

The Readiness of the Labor Market to Enter the Aging Society in Thailand

Thanatchon Jangkhum¹

Received July 15, 2020 Revised September 11, 2020 Accepted December 31,2020

Abstract

This study, therefore, is a basics analysis related to population structure change. In cases of decreased fertility and longevity Policy on the management of the elderly society in the dimension of readiness for dealing with the labor market Economic and social aspects, consisting of labor policies, education policies. Study the guidelines from the use of foreign policies and the role of the elderly on economic growth. In case of extension of retirement age Expand employment Awareness Training Lifelong learning for the elderly. The transition to an aging society in many countries occurs faster than in the past. Dealing with aging society therefore is a major challenge in driving the economy and society especially in the labor market, coping with the supply side effects. The reduction of labor force due to population structure change Is an important factor affecting economic growth both (1) the rate of growth of the number of labor decreases with a lower birth rate and a higher age of labor, the proportion of labor force to the total population will decrease and the older the population, the less likely to be involved in the labor force and (2) Reduced to labor productivity. In the context of Thailand, the government should plan to divide the policy into 2 forms: short-term policy plan and long-term policy plans. Focusing on creating skilled labor by using educational policies Investment in human capital is important.

Keywords: Aging Society, Labor Market, Aging Society in Thailand

1. Introduction

Thailand has entered the aging society since 2005 and in 2018 Thailand has a total population (Excluding migrant workers) 66 million people, of which 10 million are elderly or 16 percent of the total population (Office of the National Economic and Social Development Council, 2019). Which is about to step into a complete aging society in 2021, meaning the society that has more than 20 percent of the total elderly. In 2031, Thailand will enter the ultimate aging society. That is, more than 30 percent of the elderly. Entering an aging society, while the proportion of children and working-age decreasing, the ratio of dependency will be higher. The structure of the elderly population affects the labor market changes and affecting economically is affecting the production sector both in terms of employment, labor replacement, Experience transfer or knowledge management between generations (Knowledge management). Human resource management So it's important which must be prepared in accordance with the changing labor situation find appropriate human resource management practices in labor-management. (Ruta and Rasa, 2014; Alessandra, 2011), including managing

¹ Lecturer, Faculty of Business Administration and Information Technology, Rajamangala University of Technology Suvarnabhumi. Email: thanatchonjan19@gmail.com

the age range of labor currently and the decline of young labor the increase in the number of older workers. (Pinto et. al., 2015; Dychtwald et. al., 2006).

In addition, if Thailand is well prepared to handle the labor market problems from the aging society by learning about population structure changes, Study the policy of elderly social management in both employment attach importance to human capital by promoting and supporting the role of the elderly such as lifelong learning, extension of the retirement age Extending the working life of knowledgeable and skilled workers is still enough power to work to increase income for the elderly and skill enhancement and employment as appropriate for labor to improve labor productivity in the long run. These actions enable sustainable management of the aging society, reduce fiscal burden and ultimately leading to economic growth.

2.Objectives

This study, therefore, is a basics analysis related to population structure change. In cases of decreased fertility and longevity Policy on the management of the elderly society in the dimension of readiness for dealing with the labor market Economic and social aspects, consisting of labor policies, education policies. Study the guidelines from the use of foreign policies and the role of the elderly on economic growth. In case of extension of retirement age Expand employment Awareness Training Lifelong learning for the elderly.

3 Literature Review

From the economics theory developed next to the theory of life cycle model is Overlapping Generations Model (OLG) according to the concept of Diamond and Samuelson, with emphasis on the relationship between generations and life overlap, that is Everyone has to go through the life of 3 ages, childhood, working age and old age. Therefore, at any one time, there will be 3 overlapping generations, namely the first generation called elder, namely grandparents. The second generation is called working age, namely father mother and third generation are called childhood, namely children. This model has inter-model relationships which means Income is transferred and helping each other, such as childhood, having to rely on parents to raise and lose school While the elderly depends on children for living. Therefore, the second-generation working age is considered to have the highest economic and social roles because, in addition to having to raise children, they must also take care or give away to their parents. (Sukpaiboonwat, Sivalap, 2017) But in present, there are not many elderlyies That can be self-reliant because they have accumulated enough wealth Causing some people to have income even during retirement, such as receiving pensions or regular income from pension life insurance policies, etc. However, the word dependency may not mean only money but may

mean dependence on non-monetary resources, such as helping with health care daily life, traveling, going out, etc. (Direk Pattamasiriwat, 2008)

