and population aging will have on the Thai economy. They demonstrate the importance of these factors to social and economic development planning and show how detailed household characteristics can be projected and brought into the planning process.
Demographic Change in Thailand

ACCORDING TO Andrew Mason and Burnham O. Campbell, authors of the overview to the book The Economic Impact of Demographic Change in Thailand, 1980–2015, the demographic transition in Thailand is generating important changes in the size, rate of growth, and age structure of Thailand's population. Life expectancy at birth has risen steadily over the past three decades, from 56 years for men and 62 years for women in 1960 to about 63 and 68 years, respectively, in 1990. Over the same period, fertility has decreased very rapidly. Thai women, who were averaging more than six births each in 1960, are bearing only about two children each today. The rate of population growth—reflecting the declining childbearing rate—slowed from 3.2 percent in 1970 to only 1.9 percent in 1990.

According to the authors, the age structure of Thailand's population is in transition, with significant changes forecast for the future. In 1970, nearly one-half of all Thais (45 percent) were under age 15, one-half were between the ages of 15 and 59, and only 5 percent were 60 and older. But, as in any country experiencing mortality and fertility declines, Thailand's population is "aging quickly" and the size of its youth population is shrinking. Only one in three Thais was under age 15 in 1990, and a decrease to about one in four is projected for the year 2000. The working-age population (15 to 59), on the other hand, is increasing quite rapidly: from 60 percent in 1990 to a projected 65 percent in 2000. But it is the percentage of elderly persons (over age 59) that is growing the fastest. By the year 2000, 7.5 percent of Thais will be age 60 or older, with an expected increase to nearly one in 10 by 2010.

Household Characteristics

THAI HOUSEHOLDS average 4.6 members and include, on average, only 1.6 children. Family households are by far the dominant type of living arrangement: 96 percent of all Thais living in a household live with a relative. Although the percentage of non-family households has increased somewhat during the last decade, fewer than 5 percent of all households are one-person households or households consisting of unrelated persons. In Thailand, as in other East and Southeast Asian countries, one son or daughter usually continues to live with the parents after marriage while siblings establish separate households.

Will the population changes that accompany the demographic transition alter traditional Thai living arrangements? Researchers Mason and Campbell examine the question of whether economic development and modernization are in fact undermining the extended family. They find no evidence that either men or women, young adults or the elderly, are more likely now than in the past to live alone or with unrelated persons. Further, they predict that family households will continue to be the dominant kind of living arrangement in Thailand for the foreseeable future.

Other projections do, however, point to changes in the demographic characteristics of Thai households over the decades to come:

- Although the number of households will grow from 6.2 million to 21.9 million between 1970 and 2015, household size will continue to decrease. The average of 5.8 household members in 1970 will drop to only 3.1 by 2015.
- Aging of Thai households is an emerging trend. By 2010 only 20 percent of households will have a head under age 35. The percentage of households with elderly heads will have increased from 5.6 percent to 11.0 percent. Households with heads 35 to 49 years of age will grow most in absolute numbers, increasing from 4.3 to 7.9 million between now and 2010.
- Households are becoming "adultified." Over the next 20 years, the number of children per household will decline by one-half. Households that averaged 1.7 members under age 15 in 1990 are projected to average only 0.9 children by 2010. In contrast, the average number of adult members will decrease only slightly during the same period.

Household Aging and the Household Life Cycle

THE DEMOGRAPHICS of Thai households vary with the age of the household head and the stage of the household life cycle. Some noteworthy features of family households in Thailand today include the following:

- The average number of members varies considerably over the household life cycle, reaching a peak size of 5.5 members for households with a head 35-49 years of age (see table).
- Regardless of the age of the head, Thai households are not small. Households with an elderly head "do not, on average, fit the Western stereotype of an elderly couple or person living alone."
- The number of working-age adults varies across the household life cycle, rising from 1.7 per household with a head under age 35 to a peak of 2.4 per household with a head 50-64 years of age, and dropping off to 1.4 for older households.
- How will the demography of the household life cycle change as Thailand proceeds through its demographic transition? Mason and
Household size, by age group: Thailand, 1990

