

The European Union's Programme for ASEAN

Strengthening Social Protection Systems in ASEAN

ASEAN/APRIS-PMU/D/SV/2004/06

Final Report

August 2006



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Executive Summary

THE RATIONALE

- The Association of South East Asian Nations (ASEAN) considers social protection to be a key element in the promotion of human well-being and sustainable economic development
- Strengthening social protection has been a central focus at ASEAN Summit and Ministerial meetings
- Working Groups have been established, Work Programmes have been initiated and projects implemented across a range of Social Protection areas
- Supporting this ongoing approach, the ASEAN Secretariat, in cooperation with European Union, assigned Galway Development Services International (GDSI) to initiate actions to strengthen social protection systems in the ASEAN regional its Member Countries.

GOALS, OBJECTIVES AND METHODOLOGY

- The project's main goal is to support the integration and in particular the regional economic integration process in ASEAN, know-how access and EU-ASEAN dialogue.
- The key strategic questions to be addressed include:
 - What are the social and economic issues that impact on social protection in ASEAN?
 - What are the specific forms of social protection programmes which are currently being applied in ASEAN?
 - How are social protection programmes working in each ASEAN country; what are the strengths and challenges?
 - What are the strategic directions and follow-up actions to strengthen social protection systems in ASEAN at national as well as regional level?
- The principal methodology was an information gathering exercise from key ASEAN stakeholders in social protection policy, culminating in a regional Workshop

SOCIAL PROBLEMS

- ASEAN social problems may be classified under the rubric of general universal social problems, with regional specificity characterised and nuanced by level of economic development, market orientation and level of active intervention:
- Labour markets disequilibrium
 - Labour mobility and attendant problems in origin and destination locations
 - Marginalised groups/vulnerable groups
 - Poverty and exploitation
- Coping with these problems is made all the more difficult by:
 - Budgetary constraints which are linked to level of economic development
 - The usual tensions between expenditure on economic development policies and social policy
 - Restricted institutional structures in developing economies
- These problems have been compounded in ASEAN countries over the recent past due to:
 - Financial disaster in the late 1990's
 - Natural disaster, Tsunami in 2004.

POPULATION GROWTH, MIGRATION AND SOCIAL PROBLEMS

- Annual population growth rates in ASEAN are between 0.8 -2.8%, creating young population and high dependency rates
- Intra-country and intra-regional labour market imbalances lead to labour mobility, which is vital to eliminating these imbalances.
- But migration in ASEAN tends to create relative disadvantages - migrants are amongst the most vulnerable groups in society
- Migrants may also be confronted with various forms of discrimination in employment, housing, access to administrative services and social exclusion.

ECONOMIC DEVELOPMENT AND SOCIAL DISADVANTAGE

- More than 60 per cent of the population in ASEAN lives in rural areas.
- Poverty is, primarily, rural-based, with urban poverty, increasing, women more vulnerable than men and elderly increasingly at risk
- ASEAN economic development has widened the income disparity, between the urban and rural, between the formal and informal worker and between the public and private sectors
- Wage and salary workers and non-wage informal workers has increased but employment growth is lower than the growth of the labour force
- The provision of basic social protection for the less active poor always has a significant positive economic impact on the aggregate national development goals of the country concerned
- There is no trade-off between social protection and economic growth; reducing risk and vulnerability serve to increase investment and growth, positive associations which can be maximised
- The traditional social protection systems are poorly adapted to the demands of a liberal market economy, while the gradual erosion of family and community networks undermine the basis of those traditional safety nets.

SOCIAL PROTECTION MEASURES

- The principle goals of social protection policies are to make the process of development economically viable, socially bearable and politically acceptable by preventing, mitigating and coping with its negative impacts on vulnerable groups.
- The vulnerable groups are the main target for Social Protection Policies:

Labour Market Policy	Population in working age, being either wage or non-wage employees, from both the formal and informal sector, employed, unemployed and underemployed.
Social Insurance	The sick, elderly, widowed, disabled persons, unemployment, informal workers, farming labourers, street vendors, people eligible for social schemes.
Social Assistance	The mentally and physically disabled, ethnic minorities and people who live in very remote areas without infrastructures, substance abusers, orphans, single-parent households, refugees, victims of natural disaster or war conflicts, widows, the elderly, disabled and unemployed ineligible for social insurance.
Micro and area-based Schemes	Rural and urban communities who have no initiatives to protect themselves from any risk.
Child protection	Street children, child labourers, children and youth (0-18 years).