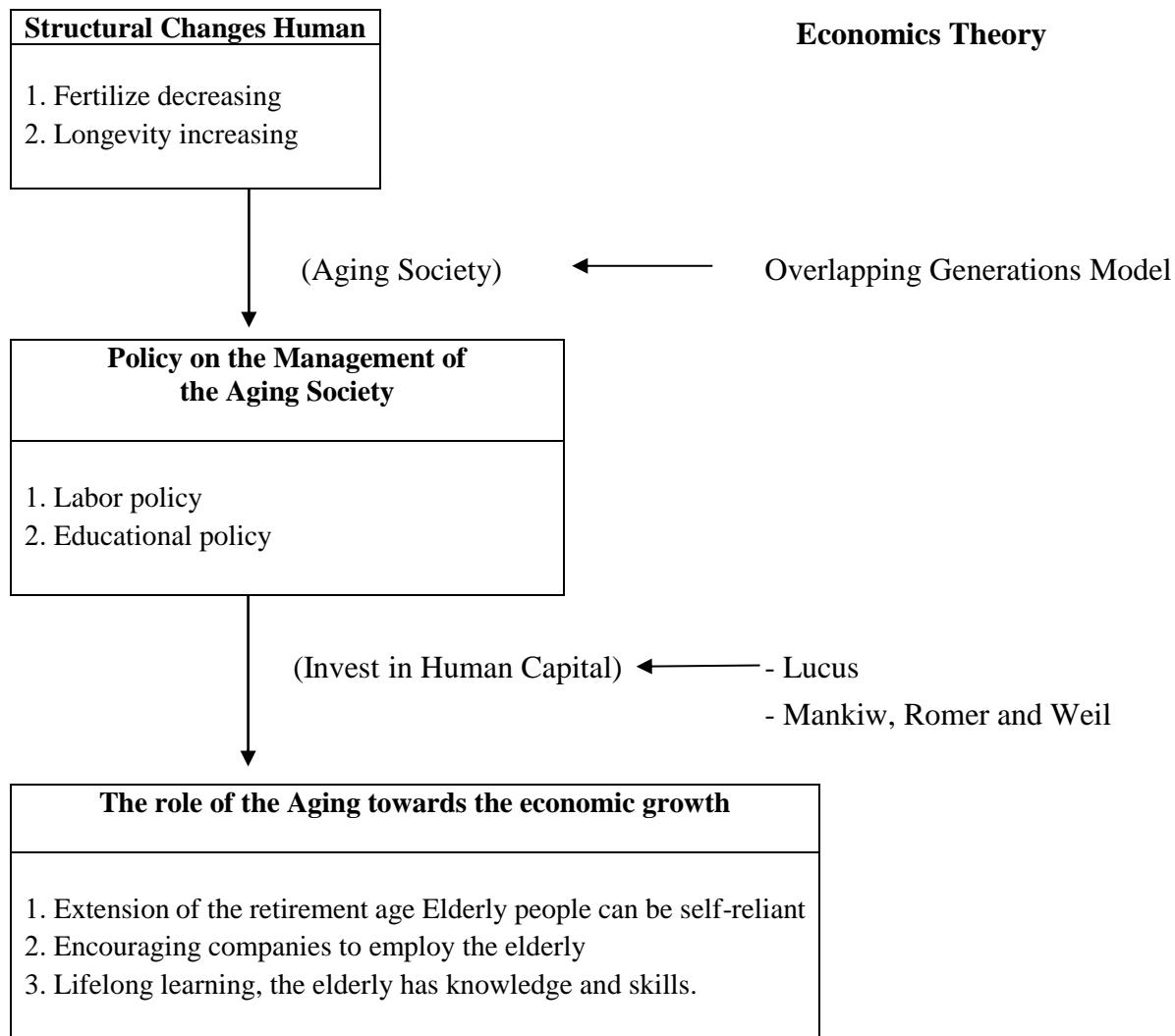


Figure 1 Conceptual Framework

The theory of economic growth of the human capital, the known theory is economic growth, according to Lucas's model, which suggests that human capital is the knowledge and expertise available in labor. Human capital is, therefore, a type of production factor in the production of goods and services. This knowledge or skill comes from the decision of the workers whether to choose to accumulate knowledge or to work. If choosing to invest, study, or find current knowledge, then must sacrifice the current consumption in exchange for the results instead of increasing in the future. As a result of having more knowledge and skills. (Sukpaiboonwat, Sivalap, Plyngam, Sutida, and Jaroensathapornkul, Jirawat, 2014) Lucas's study suggests that the technology in each country is divided into two parts: one that is pure

technology that is the same in every country. The second part is the result of the human capital of each country. Especially in this second part, human capital will increase when people in most societies have more skills. From this study, it can be explained that why do countries with the same technology grow at different rates. This is because the production of the production unit, aside from depending on the level of technology use also depends on the national average human capital per capita level.

