

Socioeconomic Disparities and Risk of Being Poor

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Abstract: This paper aims to investigate the association between socioeconomic disparities and the risk of being poor of Thai household. Human capital theory as a framework for this analysis to test the hypothesis such that the risk of being poor of the head of household depends on the level of his/her level of education. Moreover, his/her occupation choice could affect the probability of being poor. The analysis used the Socio-Economics Survey in the year 2017 conducted by the National Statistical Office to estimate the probability of being poor. Three indicators are used to explain poverty situation: headcount poverty; poverty gap; and FGT poverty decomposition. The study also estimates the probability of being poor using probit estimation technique to test the influence of independent variables (such as education level, occupation, age, sex, and rural) on the dependent variable (being poor or not). The results show that the household head with a high and medium level of education reduce the risk of being poor significantly. The female head is less likely to be poor than the male head. Furthermore, living in the rural area is less likely to be poor than living in the urban area while the coefficients of occupations are both positive and negative which means there is an increasing and decreasing probability in being poor.

Keywords: *Socioeconomic Disparities; Risk of Being Poor; Poverty; Educational Attainment.*