ASEAN SOCIAL PROTECTION: SOME EXAMPLES OF BEST PRACTICES

- The current heterogeneous practices in social protection in ASEAN region are determined by:
 - Different levels of economic development across ASEAN region
 - Wide variety of social-cultural conditions and social structures
 - Diverse qualifications and efficiency of government institutions
 - Various networks and power structures of lobby organisations and interest groups
 - Differing impacts of the recent tsunami crisis on local conditions
- On the basis of market orientation, economic development, poverty levels and social protection policy implementation, ASEAN countries may be grouped into Transition, Emerging and Advanced Countries.

Labour Market Policies

- Promoting an active labour market toward employment creation, with inbuilt protection for workers, is the most critical element in social protection policy
- Best practice examples:
 - Employment, training, minimum wage and work safety: Indonesia
 - SMEs and self-employment: Indonesia, Thailand and The Philippines
 - Agricultural employment: Cambodia, Lao PDR, Myanmar, Viet Nam
 - Providing and monitoring social protection measures: NGOs
 - Enhancing labour standards: Corporate social responsibility
 - General protection: ILO' Employment Convention

Social Insurance

- Most countries in the ASEAN region have evolved toward a multi-pillar mixed public-private system covering the formal sector workers with uneven coverage between public and private sectors
- Best practice examples:
 - Provident funds covering both public and private sector workers: Brunei Darussalam, Malaysia, Singapore and Indonesia
 - Social security system for the private sector and service insurance system for its public sector: Philippines
 - Social insurance systems with mandatory, publicly managed, contributory scheme: Singapore -
 - Social Insurance toward a market-oriented economy: Vietnam

Social Assistance

- ASEAN countries have integrated their social assistance with provision of financial assistance and subsidized healthcare, compulsory education, employment assistance and training, call centres and networking with community.
- Best practice examples:
 - Social assistance programmes under the Ministry of Community Development and Support, self-help groups, based on ethnic lines, and trade unions: Singapore
 - Institutional reforms protecting and empowering the poor and the vulnerable groups: Philippines
 - Pilot projects adding subsidized housing into existing system: Brunei Darussalam, Singapore, Thailand, Vietnam and Indonesia
 - Tax incentives for hiring the disabled: Philippines -
 - Social assistance schemes managed by state-owned enterprises rather than the government: Cambodia, Lao PDR and Viet Nam

Micro and area-based schemes

- ASEAN region has at least four main forms of micro and area-based schemes usually implemented by local communities, including micro insurance, agricultural insurance, social funds, and local disaster preparedness and management.
- Best practice examples:
 - Voluntary village-level organisations providing local community funds with primary care: Indonesia -
 - *The Grameen Bank* model providing cooperative credit to small-scale rural borrowers: Java and North Sumatra
 - Community social funds providing concession for school fees, health costs and local taxes: Viet Nam
 - Well-organised disaster management: Philippines

Child Protection

- All ASEAN countries already have national action plans to implement child protection programmes that provide protection of the rights of the children and have ratified the ILO Conventions on child protection
- Best practice examples:
 - Basic services and adequate protection for children: Brunei Darussalam, Malaysia, the Philippines and Singapore
 - Addressing gender bias, especially in higher education: Lao PDR and Vietnam
 - Specific community-based programme for child protection: Malaysia, the Philippines, Cambodia, Singapore and Indonesia
 - Training for childcare services: Myanmar
 - International cooperation in upholding children's rights: Philippines

PROPOSED STRATEGIC INITIATIVES AND PILOT ACTIONS

- A number of strategic initiatives have been proposed to strengthen co-operation at the ASEAN region level and a number of pilot actions, across five thematic areas, aimed at strengthening social protection through learning by doing, have been identified for implementation at the country level

Labour market and social insurance

- Regional strategic initiatives address issues like political commitment, documenting ASEAN social problems, social protection needs of workers, monitoring regional labour markets, HRD planning and a 3-year integrated regional protection initiative
- Pilot actions at regional level: Establishing a regional database of key social parameters across all 10 ASEAN countries
- Pilot actions at national level: The suggestions for pilot actions are based on national priority issues, which may also be implemented by other ASEAN members. The suggested initiatives are grouped into three clusters and are associated with the nominating member state:
 - Cluster 1 (Informal sector): Promoting self-employment, voluntary membership of protection schemes including home-based and agricultural workers
 - Cluster 2 (Public Sector): Extending social insurance to retired and disabled workers and providing unemployment benefits, and social protection for irregular and/or elderly workers
 - Cluster 3 (Aging workforce): Ensuring adequate incomes for the retired; Regulating retirement age with a gender perspective; Re-training to provide skills for a new work environment