Another theory related to human capital is economic growth. According to the model of Mankiw, Romer and Weil (MRW) reviewed the concept of Solow model that studies the relationship between investment and savings. By MRW has added significant production factors, human capital, to the model according to studies from 98 countries, it is found that the income differences in each country are due to the differences in the physical and human capital of each country. In which the country has a high output per labor There will be high levels of technology, high investment levels in physical capital high levels of skills accumulation, knowledge, or investments in human capital and low population growth rate. This MRW study can be applied in Thailand because Thailand has accumulated capital, both physical capital and human capital. Especially the human capital that the government seeks to promote lifelong learning, resulting in being elderly, knowledgeable and skilled Policy guidelines for the extension of retirement age Encouraging companies to employ the elderly Increase skills for the elderly allowing the elderly to be self-reliant. (Sukpaiboonwat, Sivalap,2019)

4. Conclusion

This study considers 3 components that are linked to each other, namely population structure change, Policy on the management of the elderly society in terms of employment, as well as the role of the elderly in economic growth.

1) Changes in population structure

Steadily increasing the number of elderly resulting in Thailand stepping into an aging society since 2005. The main cause of changes to the aging society is a decrease in fertility or a reduced birth rate and a longer life or death. (Foundation of Thai Gerontology Research and Development institute, 2011) Especially the Total Fertility Rate (TFR) has decreased markedly since the latter, the 3rd National Economic and Social Development Plan, which focuses on family planning causing the structure of the population to change. (Worawet Suwanrada, 2014) Although the population of Thailand can be predicted to not change much in the next two decades, this seemingly stable population has hidden the implications of significant changes in the population structure of Country Both in the structure of the age and distribution of the population living in different areas. According to the World Population Prospects: The 2008 Revision. United Population Division, 2009, the population age 65 years and older will increase rapidly. The number of working-age populations between the ages of 30-64 will continue to

grow for a period of time and then begin to decrease. The number of young people aged 15-29 years and the birth group to 14 years is starting to shrink. These changes are very evident since the 1960s when the population of children has become the structure of the increasing working age population followed by a rapid increase in the aging population, which is evident during the years 2000-2020. After 2020, the population over the age of 45 will be the population that is expected to grow more and after 2040 onwards will only increase the population aged over 65 years.

Currently, the proportion of working-age population to the entire population begins to decline. This phenomenon indicates the beginning of the demographic opportunities that Thailand has benefited over the past 40 years, with the proportion of the working-age population steadily increasing and favorable condition that has an effect on the country's rapid economic growth. From the analysis of the economic support ratio or the ratio between the number of effective producers and the number of effective consumers calculated using variables of production and consumption needs of people of different age groups together suggests the tendency of a negative population dividend that has increased rapidly since the year 2553 onwards. Due to the decreasing working age population, resulting in the need to focus on quality of labor such as skill development to use of mechanical technology Importing certain types of labor and extending working life and to open up demographic opportunities. From consideration from the age structure of the population that has changed Shows the urgent need to develop human capital of Thai workers to be able to be a driving force for the country's economy to continue to expand While faced with the labor that is starting to decrease and the labor age is increasing. Although the expansion of educational opportunities in the past decade has made progress, especially at the secondary level but the results of the indicators on the quality of education of Thai children are still not satisfactory. Some of the children who have entered compulsory education have not yet attended school. In addition, the English language test results Science and mathematics of secondary school students remain low. There is also a great opportunity for access to quality education between students living in different areas or are people with different socioeconomic backgrounds (Office of the National Economic and Social Development Council, 2010)

While the labor market is being prepared to be strong at all times, it is still affected by the demographic changes. The obvious foreign country is the lack of labor in Japan. A convenience store needs 24-hour service staff is unable to provide service the shop owner has to pay a fine. Causing the owners of some franchise stores in Japan to work in shifts that cannot find employees to work This labor shortage is affected by an aging society (Jiji, 2019). In 2018, Japan has aged 60 or older, up to 33.6 percent of the total population (United Nations, 2017). Japan has therefore adjusted its policy to import around 500,000 people overseas by 2025 (Mc Curry, 2018). The labor crisis in Germany, the largest ever population in Germany in 2002, 82

million people will be reduced to 74.5 million in 2050. The population in the labor force aged 20-65 years will be reduced from the number of 50 million people in by 2010, there are only 36 million people by 2060, of which half of the population will be older than 51 (Stratfor Enterprises, 2013). The German economy has grown tremendously there are only 6 percent unemployed. The government has taken a long time to solve the labor shortage problem by hiring women and older men to return to the labor market the proportion of women of working age up to 54 percent, which is close to France (51 percent) and England (56 percent). Moreover, the employment rate for seniors from 60-64 years is as high as 50 percent and it is difficult for 65-year-olds to continue working. However, employers want to extend their retirement age from 65 years to 67 years in positions with flexible employment contracts. The government therefore adjusted the employment law without affecting the retirees and pensioners although bringing most of the potential workers back into the system. Germany still cannot escape the shortage of labor because foreign workers cannot replace high-skilled workers Since foreign workers have to spend at least 5 years to adapt to work in a national context (Wagstyl, 2019). From the change in population structure, it can be seen that directly affecting the labor market, the employment of labor force and this effect still affects the economic growth Therefore, the government needs to find guidelines and policies that are in line with the population structure change situation.

