

Thailand's Invisible Backbone: The Untold Story of Informal Workers



“No country can grow in a fair and lasting way if half its workers are left out of the system built to protect them.”

No contracts. No benefits. No recognition. Yet they are everywhere in fields, markets, kitchens, and construction sites. Thailand's informal workers over half the nation's workforce remain the economy's hidden foundation, too often excluded from the protections they deserve.

According to the National Statistical Office, as of 2024, Thailand's informal workers number over 21 million, accounting for 52.7% of the total employed population. This exceeds the formal sector by more than 220,000 people. The majority toil in agriculture, trade, and low-paid services. Many live on the edge of economic insecurity, with no access to unemployment insurance, health benefits, or retirement pensions.

A Job, But No Safety Net

The International Labour Organization (ILO) defines informal employment as work performed in production units that are unregistered or small-scale, without a clear distinction between capital and labour, and without formal legal or social

protection. These are the workers in the “3D jobs”: Dirty, Dangerous, and Difficult.

In Thailand, the vulnerabilities of informal workers are structural, not incidental. Social security benefits are tied to formal employment. Without contracts or employer contributions, most informal workers are left outside the safety net. Even during economic upswings, their incomes remain fragile; during downturns, they are often the first to be laid off, with no compensation or fallback.

The Faces Behind the Statistics: Who Lives in the Shadows?

The data reveals a complex and nuanced demographic. Informal employment is highest among those aged 60 and above, who account for over 4.5 million of the informal workforce. Youth aged 15–19 and young adults aged 20–24 are also overrepresented in the informal sector, pointing to both entry-level instability and end-of-career vulnerability.

Education is another stark dividing line. Nearly half of informal workers have only primary education or less. Over 4 million workers have not completed primary school, and just 2.6 million have attained higher education. These disparities suggest that structural inequality begins far before a worker enters the job market.

Men dominate the informal workforce overall, making up about 55% of the total, but women outnumber men in key sectors such as services and domestic employment. This gendered distribution reflects both economic opportunity and cultural norms that channel women into unpaid care or low-paid flexible roles.

Forgotten Regions, Forgotten Rights

Informal labour is not evenly distributed across the country. The northeastern region stands out with 75.2% of its workers in the informal sector, followed by the north at 69.8% and the south at 58.4%. In contrast, Bangkok and central Thailand have a higher share of formal employment, reflecting the urban concentration of corporate and government jobs.

This regional divide is more than a statistical anomaly. It mirrors the developmental gap in infrastructure, education, and access to formal

markets. For millions in rural Thailand, informality is not a choice – it is the only option.