Social Assistance

- Regional strategies focus on mobilisation of political commitment, regional organisation of effort, sharing best practice and planning actions at the regional level
- Country level pilot actions are aimed at promoting stronger political commitment through highlighting social need and benchmarking performance in social protection with other member countries

Micro and area-based schemes

- Regional strategies consist of two broad strands: Capacity building of the stakeholders and the identification and dissemination of best practice; and the promotion of indigenous practices in micro and area based initiatives
 - Technical programs in micro area-based finance should be co-ordinated by SOMRDPE
 - Strengthen promotion and utilisation of local/indigenous practises and systems in micro and area-based initiatives
- Country level pilot actions are proposed, which are based on national interests, but which may also be implemented by other ASEAN members and a pilot action which is regional in character and which would be repeated on an annual or bi-annual basis

Child Protection

- Regional strategies include capacity building through education, research and associated knowledge transfer; networking for knowledge transfer, raising awareness and promoting political commitment
- Country level pilot action is proposed at the regional level, namely, the joint training of trainees who are or will be engaged in CRC, CNSP, ECCD services, both in terms of their work practice and in research to support their more effective working

RECOMMENDATIONS FOR ACTION FRAMEWORK

General principals

- In line with the 11th ASEAN Summit theme “*One Vision, One Identity, One Community*” regional cooperation is essential in addressing issues of labour mobility – reducing country level disequilibrium, need for equality of treatment, strong and weak countries –sharing the burden and learning from each other - spread of best practice
- Regional level initiatives should include enhancing political support, strengthening institutional structures and capacity building
- Country level initiatives should include implementing best practice through pilot projects – learning from each other by doing
- Commence by recognising what has already been done in terms of working groups at summit and ministerial levels, institution building, networking and strategic and pilot initiatives, and built on this

Recommendations

- Establish an ASEAN Social Protection Action Group with representation from the social protection ministries and relevant NGOs, with a Working Group for each social protection area
- Arrange regular meetings among counterparts across member states addressing the different social protection strands
- Agree a common definition of terms in the social protection domain
- Set up a common data base on key social parameters and current social protection measures in each country
 - Set an initial baseline on parameters and policies, through which each member state can benchmark its own situation

- Update the database on a regular basis
- Put in place a research unit which will propose, support and promote regional initiatives
- Strengthen the existing networks for information flow and knowledge transfer through creating a Regional Website on Social Protection, linked to national websites
- Put in place a common approach to creating political awareness and garnering political commitment
- Integrate the effort of the public sector, NGO's and the communities towards common goals in social protection
- Obtain government commitment in each ASEAN member state to establish a minimum baseline set of objectives, measures and standards in each social protection area
- Establish cross-country pilot projects in agreed set of measures, implemented over say 3 years (financed from common fund with international assistance)
 - Compare achievements over implementation period
 - Identify obstacles to achieving these standards
 - Identify best practice for each policy initiative and try to influence movement toward best practice in each member state
 - Organise regular meetings/conferences to discuss and plan progress – use cross country case studies to track progress and chart the way forward
- Identify a small number of policy measures and supporting legislation, which can be implemented across all member states, for example in respect to rights of migratory workers in, say, the construction industry and tourism industry
- Prepare an action plan on social protection measures at regional and national levels
- Initiate stakeholders' capacity building actions at the regional level; for example (i) the proposed Pilot Action under the Child Protection rubric, the training of trainees who are or will be engaged in CRC, CNSP, ECCD services, is an excellent place to start joint co-operative action; and (ii) people-to-people exchanges for the purposes of information flow and knowledge transfer

Chapter 1: INTRODUCTION

THE RATIONALE

The Association of South East Asian Nations (ASEAN) considers social protection to be a key element in the promotion of human well-being and sustainable economic development; hence the initiative to strengthen social protection systems is paramount within the context of poverty reduction strategies.

ASEAN leaders, at the 6th ASEAN Summit, held in December 1998, adopted the Hanoi Plan of Action (1998-2004) to address the impact of the financial crisis through existing ASEAN cooperation mechanisms in both economic and social sectors. ASEAN Senior Officials on Rural Development and Poverty Eradication have implemented a regional project on social safety nets in collaboration with Australia (1999 to 2002). It addresses a range of social protection measures set out in the ASEAN Action Plan on Social Safety Nets (which achieved its objectives in 2002).