2) Aging society management policy

Quickly entering the aging society, the main factors are from economic and social development. Medical and public health development Is the reason that many Countries in the world including Thailand need to adjust the process to find policies for managing an aging society. In relation to labor policy, it is found that the government must promote savings from working age and extend the working life or increase the opportunity to work for the elderly who are still healthy and have knowledge for the elderly to have sufficient income to sustain life without having to rely heavily on children or the government (Nongnooch Sunthornchawawan and Saipin Chinatrakulchai,2009). In addition, creating job opportunities for the elderly Will help alleviate future labor shortages Caused by the proportion of the working-age population also decreased from establishing national guidelines and mechanisms to drive the elderly employment policy. While Kusol Soonthornthada and Suriya Pornchancharoen (2014) found that driving the employment policy for the elderly It should cover the issues of employment promotion in both the public and private sectors and the extension of career opportunities for informal seniors who want to work in order to achieve the practice of every sector systematically.

2.1) Policy on the extension of retirement age in the elderly society and supporting the company to employ the elderly. Due to changes in demographic changes, both public and private organizations may have to be prepared to deal with the changes that will

occur in the future. One measure that the government in foreign countries already implemented. Is to extend the retirement age for more than 60 years. Consider the case that the United Kingdom is a country with a different retirement policy than other countries in the OECD countries. The retirement policy depends on the pension policy which is a tool to help solve the poverty problem of the elderly population. The pension scheme is set to be a flat-rate pension scheme (OECD, 2011). The government has extended the retirement age and implemented pension policies (State Pension Deferral and Basic State Pension.) As well as policies and measures to promote employment in the elderly such as Determination of flexible working characteristics (promotion of employment) Increasing opportunities for learning and being good examples, for to make the laborers in retirement age more secure in their income. However, the process of extending the retirement age has been enforced as a law. Therefore, if any department has retired workers do not meet the time limit will be considered illegal (Chula Unisearch, Chulalongkorn University, 2008) With the retirement policies of the government and private sectors, Retirement age is not significantly different. The difference from working-age until the time to receive pension is that the retirement system in the government sector is more conducive to workers to be in the system and receive benefits from pensions more than the private sector. Due to the proportion of labor force in the government sector has a proportion to accumulate money to benefit from pensions more than in the private sector, resulting in the retirement system in the private sector is fragile more than government. The policy on the extension of retirement age and the state pension policy are still ongoing by the government has guidelines to expedite the issuance of policies faster than the plan. There is a need to extend the initial age of pensions to 66 years, originally laid down in 2020 to 2026, to reduce fiscal deficits and also plan ideas. Extend the age to receive pension to 70 years, with this plan outside of retirement age will be longer and also relaxation of participation in national insurance rules. The French government has the idea of extending the retirement age and reduce the tendency to resign before retirement as well as encouraging elderly workers to continue working until retirement as specified by the government (by setting the age to benefit from the same age as 60 years to 62 years (for the minimum age) and from 65 years to 67 years (for normal age). Currently, there are two major types of pension systems in France: the state pension system, which is a pension system that depends on the type of work or activity that laborers are involved in and the additional pension system. (Supplementary Schemes), a private pension system (Private Pension) is an additional pension from the government voluntarily. The French government has changed its retirement policy today announced to reduce the age of retirement back to age 60 years to justice for workers who have worked for a long time or hard-working workers (Cleissl, 2013).

Singapore operates a policy related to the retirement of workers is different from the case of UK And France. The essence of the Retirement and Re-employment Act (RRA) is to

maintain the minimum retirement age of 62 years, but employers must suggest that employees aged 62 years return to work again. (re-employment) until age 65 years, which will be extended to 67 years in the future with the condition that the employees who are eligible to be hired to return to work again must be those that the employer assesses with satisfactory performance and have a healthy not an obstacle to work. Which this new contract must be at least 1 year old and continue to renew until the employee is 65 years old. As a result of the policy change on retirement age and the policy regarding the benefit from the CPF. According to the Ministry of Manpower (2013) data, the proportion of the population aged 55-64 years still working. Increased from 59 percent in 2010 to 61.2 percent in 2011 as a result of changes in employers' policies and behavior in preparation for the new law that began in 2012. In addition, it was found that over the past 2 decades, the proportion of employment between 55-64 years of age in Singapore has increased higher than hiring workers of the same age group in Hong Kong, Taiwan and the United Kingdom and tend to move closer to the level of the United States.