Essential But Expendable: The Sectors We Can't Run Without

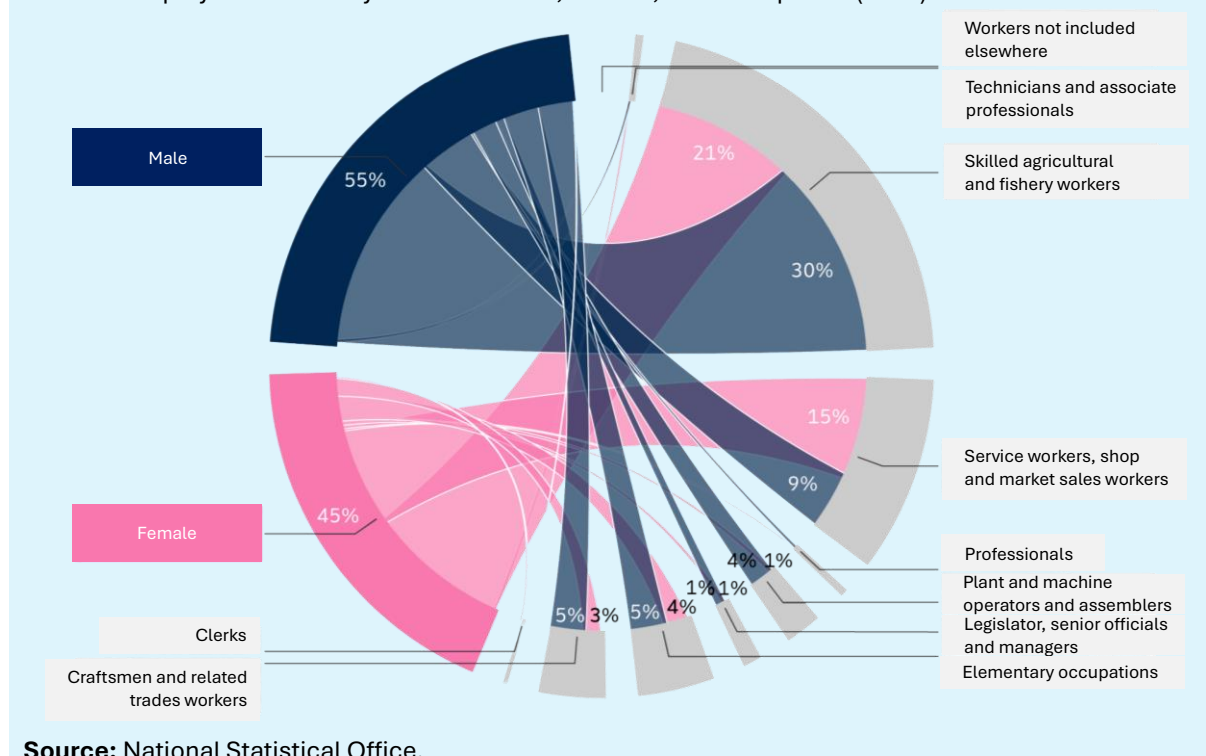
More than half of informal workers – around 11.4 million people – are engaged in agriculture, forestry, and fisheries. This sector, prone to seasonal variation and climate shocks, offers minimal protection and few prospects for upward mobility.

Others are scattered across wholesale and retail trade (3.4 million), hospitality (2 million), and construction (932,000). Despite their essential roles in keeping the economy afloat, these workers often face hazardous conditions and unstable incomes.

The problem is not just numbers – it's quality. Nearly 30% of informal workers, or 6.3 million people, report direct problems with their jobs. Low wages top the list (47.7%), followed by work discontinuity and excessive physical demands.

Environmental hazards are rampant. A third of workers are exposed to dust, fumes, and poor hygiene. Nearly 62% report chemical exposure, while 15% cite unsafe machinery and 4.4% face risks to their hearing and vision.

Chart 1: Employment Share by Informal Status, Gender, and Occupation (2024)



The Silent Emergency

This is not just a labour issue. It is a national challenge with ripple effects across healthcare, productivity, and long-term growth. A workforce this large and this vulnerable cannot be sidelined in policy planning. And yet, informal workers are rarely the focus of economic reform or fiscal stimulus.

The trend should worry policymakers. After declining from 53.8% in 2020 to 51% in 2022, the informal sector began growing again, reaching 52.7% in 2024. This reversal suggests that even as the economy recovers on paper, formal employment is not expanding fast enough to absorb the labour force.

Toward Formal Inclusion

The solution is not to eliminate informal work overnight – that is neither realistic nor fair. Instead, the goal must be to formalize protections, not merely contracts. Expanding access to social security, improving enforcement of safety standards, and incentivizing microenterprises to register are critical first steps.

Equally important is investing in skills development and educational pathways that give workers – especially young and rural workers – a way out of chronic precarity. Innovation in financial tools such as contributory micro-insurance or portable pensions could bridge the gap between formality and informality.

Informal workers are not invisible. They are on the farms, in the markets, behind the wheel, and at the back of every restaurant. They are the ones who hold up the parts of the economy that formal systems overlook. It is time to return the favour with recognition, reform, and respect.

Because no economy can truly grow if half its workforce stands outside the system that is meant to protect them.

Thaksin Saeteaw

Thaksin.Saeteaw@bangkokbank.com

Strategic Outlook and
Transformation Management
Office of the President