ASEAN Labour Ministers also prioritised social protection in their Vision and Mission Statement (May 2000), and in a work programme subsequently developed and finalised in 2001. The focus is on including the excluded in South-East Asian society and working towards an integrated social protection or management system in the ASEAN region. The importance of strengthening social protection systems was again reiterated at the 9th ASEAN Summit held in October 2003 in Bali, Indonesia, when ASEAN Leaders “pledged to achieve an ASEAN Community by the year 2020, which would rest on the three pillars of ASEAN Security Community, ASEAN Economic Community and ASEAN Socio-Cultural Community.” These pillars of cooperation are closely intertwined and mutually reinforcing to ensure durable peace, stability and shared prosperity in the region.

The ASEAN Secretariat, following on from the development of this policy framework for social protection in the ASEAN region, in cooperation with European Union, assigned Galway Development Services International (GDSI) with the task of conducting a project aimed at strengthening social protection systems on a regional basis throughout the ASEAN Member Countries (AMCs). This paper provides a synthesis of the current situation in Social Protection in ASEAN member countries and elaborates an action plan for country level action and regional level co-operation toward more integrated initiatives on social protection policies throughout ASEAN.

The project is entitled, “Strengthening Social Protection in ASEAN”. It is a project under the ASEAN-EU Programme for Regional Integration Support (ASEAN/APRIS-PMU/D/SV/2004/06). The Programme’s main objective is to support the integration and in particular the regional economic integration process in ASEAN by facilitating access to relevant experience and know-how, including from the EU, whilst contributing to strengthened EU-ASEAN relations and EU-ASEAN dialogue.

GOALS AND OBJECTIVES

The overall goal of this work is to generate some first steps toward regional integration of social protection policies. Toward meeting this goal, the objective set for this work is to answer a number of pertinent questions

1. What are the social and economic issues that constitute social protection in AMCs?
2. What are the specific forms of social protection programmes which are currently being applied in AMCs?
3. To what extent are the implementations of social protection programmes working in each AMC; what are the strengths and challenges?
4. What are the strategic directions and follow-up actions to strengthen social protection systems in ASEAN at national as well as regional level?

(A summary of current issues in the ASEAN Member Countries in relation to social problems, including current social problems, intervention measures and proposed actions, is presented in Appendix 1)

DATA COLLECTION STRATEGIES

The information input into this work consisted of:

1. Review of literature on social issues and social protection in the ASEAN member countries;
2. Interviews with key stakeholders in the ASEAN member countries in the area of social policy, including government officials, donor representatives and NGOs;
3. Information gathered through a questionnaire addressed to key stakeholders in the ASEAN member countries in the area of social policy;
4. Direct submissions to the research team by these same stakeholders; and
5. The output from a regional Workshop¹ of high level ministry administrators and NGO representatives from ASEAN member countries.

The process of data collection started with an inception meeting with ASEAN secretariats and other significant stakeholders in Jakarta. There were three main areas of discussion in the inception meeting:

1. Methodological approach and management arrangements;
2. Identification of key stakeholders; and
3. Possible sources for literature review and data collection.

Following the inception meeting, the project team engaged in a series of interviews with identified stakeholders such as senior ministry officials, NGOs, relevant international donor organisations (ADB, ILO, the World Bank, Ford Foundation, FES, and academic institutions based in Jakarta, Bandung and Bogor. Desk review of current literature on social protection issues in the ASEAN region was also undertaken.

Employing structured questionnaires, a regional survey to significant stakeholders in the AMCs through the ASEAN Senior Labour Officials was then conducted. Responses were received

¹ The regional workshop was held on 28 February to 1 March 2006 in Jakarta, Indonesia; and was attended by 48 participants, consisting of representatives of ten AMCs and other relevant partners and observers, including permanent representatives of the Asian Secretariat based in Jakarta, Indonesia.

from respective ASEAN focal points in Indonesia, Malaysia, The Philippines, Myanmar, Thailand, and Vietnam. Additional necessary information to further enrich discussions sought at the regional workshop.

In addition, this issue paper obtained inputs from a one-day seminar on Poverty Alleviation and Social Protection in ASEAN held in the Bandung School of Social Welfare (Sekolah Tinggi Kesejahteraan Sosial Bandung), Indonesia on 24 November 2005.