China, which is a country with a high age and the oldest population in the world supporting retirement age adjustment along with national pension adjustment associate different problems but the key point is the equality of human capital supply and China's future economic development. Adjusting the retirement age may affect the size and quality of the labor force in China. Education and health of workers are two important elements of human capital to reflect the change in labor quality in China. Is the key to China's transition from a cheap labor model. The model of technological innovation in development adjusting the retirement age is not only useful for policymakers in China. But it is also important for other countries that consider similar demographic changes in their retirement policies (Qiushi Feng et. al., 2019). Increasing the retirement age for women will bring more benefits for labor. When these women began to retire by adjusting from age 50 to age 65, beginning in 2015, will create the greatest benefit of the labor force that is effective from the investment in the country's human capital. As evidenced by panel data in 22 countries in the OECD (Kalwij et. al. 2009), the extension of retirement has no effect on youth employment because the employment of children and adults is irreplaceable. Moreover, based on data from 91 countries, Cai (2009) found no evidence that the extension of retirement is related to the unemployment rate. In addition, the situation that began in 2015 and 2025 when the new labor force in China partly reduced the pressure from unemployment for young workers. Extending the retirement age may be a challenge to the social pattern of the elderly in China people 60 years of age are recognized as seniors in China, will be supported with a mandatory retirement age policy.

South Korea Social problems in the elderly population of South Korea occur quickly in a short time. By 2050, one-third of the population will be aged 65 and over, and about half of the workers will be aged 50 and above, which will lead to Slowdown in the growth rate of workers in the next 20-30 years, resulting in the growth of the economy declined as the number

of labors. South Korea has a different problem from other countries regarding the retirement attitude of elderly workers. In which South Koreans have a desire to continue working a lot but with many limitations causing older workers need to retire from work, such as the national pension system is not complete career options that are somewhat limited in the severity of work accidents (Higher than the OECD countries), including employers are not willing to accept high laborers embarrassed to work or renew work, resulting in the retirement age of South Korean people at about 55 years. South Korea has a policy to extend the retirement age from 55 years to 60 years (Bank of Thailand, 2018).

Japan is a country that is affected by the aging society and the fertility rate is quite severe. Currently, the total population tends to decrease until it is worrying that in the future there will be a shortage of working population. In fact, Japan has been a country that has adapted to the employment of the elderly since the 1970s. Japan has developed since the amendment of the Employment Law for the Promotion of the Employment of the Elderly in 1973 until the amendment. "Elderly employment stability law" to enforce the 65-year-old retirement age (Bank of Thailand, 2018).

For Thailand, even though there are no measures to clearly extend the retirement age framework. Therefore, in order to prepare in the aging society in the future the government should reform the policies and management of the elderly. Bongaats suggested that the government should promote childbirth in order to increase labor force for both women and men in the economy. Should reduce gratitude or let the government bear the burden alone and should extend the retirement age this extension of retirement age will reduce pension fiscal burden because the elderly can still work. In accordance with Elmeskov's study, which agreed that retirement definitions should be redone by extending the retirement age and Yongyuth Chalamwong, Director of Labor Research The Human Resources and Social Development Division, Thailand Development Research Institute (TDRI) views that Nowadays, Thailand has an aging society not just civil servants The population is also elderly Thai government contraception, civil servants not to increase the proportion and if retiring from 60 to 65 years will have an impact on civil servants, especially those aged 55-59 years, will have to retire from the government from 84.3 percent per year to 10.9 percent per year or to delay retirement of members, the Pension Fund have increased an average of over ten thousand people per year. So, the government has a burden to pay salaries to government officials but will be substituted with a reduced commissioner by reducing the number of new government officials accepted by the government, equal to the increase in the number of civil servants aged 60 years and overextending the retirement age will not affect employment in the government.

Regarding the extension of the employment of the elderly workers in the private sector, Teerathum Wuthiwatkaew (2016), it was found that the employment of the elderly is due to the mutual agreement between the employees and the organization. The main factor affecting the

employment of the elderly is that leaders must give importance to employees and the need for employees to have a good quality of life. And have an attitude or view that employees are benefactors who are dedicated and love the organization. For most employees, there is a need for organizations to expand their employment. This is because he still sees that he is still able to work. Also binding on the organization Including the need for society, money, and acceptance. Employment of the elderly is mainly considered from the needs or the inability to retire by employees. In which the organization will find suitable jobs for employees However, the said policy is not enough to increase the number of elderly people. The private sector needs support from the government in many ways such as Tax cuts Promoting the development of machinery or environment suitable for the work of the elderly the reduction of social security and provident fund that the organization must pay to employees, etc., including the promotion of vocational training and savings for employees preparing for retirement. Consistent with Kaewkwan Tangthiphongkun and Supachai Srisuchat found that the supporting factors or factors that hinder the employment of older workers of each establishment may be different. Which in terms of the establishment may depend on the type of industry Knowledge management in the organization and the ability to find workers to replace the workplace in a specific position and the financial potential of the establishment While the important labor factor is the physical and health potential of the elderly workers, financial factors and the attitudes of the family and those involved with the work of the elderly workers. The important policy proposal is that the government should encourage entrepreneurs to employ elderly workers in the first phase, voluntarily, if implemented during this period, the government may provide financial support. Financial or tax incentives that motivate workers to change their form of employment and work environment. While the second period in the medium term the state may require mandatory measures to determine the ratio of targeted elderly employment to enterprises.