<table>
<thead>
<tr>
<th>Ages of members</th>
<th>Under 35</th>
<th>35-49</th>
<th>50-64</th>
<th>Over 64</th>
<th>All ages</th>
</tr>
</thead>
<tbody>
<tr>
<td>All ages</td>
<td>3.86</td>
<td>5.48</td>
<td>4.87</td>
<td>4.23</td>
<td>4.62</td>
</tr>
<tr>
<td>0-5</td>
<td>0.79</td>
<td>0.52</td>
<td>0.39</td>
<td>0.40</td>
<td>0.59</td>
</tr>
<tr>
<td>6-14</td>
<td>0.73</td>
<td>1.42</td>
<td>0.61</td>
<td>0.59</td>
<td>0.92</td>
</tr>
<tr>
<td>15-24</td>
<td>0.61</td>
<td>1.33</td>
<td>1.29</td>
<td>0.55</td>
<td>0.98</td>
</tr>
<tr>
<td>25-64</td>
<td>1.67</td>
<td>2.12</td>
<td>2.42</td>
<td>1.38</td>
<td>1.95</td>
</tr>
<tr>
<td>65+</td>
<td>0.06</td>
<td>0.09</td>
<td>0.16</td>
<td>1.31</td>
<td>0.18</td>
</tr>
</tbody>
</table>

Source: Mason and Campbell (1993), Table 1.3.

Campbell project that, between 1990 and 2010, average household size will decrease from 4.6 to 3.5 members. In percentage terms, the decline will occur mainly among nonworking members (see figure). The number of children will drop by more than 40 percent and the number of nonworking adults by 25 percent over the two decades. During the same period, the number of working adults is projected to decrease by only 11 percent. Decreases in household size are expected to be slower after 2010, with the number of nonworking adults rising significantly. According to the authors, “this is the beginning of a trend that reflects the underlying aging of the Thai population.”

Policy Implications

The population and household changes wrought by Thailand’s demographic transition have compelling implications for the nation’s social and economic development. Projections of household characteristics provide essential information for policy and development planning in two areas in particular—education and health care.

Education. Thailand’s education sector began to expand rapidly in the mid-1960s in response to a commitment to increased educational opportunities coupled with rapid growth in the school-age population. During a time when the annual increase in the school-age population averaged 250,000-350,000 per year, the number of students enrolled in primary and secondary schools doubled, the number of teachers increased fourfold, and public expenditures on education increased sixfold.

Starting in 1980, however, this picture changed dramatically. Mason and Campbell report that the school-age population is essentially stable now, and, beginning in 1995, is expected to drop by as much as 100,000 per year. Nevertheless, enrollment rates are projected to increase between now and 2015: from 12 to 21 percent for students 18-24 years of age, 33 to 47 percent for those 15-17 years of age, and 67 to 78 percent for 12- to 14-year-olds.

On the basis of these population changes and anticipated increases in enrollment rates, the authors project that: (1) primary school enrollment will be relatively constant until 1995 and then will begin a steady decline; (2) secondary school enrollment will increase substantially over the next decade (from 2.6 million in 1990 to more than 3.3 million in 2005) before leveling off shortly thereafter; and (3) total enrollment will increase from 10.5 million in 1990 to 11.4 million in 2000 but will drop to 10.7 million by 2015.

The authors conclude that, whereas the education sector was challenged in the recent past to improve the availability and quality of schooling in the face of rapid population growth, the next 25 years will present new opportunities. Their projections indicate that, with a stabilization of the school-age population, education will become much less of a burden. The remainder of this century will offer policymakers the chance to “improve the quality of education and to extend educational attainment” to meet the demands of the twenty-first century—without appreciable increases in public spending.

Health care. The projections also show a substantial shift in the demographic makeup of patients seeking health care over the next two decades. As Thailand’s population ages, the demand for maternal and child care will steadily decline, while the health-care needs of the elderly will grow quickly. Thus, the overall requirements of Thailand’s health sector will not increase very much in the near future, but the kinds of medical care needed will change substantially. The shifts in the patient mix will also affect

Principal activity of household members:
Thailand, 1990–2010
sources of care, patterns of treatment, facilities and equipment needed, and perhaps even the way in which health care is financed.

Overall, though, the health-sector projections present a fairly optimistic picture, according to Mason and Campbell. In an aging society, it is inevitable that more resources will be devoted to health care. But the increasing health-care needs of the elderly are balanced by a relative decrease in the needs of young children and childbearing women. As a consequence, Mason and Campbell conclude, the overall demands of the health sector "should not be excessive over the next 20 to 25 years." It is clear, however, that a detailed assessment of changing health needs and the implication for health-care planning should be a priority for Thai policymakers.”

**Conclusion**

Thailand is in the midst of a rapid transition from relatively high birth and death rates to much lower mortality and fertility. The resulting population and demographic shifts are changing the face of Thailand’s households, and further change is forecast for the future. Shifts in the size, age structure, and composition of families and households have important implications for every economic sector—health, education, housing, employment, transportation. Planning is clearly needed in response to the changing demographics.

Policymakers typically use population projections to guide the development of national planning documents. The work of Mason and Campbell demonstrates the value of adding projections of household characteristics to the forecasting process. In their summary, they state that “the full potential of household demographic data can be realized only through extensive interaction between members of the research and planning communities. It is hoped that this project will contribute to that process both in and outside of Thailand.”

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