The paper is organised into four chapters. Chapters 1-3 present the methodology and of the research carried out and the results of this research by way of background to the current situation in the ASEAN region and its member countries: **Chapter 1** introduces the purpose of this issues paper. **Chapter 2** presents the conceptual framework of social protection. Five types of social protection – such as labour market policies, social insurance, social assistance, micro- and area-based schemes, and child protection – are discussed in this chapter. **Chapter 3** provides a brief overview of overall performance of social and economic development in ASEAN with regard to such issues as population, urbanisation, labour force, economic growth, poverty, education, and health. Section two of this chapter discusses the current situation of social protection in ASEAN with the focus on the review of the existing systems and an assessment of its effectiveness and efficiency. Chapter 4 provides the output from a Regional Workshop on Strengthening Social Protection systems in ASEAN, held in Jakarta, Indonesia on 28th February- 1st March 2006. This workshop was the culmination of the project, completing background information on the current situation and delineating the key strategic directions of developing social protection systems in ASEAN at country and regional level².

² This concluding chapter of the Issues Paper should therefore be viewed as the key source of our project's findings and recommendations for AMCs and ASEAN as a whole, in terms of strengthening and co-ordinating their social protection systems.

Chapter 2: CONCEPTUAL FRAMEWORK OF SOCIAL PROTECTION

DEFINITIONS AND GOALS OF SOCIAL PROTECTION

In a broader sense, social protection could be described as all public and private initiatives that provide income or consumption transfers to the poor, protect the vulnerable against livelihood risks, and enhance the social status and rights of marginalised groups within any given country.

Social protection is an important element in social policy strategies for eradicating poverty and reducing multidimensional deprivation. Social protection refers to processes, policies and interventions, and entities like the government, private sector and civil society who respond to the economic, political, and security risks faced by a region's population, particularly those categorised as the poor and vulnerable. As an approach, social protection consists of all interventions from the public and private sectors, together with community-based organisations to support individuals, households and communities in preventing, managing and overcoming risks and vulnerabilities.

As a set of policies, social protection refers to what governments can pursue in order to provide protection to its citizens, especially those categorised as "active poor". Such intervention would enable the "active poor" to participate more productively in economic activities as well as those categorised as less active poor with considerable benefits to society as a whole (Shepherd et al, 2004). Such public policies serve as an articulation of states' obligations to fulfil basic rights for all individuals. Social protection policies are always part of a broader set of policies on macroeconomic development, employment programmes, and education and health policies established to reduce risks and deprivation and to encourage growth with equity and sustainability. The principle goals of social protection therefore, are to make the process of development economically viable, socially bearable and politically acceptable by preventing, mitigating and coping with its negative impacts.

Social protection is particularly important as a means of mitigating the impacts of poverty and destitution on chronically poor people or their children. But social protection is not the only approach of poverty reduction initiatives. In order to have sustainable and effective results, it needs to be implemented in combination with other approaches such as the provision of social and economic services within the overall context of socio-economic growth and development.

SOCIAL PROTECTION AND ECONOMIC GROWTH

Lessons from the bulk of literature on social protection show that the provision of basic social protection for the less active poor can be affordable even in low-income economies, and that it always has a significant positive economic impact on the aggregate national development goals of the country concerned (John, 2002; von Hauff, 2002; Shepherd et al 2004). Whilst it is estimated that significant social protection can cost less than 1 per cent of gross domestic product (GDP), social protection has significantly short- and long-term benefits to the economy. Therefore, the relationship between social protection and economic growth should not be seen as a trade-off, as there are many ways in which reducing risk and vulnerability serve to increase investment and growth, positive associations which can be maximised (Shepherd et al, 2004:4).

When the Asian financial crisis hit the ASEAN region in 1997-98 the heavy reliance on traditional family-based social protection systems and, in some cases, a poorly developed infrastructure for administering social protection programmes, led to the failure of many governments to respond effectively to the needs of its citizens. This experience highlighted the vulnerability of populations in the ASEAN region to various sorts of shocks to their livelihoods. The economic crisis and the subsequent downturn in ASEAN “miracle” countries demonstrated that growth and sound macroeconomic policies alone are insufficient for sustained poverty reduction. Social protection policies – including safety nets, income support systems for the elderly, and well-functioning labour markets with built-in social safeguards – are essential in terms of reducing poverty over the long-term and protecting the gains already made during times of economic growth.

Prior to the 1997-98 financial and economic crisis, the majority of the region’s citizens, particularly those working in the shadow (informal) economy, were not covered by formal social protection schemes. The traditional social protection systems were found to be poorly adapted to the demands of a liberal market economy and the gradual erosion of family and community networks undermined the basis of those traditional safety nets.

TYPES OF SOCIAL PROTECTION

Social safety net and social protection measures have become the principle form of state intervention used to protect the poor and vulnerable people in times of economic stress or crisis. Mechanisms of social protection should essentially be used to specifically target the very poor and vulnerable groups in a particular society and enable them to build up their assets so as to escape the threat of poverty in a sustainable way and to withstand the shocks of future crises and changes to their social and economic status in a given society.