The main reason for the idea of extending the retirement age for civil servants or the extension of employment for the elderly in the private sector is to support the structure of the elderly population of Thailand which has a tendency to increase continuously and when combined with the birth rate of the population. In the past, civil servants have been able to continue their service after retirement in some cases. And renew the employment of private workers in only the shortage of career which is a way to alleviate the shortage in some areas to some extent but cannot truly solve the problem of population structure change.

2.2) Lifelong learning the elderly has knowledge and skills. Is the part related to education policy found that the guidelines for the development of the elderly to be healthy and lead to the solution of the burden on the way is to promote education or lifelong learning in order to meet the lifelong learning needs of the elderly (Rawee Satchasophon, (2013) and Archanya Rattanaubon., et. al., (2010)) Which the policy Up-skilling and Re-skilling for

workers in Singapore and Japan are examples of countries that value these policies very much. Singapore has designed a policy to promote skills in both a broad-based and fundamental program and a targeted program to suit the needs of the labor market in the field various. Singapore has established the Skills Future Program, an additional skill development center, along with providing suitable employment for workers. The program is a formal and informal education system throughout the lifespan. One of the Skills Future Program is Skills Future Credit. Which the Singapore government wants to support Workers aged 25 years and older have the opportunity to increase new skills. By contributing \$ 500 each to cover the cost of the course Professional training and skills enhancement for themselves. In addition, the government encourages cooperation between governments. Educational institutions and private companies Closely to the policy to increase and enhance various skills Able to meet the needs of the labor market has been targeted. Which is similar to the design of the Senior Work Program in Japan, in which there is collaboration between various organizations to encourage learning of new skills of the Japanese population. Study results of the International Labor Organization also found that these policies will increase the ability to earn income and improve labor productivity in the long run. Since the lifelong educational process is key in building the potential of the elderly to have good physical and mental health able to live by oneself without having to rely on Help from others and conduct learning activities in a safe environment, able to pursue careers and participate in family or community activities. Which is different from the negative attitude of the society in the past that said elderly people lack strength and are a burden to society that should be adjusted (Suthira Buathong et. al., 2015) in accordance with Archanya Rattanaubon., et. al (2011) said that the education management and lifelong learning of Thai elderly With organizing goals For the elderly to have a healthy and healthy body so that the elderly have good relationships with their families and can adjust to the social community and can participate in various social activities. The educational management activities and lifelong learning of Thai elderly is a learning management that integrates education in the school system non-formal education and informal education are integrated in the form of entertainment, with the creation and promotion of elderly leaders to be leaders in learning activities. The 2 main target groups which are self-reliant group and non-self-reliant group learning content should meet the needs of the elderly. According to individual learning ability and should lead to the application in real-life situations divided into 5 areas which are hygiene social and psychological adjustment economy and savings learning and the rights of the elderly under the law. Methods of education management and lifelong learning of the elderly include motivation for the elderly to receive education. Should focus on public relations activities by reinforcing the motivation about Benefits the elderly will receive after enrolling. Educational managers and instructors should be elderly development workers in the area educational management activities should be integrated in a variety of ways focus on discussions or informal exchanges of knowledge media

and learning resources should play a role, important and close in the provision of education and lifelong learning to the elderly individually. The evaluation should assess according to the actual situation by observing by managing in a manner that encourages network partners to manage, provide budgets, support and allocate resources, that exists in the community together. The promotion of educational policy will result in the elderly having skills is a skilled labor group with the ability to be efficient in production operations affecting the economic growth also.

