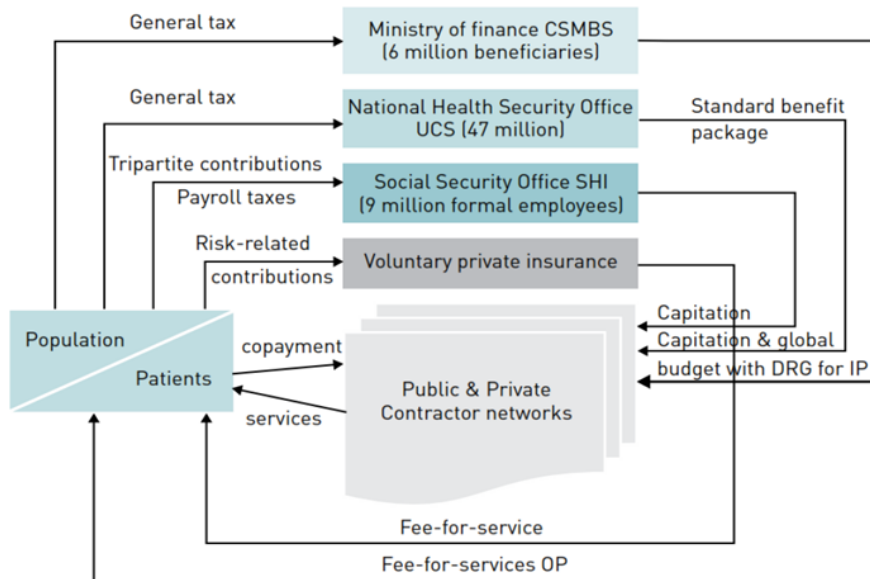


### Quiz #3

EE460 (Semester 1/ 2019)

Question 1: Figure 1 exhibits the main structure of financial schemes supporting the healthcare coverages in Thailand. Based on details shown in Figure 1, please briefly explain how these schemes affect the financial status of the poor and rural households.

Figure 1: The structural of healthcare coverage in Thailand



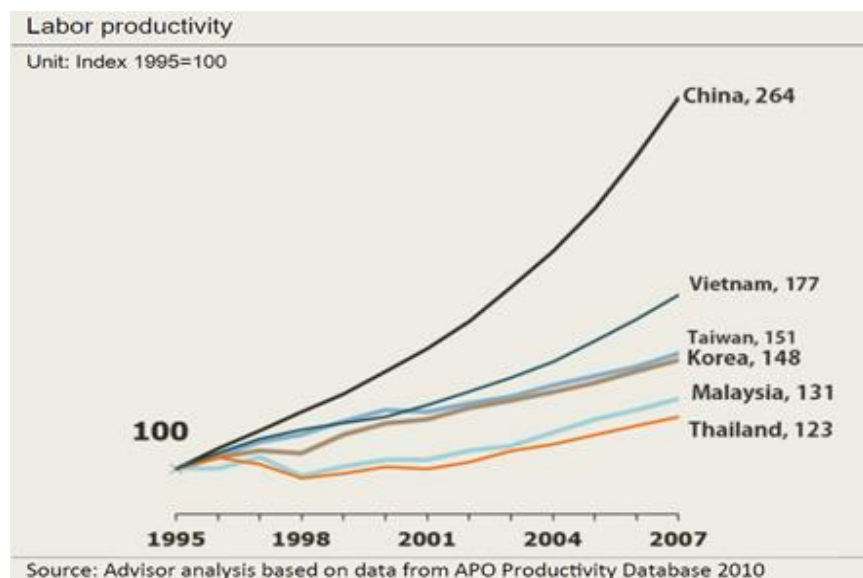
CSMBMS: Civil Servant Medical Benefit Scheme; DRG: diagnosis-related group; IP: inpatient; OP: outpatient; SHI: Social Health Insurance; UCS: Universal Coverage Scheme.

Source: Tangcharoensathien et al. (2015)

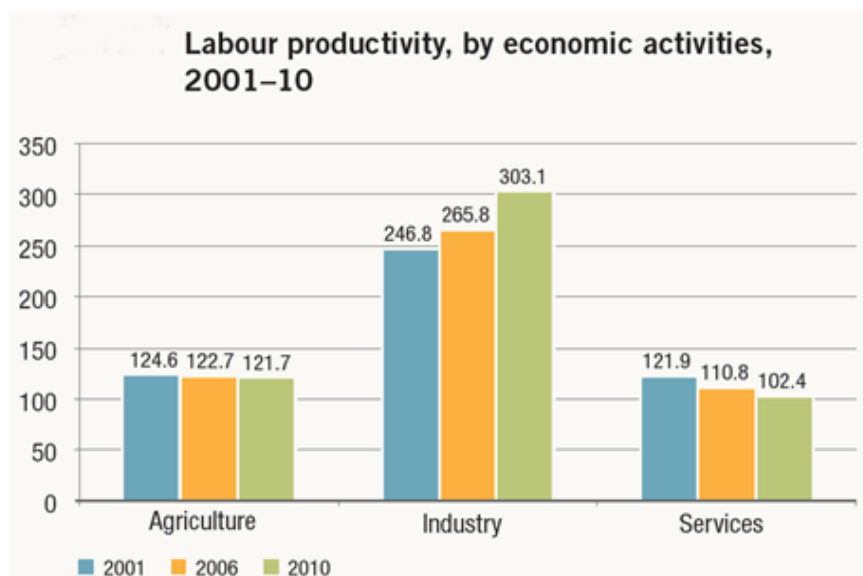
Answer: The UCS has been established in order to “equally entitle all Thai citizens to quality health care according to their needs, regardless of their socioeconomic status.” The coverage of benefit has been almost identical to that of the Social Security Scheme. An empirical study shows that in the case of the poorest cohort, the share of catastrophic health expenditures decreased from 6.8 percent in 1996 to 2.8 percent in 2008. Many research studies indicate that UCS also leads to declining numbers of health-impooverished families. Furthermore, an empirical study indicates that UCS benefits the richest cohort as well, lowering the share of catastrophic health expenditures from 6.1 percent to 3.7 percent.

Question 2: Based on the empirical trend shown in Figure 2, what are the main causes of low labor productivity in the case of Thailand? Is the statistical evidence exhibited in Figure 3 related to low productivity growth?

**Figure 2: Total labor productivity in Asian region**



**Figure 3: Labor productivity by economic activities (2001- 2010)**



**Answer:** Figure 3 indeed exhibits the underlying causes leading to the low growth of labor productivity in the case of Thailand. Specifically, there have been only 15% of Thai labors working in industrial production, while the rest of them are participating in the agricultural and service sectors. Figure 3 also indicates that productivity only occurs in the industrial sector, while that of agricultural and service has been declining. Hence, based on these facts, it is inevitable that labor productivity has remained very low compared to those of other Asian economies. The low expansion of private investment since 2001 has also caused the stagnancy of employment in the industrial sector, constraining a large number of workers to remain in agriculture or move to informal service jobs.