The term ‘safety net’ is generally used to refer to relatively short-term interventions intended to alleviate transitory crises; such as providing targeted programmes of relief and social assistance. The term ‘social protection’ is largely used to refer to long-term policies that aim to protect and promote a nation’s economy and social security or to improve the well-being of the poor. It also provides a buffer against short-term shocks and enhances the capacity of households to accumulate assets and improve their well-being over time, so that they can be better protected in times of hardships in the future (ADB, 2004).

Beside the formal sphere of social protection, there are other types of informal and community-based social safety net practices. Examples of such informal mechanisms for coping with difficulties include borrowings; drawing down savings; selling assets; mutual support from family and friends; reciprocal arrangements with local wealthier households; and seeking additional income-producing activities (i.e. the black market).

In this paper, when addressing issues for social protection in AMCs, the project team uses the Asian Development Bank’s (ADB) understanding of social protection (ADB, 2004), which has “five core elements”. The distributions devised by the ADB are appropriate for the profile of AMCs in view of their characteristics and level of development. Some basic ideas on types of social protection with reference to its main target groups are set out below (Box 1). Existing social protection systems in some AMCs are then mapped out using this basic classification (Table 1).

Box 1**The Vulnerable Groups as the main Target for Social Protection Policies**

Labour Market Policy	Population in working age, being either wage or non-wage employees, from both the formal and informal sector, employed, unemployed and underemployed.
Social Insurance	The sick, elderly, widowed, disabled persons, unemployment, informal workers, farming labourers, street vendors, people eligible for social schemes.
Social Assistance	The mentally and physically disabled, ethnic minorities and people who live in very remote areas without infrastructures, substance abusers, orphans, single-parent households, refugees, victims of natural disaster or war conflicts, widows, the elderly, disabled and unemployed ineligible for social insurance.
Micro and area-based Schemes	Rural and urban communities who have no initiatives to protect themselves from any risk.
Child protection	Street children, child labourers, children and youth (0-18 years).

Source: ADB (2005:11)

Table 1: The Existing Social Protection Schemes in ASEAN

Country	Labour Market Policies					Social Assistance	Social Insurance				Micro and Area-Based Schemes				Child Protection
	Active			Passive			6	7	8	9	10	11	12	13	
	1	2	3	4	5										
Cambodia			•		•								•	•	
Indonesia		•	•		•	•	•		•				•		
Lao PDR		•			•										
Malaysia		•	•		•	•	•		•				•		
Myanmar	•	•	•		•		•	•	•					•	
Philippines	•	•	•	•	•	•	•	•	•	•			•	•	
Thailand	•	•	•	•	•	•	•	•	•	•	•	•	•	•	
Viet Nam		•	•		•	•	•	•	•				•		

Note: 1) labour exchanges; 2) training; 3) employment generation; 4) unemployment insurance; 5) labour standards; 6) old age, disability, death insurance; 7) sickness, maternity insurance; 8) medical care; 9) work injury; 10) micro insurance; 11) agriculture insurance; 12) disaster management; 13) social fund; 14) family allowances.

Sources: ADB (2005:2); Suharto (2005:14); input from Workshop's participants (WS 2006)

Labour Markets Policies

Labour market policies are considered as key elements of a social protection strategy. Improving labour market operations is also an important element of strategies to develop human capital, address gender discrimination, and enhance welfare and productivity. Enabling people to provide for themselves is the best recipe for social protection as well as for strengthening human rights. Innovative labour market policies serve a dual purpose. On the one hand, they aim to protect those whose labour is not demanded in the market place. On the other hand, they can raise the productivity of those who are employed, thereby improving social and economic development at local, national and, ultimately, regional levels. Social

protection in labour markets can be divided into two core issues. They are:

- Active labour market programmes are referred to as protection involving direct employment generation (e.g. promoting small and medium enterprises, public works), labour exchanges or employment services (e.g. job brokerage, counselling - linking supply with demand for labour) and skills development programmes (e.g. training and retraining of labour)
- Passive labour market policies are referred to as protection involving unemployment insurance, income support and an appropriate legislative framework that strikes a balance between economic efficiency and labour protection, including safe working conditions, minimum wages, social security contributions, and other labour standards

Social Insurance

Social insurance programmes mitigate risks by providing income support in the event of illness, disability, work injury, maternity, unemployment, old age, and death. The funding of social assistance schemes requires a contributory approach, which is based on the payment of premiums each year. The coverage of social insurance includes work injury insurance to compensate workers for work-related injuries or diseases, disability and invalidity insurance, linked to old-age pensions, to cover for full or partial disability, sickness and health insurance to protect workers from diseases, maternity insurance to provide benefits to mothers during pregnancy and post delivery, old-age insurance to provide income support after retirement and life and survivor insurance to ensure that dependents are compensated for the loss of the family's wage-earner.