3) The role of the elderly towards economic growth Thailand in 2018, there are 11 million children, 43 million workers aged 15-59 years, 12 million seniors aged 60 years and over, another 20 years in 2038. The number of children will be reduced to just 9 million people. In the labor age will be reduced to 37 million people, the number of older people will almost double to 20 million, or 30 percent of the total population. (Office of the National Economic and Social Development Council, 2013) Changes in the age structure of the Thai population have caused many impacts aspects of the economic and social conditions of Thailand. The decreasing childhood population has resulted in the collapse and consolidation of schools with fewer students, decreasing working-age population, resulting in the need to focus on the quality of labor such as skill development, the use of mechanical technology Importing certain types of labor and extending working life. Nicole Maestas et.al, (2016) says that a 10 percent increase in population aged 60 and older will lead to a 5.5 percent decrease in GDP per capita and two-thirds of the decline is due to the slower growth of the labor productivity of workers in the age distribution, while one-third is due to the slow growth of labor force. Our results indicate that annual GDP growth will slow by 1.2 percent in this decade and 0.6 percent in the next decade due to the increase in the aging population. David E. Bloom et.al, (2011) found that in OECD countries, the reduction in the proportion of labor participation and the labor-to-population ratio shows a decrease in the rate of economic growth. This is because the population has a longer life expectancy and a smaller family size, resulting in higher retirement savings and increased female labor participation. While the labor force participation among the elderly and migration from countries with too much labor may increase. However, the size of the change depends on the policy decision (Especially in health care and pension provision) at the national level and local business decisions. Meanwhile, Donghyun Park and Kwanho Shin (2011) have predicted the impact of demographic change on economic growth from 2011 to 2030 in 12 developing Asian economies that are combined into a group of people and products in the region. It is found that the demographic change of the region will have a profound effect on economic growth in the next two decades, encouraging women to participate in the labor force to reduce the negative impact of age on the growth of economy.

5. Discussion

The transition to an aging society in many countries occurs faster than in the past. Dealing with aging society therefore is a major challenge in driving the economy and society especially in the labor market, coping with the supply side effects. The reduction of labor force due to population structure change Is an important factor affecting economic growth both (1) the rate of growth of the number of labor decreases with a lower birth rate and a higher age of labor, the proportion of labor force to the total population will decrease and the older the population, the less likely to be involved in the labor force and (2) reduced labor productivity. The study by Maestas et. al. (2016) found that if the number of people over the age of 60 years grew by 10 percent, it would result in a per capita GDP of 5.5 percent and entering the aging society will reduce the average rate of labor that will receive and negatively affect the average productivity of workers in all age groups. The policy to support the step into the aging society that actually overseas and expected to be of benefit to Thailand 's preparation, especially labor policy is to extend the retirement age in the elderly society and support the company to hire the elderly. From studying the use of policies to solve problems in foreign countries in the context of Thailand, the government should plan to divide the policy into 2 forms: short-term policy plan and long-term policy plans.

Short-term policy, the contract is made for at least 1 year and the contract is continuously extended until the employee is 65 years old to assess the outcome of the policy. If short-term policy can help solve the problem continue to use long-term policies.

Long-term policy will begin to introduce legal measures, regulations, and organizational units from the retirement age extension policy working-age with the pension system and social security system to reduce the problem of leaving the job before retirement age and continue to develop by focusing on the welfare system for all citizens in order not to be a burden for the country in the future. Focusing on creating skilled labor by using educational policies Investment in human capital is important. (Lucas, Robert E. (1988) and Mankiw, N. Gregory, Romer, David, and Weil, David N. (1992), which explains that human capital is the knowledge and expertise that exists in labor. The human capital is therefore a type of production factor in the production of goods and services. Therefore, human capital accumulation such as investment in education and health will make that labor skilled and able to perform work efficiently inevitably affects the economic growth. The government should use policies to increase and enhance various skills able to meet the needs of the labor market directly creating cooperation between various organizations intergovernmental, educational institution and private companies to encourage learning of new skills. These policies will increase the ability to earn income and improve labor productivity in the long run. Since the lifelong educational process is key in building the potential of the elderly to have good physical and mental health

able to live by oneself without having to rely on help from others and conduct learning activities in a safe environment, able to pursue careers and participate in family or community activities.

References

Archanya, R.,et. al. (2011). *Education and lifelong learning of Thai elderly*. In the Annual Report on the Situation of the Thai Elderly 2010. Bangkok: Foundation of Thai Gerontology Research and Development institute (TGRI), 99-122.

Bank of Thailand. (2018). *Project of the Thai economic structure that has implications for policy implementation "Aging society and the challenges of the Thai labor market*. Bangkok: Bank of Thailand.

Bongaarts, J. (2004). Population Aging and the Rising Cost of Public Pensions. *Population & Development Review*. 30(1), 1-23.

Cai, F. (2009). Future demographic dividend-Tapping the source of China's economic growth. *China Economist July–August*, 17–24.

Chula Unisearch, Chulalongkorn University. (2008). *Final report Research project guidelines and measures to promote employment of the elderly*. Bangkok: Chulalongkorn University.

Cleissl. (2013). *The French Social Security System: III RETIREMENT*. Retrieved July 11, 2019, from http://www.cleiss.fr/docs/regimes/regime_france/an_3.html.

David, E.B., David, C., and Günther, F. (2011). *Implications of Population Aging for Economic Growth*. Program on The Global Demography of Aging, 64.

Direk, P. (2008). Saving ability of Thai households and economic inequality. *Srinakharinwirot Economics Journal*. 4 (4): 19-49.