Social Assistance

Social assistance schemes are designed to enhance social welfare by reducing poverty directly. Social assistance involves the provision of welfare and social services to highly vulnerable groups, cash or in-kind transfers such as food-stamps and family allowances and temporary subsidies such as life-line tariffs, housing subsidies, or support of lower prices of staple food in times of crisis. The effective design of efficient social assistance programmes is primarily related to knowing the answers to a set of key questions concerning *eligibility* (such as maximum age, and nationality conditions), *entitlement* (such as the level of acceptable resources below which a person should not be allowed to fall, means testing, and targeting of assistance), and *administration* (such as control of fraud, systems for reviewing claims, etc.). Each of these key issues will be carefully examined in our analysis of the various social assistance schemes throughout the ASEAN region.

Micro- and Area-Based Schemes

Micro- and area-based schemes to protect communities in particular locations and rapidly emerging economic sectors as necessary means of providing social security to those most in need (e.g. in the area of small-scale agriculture and the urban informal sector) and to accompany the more traditional social insurance programmes aimed primarily at the formal labour force. Examples of micro- and area-based schemes that address vulnerability at the community level include:

- Micro-insurance, which involves voluntary and contributory schemes for the community; handling small-scale cash flows to address major community risks; and agricultural insurance, a form of protection that is available for farming communities to pool the risk of natural perils like storms, floods, droughts, plant pests, diseases, etc.

- Community-based social funds, such as mechanisms for channelling public resources to meet particularly pressing needs at the local level; disaster preparedness; and management coping with or mitigating against a range of other social/economic risks within their respective communities

Child Protection

Investment in children is a key factor in poverty reduction and economic growth. However, it is usually a small proportion of national budgets, although evidence shows that the small investment currently made brings considerable future benefits to society as a whole. As defined in the United Nations Convention on the Rights of the Child, society, through good governance, must provide measures to ensure that the child is protected from all forms of abuse and exploitation. These include child labour, child prostitution (particularly amongst young girls), street children, children with disabilities, and children under armed conflict. Examples of social protection for children include:

- Early child development to ensure the balanced psychomotor development of the child through basic nutrition, preventive health and educational programmes, school feeding programmes, scholarships, or school fee waivers, waiving of fees for mothers and children in health services, street children initiatives, child rights advocacy/awareness programmes against child abuse, child labour, etc.
- Youth programmes to avoid marginalisation in teenagers, juvenile delinquency, vulnerability to drugs and sexually transmitted diseases
- Family allowances either means-tested cash transfers or coupons/stamps for basic goods and services (i.e., food, clothing) to assist families with young children to meet part of their basic needs

Chapter 3: EXISTING SOCIAL PROTECTION SYSTEMS IN ASEAN

Social protection has been gaining importance in the new policy trend amongst the ASEAN Member Countries (AMCs) since the Financial Crisis. The main reasons are economic and demographic structural changes, continuing effects of the crisis on the economy, and experiences brought by the recent tsunami disaster. It is also now widely accepted that social protection can lead to more equitable growth by smoothing income fluctuation and broadening access to human capital development. This led to the emphasis placed on social protection in the Declaration of ASEAN Concord II in October 2003, which states that ASEAN “shall ensure that its workforce shall be prepared for and benefit from, economic integration by investing more resources for basic and higher education, training, science and technology development, job creation, and social protection.”

This chapter consists of three sections. The first section discusses ASEAN development at a glance and provides an overview of overall performance of social and economic development in ASEAN with regard to such issues as population, urbanisation, labour force, economic growth, poverty, education, and health (a detailed presentation of socio-economic development situation in the individual AMCs is attached in Appendix 2). Section two then discusses the relationship between the recent economic crisis and the provision of social protection in the region. Responses of AMCs to social economic issues are outlined in the third section. This section describes and evaluates policies implemented by AMCs with reference to the five core issues of social protection. The current situation of social protection systems in ASEAN is also discussed with a particular focus on the review of existing systems and assessment of their effectiveness and efficiency.