Donghyun, P., and Kwanho, S. (2011). Impact of Population Aging on Asia's Future Growth. *ADB Economics Working Paper Series*, No.281.

Kaewkwan, T., and Supachai, S. (2016). *Research Project Removing Lessons for Employers with Older Workers*. Bangkok: Foundation of Thai Gerontology Research and Development institute (TGRI).

Kalwij, A., Kapteyn, A., and De Vos, K. (2009). *Early retirement and employment of the young*. Discussion paper, network for studies on pensions, aging and retirement. Retrieved Nov 11, 2019, from http://www.rand.org/content/dam/rand/pubs/working_papers/2009/RAND_WR679.pdf.

Kusol, S., and Suriya, P. (2014). *Research project to develop guidelines and National Mechanisms for Driving the Elderly Employment Policy*. In the complete report Page 5, Bangkok: Institute for Population and Social Research Mahidol University.

Lucas, R.E. (1988). On the Mechanics of Economy Development. *Journal of Monetary Economics, North-Holland*. 22: 3-42.

Mankiw, N.G., Romer, D., and Weil, D.N. (1992). A Contribution to the Empirics of Economic Growth. *The Quarterly Journal of Economics*. 107(2): 407-437.

McCurry, J. (2018). *The changing face of Japan: labour shortage opens doors to immigrant workers*. Retrieved Nov 22, 2019, from <https://www.theguardian.com/world/2018/nov/09/the-changing-face-of-japan-labourshortage-opens-doors-to-immigrant-workers>.

Ministry of Manpower. (2013). *Employment Rate of Older Residents*. Retrieved Nov 22, 2019, from <http://www.mom.gov.sg/statistics-publications/national-labour-marketinformation/statistics/Pages/emprate-older-residents.aspx>.

Nicole, M., et.al. (2016). The Effect of Population Aging on Economic Growth, the Labor Force and Productivity. *National Bureau of Economics Research*, 22-52.

Nongnooch, S., and Saipin, C. (2009). *Research project on creating job opportunities of the elderly in the complete report*. Bangkok: Academic Services Center, Thammasat University.1-6.

Office of the National Economic and Social Development Council. (2019). *Population projections for Thailand 2010-2040*. Retrieved Nov 22, 2019, from <http://social.nesdb.go.th/social/Portals/0/Documents/e-book.pdf>.

Pinto, S.R., and Nunes. (2014). Managing an aging workforce: What is the value of human resource management practices for different age groups of workers. *Review of Applied Management Studies*. 12, 58-68.

Qiushi, F., et al. (2019). Age of Retirement and Human Capital in an Aging China, 2015–2050. *European Journal of Population*, 35, 29–62.

Rawee, S. (2013). Educational Concepts for the Development of Vitality in the Elderly. *Journal Kasetart (Society)*. 34: 471-490.

Ruta, C., and Rasa, R. (2014). Challenges of managing an ageing workforce. *Procedia Social and Behavioral Sciences*. 156, 69-73.

Stratfor, E., LLC. (2013). *Germany's Demographic Challenge*. Retrieved Nov 22, 2019, from <https://worldview.stratfor.com/article/germany's-demographic-challenge>.

Sukpaiboonwat, S., Plyngam, S., and Jaroensathapornkul, J. (2014). Does an Ageing Population Diminish or Enhance Economic Growth?: A Survey of Literature. *Meiji Journal of Political Science and Economics*. 3(1): 1-10.

Sukpaiboonwat, S. (2017). The Role of Population Aging on Economic Growth in Thailand. *Journal of Humanities and Social Sciences and Economics*. Srinakharinwirot Research and Development. 9(17), 176-191.

Sukpaiboonwat, S. (2019). *The Thai elderly in the economic dimension*. International Conference on Economics, Management and Technology, IEMT 2019 at Neu-Ulm

University of Applied Sciences; 2019 November 19-21: Germany. Bridging Entrepreneurship and Social Innovations, Cambridge Scholars Publishing, 121-147.

Suthira, B., et. al. (2015). Ageing Related to Reason Method and Needs of Learning. *Journal of Education Silpakorn University*. 12 (1,2): 6-17.

Teerathum, W. (2016). *Project "Study the employment of elderly workers in the private sector*. Bangkok: Foundation of Thai Gerontology Research and Development institute (TGRI).

Wagstyl, S. (2019). *Germany's demographic dilemma*. Retrieved Nov 22, 2019, from <https://www.ft.com/content/a4d8316e-8566-11e6-8897-2359a58ac7a5>

Worawet, S. (2014). *Demographic change and economic and social impacts*. In the seminar documentation on population structure change and the future of national development. Bangkok: Centara Grand at Central World Hotel.

Yongyuth Chalamwong. (2016). *65 years of retirement. Is the time now?*. Academic forum for new concepts of the elderly. Foundation of Thai Gerontology Research and Development institute (TGRI).