ASEAN DEVELOPMENT AT A GLANCE

On the basis of levels of economic development and broad socio-economic indicators such as economic growth; per capita GDP; and the incidence of absolute poverty, AMCs can be divided into three Clusters, namely transition countries, emerging countries, and advanced countries. Cluster 1, transition countries, includes Cambodia, Lao PDR, Myanmar and Viet Nam; all of which are in a transition phase from their socialism to liberal market economies. They guarantee social security through employment to the few, at the same time as they are developing new systems appropriate for more liberalised economies.

Indonesia, The Philippines and Thailand are included in Cluster 2. These countries have generally experienced economic success and relatively widespread distribution of the benefits of growth during the early part of the 1990s. Their success was built on strong previous records in extending basic health and education services to their respective populations; combined with national policies favouring growth. However, widening gaps between the rich and poor accompanied this economic growth in most countries in the region.

Cluster 3 includes Brunei Darussalam, Malaysia and Singapore, the most advanced economic countries amongst the AMCs. These countries built development policies through active public or public/private interventions in many areas of development. Investing in social development was an essential part of their modernisation programmes from the outset of their development. Good governance was implemented in their daily development life. Higher levels of social protection also enabled high productivity gains in the workforce, expanded domestic demand, and increased economic growth.

In the wake of the crisis, real GDP per capita mostly decreased in AMCs; with Indonesia, Lao PDR, and being the most adversely affected. Thailand and Indonesia experienced negative change in real GDP per person for two consecutive years (1997 and 1998). The next two years after the crisis, 1999 and 2000, were a recovery period for most countries. In 2001, however, the slowdown in the global economy again led to contraction in real GDP and thus GDP per capita. Negative growth rates occurred in the Philippines (-0.6 per cent), Brunei Darussalam (-1.0 per cent), Malaysia (-1.9 per cent) and Singapore (-5.1 per cent). On the other hand, the strength of the Vietnamese economy was apparent when real GDP per capita even rose from 5.3 per cent in 2000 to 5.4 per cent in 2001 (ASEAN secretariat, 2004).

Economic development in the ASEAN region has resulted in rising inequality and increased vulnerability for some groups and poverty remains a serious problem in most countries in the ASEAN region. Out of 100 persons, 58 are poor in Vietnam and about 45 in both Lao PDR and the Philippines. The majority of the poor in the ASEAN region are unemployed urban dwellers, landless labourers, small-scale farmers, fishermen and low-income earners struggling to survive in the rural areas. Thus, *employment creation is a key driver for every ASEAN member country.*

Population Structures

The population of ASEAN region is more than 582 million people (as of July 2005). Of the 10 countries in the region, four countries, namely Indonesia, Singapore, Thailand and Vietnam had annual population growth rates by the end of the 2005 period ranging from 0.8 per cent to 1.7 per cent. Lao PDR showed the highest annual growth rate of 2.8 per cent, followed by Cambodia at 2.5 per cent and Brunei Darussalam at 2.4 per cent (ASEAN Secretariat, 2004). Indonesia is the most populated country in ASEAN region. By mid-2005, numbers in Indonesia reached 241.97 million people with a growth rate of 1.34 per cent during 2000-2003 (BPS, 2004). This figure accounts for almost 40 per cent of the region's total population. This differs greatly from the sparsely populated Brunei Darussalam. In mid-2005, the total population of the country was 372,000 inhabitants only. Hence, there are two types of population distribution in AMCs. One type is the highly populated countries such as Indonesia; The Philippines (87.85 million); Viet Nam (83.53 million); and Thailand (65.44 million). The second type is the low- and medium-populated countries such as Singapore with 4.4 million inhabitants; Lao PDR with 6.3 million people; and Cambodia, having a population of 13.6 million (UNDP, 2004).

Ortiz (2004) points to the fact that the structure of ASEAN population is dominated by young people. The ASEAN region has a largely young, rural and poor population as a result of demographic explosion, in which almost 40 per cent of the population consists of children and youth. In ASEAN, the proportion of 15-64 year-olds ranges from 53 per cent (Lao PDR) to 71 per cent (Singapore). The members of the population who are less than 15 years old range from 21 per cent (Singapore) to as high as 45 per cent (Lao PDR). The size of the youth labour force in the ASEAN region is expected to increase to 2.4 per cent per annum between 2005 and 2015. The number of youths entering the labour market will be large in AMCs with high fertility rates such as Cambodia, Indonesia, Myanmar, The Philippines and Vietnam. Whilst in other countries, such as Malaysia, Singapore, and Thailand there will be a small decline.

The youth population has a consequence on the dependency ratio. Total dependency ratio refers to persons in the economically dependent ages (under 15 years old age and 65 years old and over) compared to the economically active population. Countries with low dependency ratios in 2003 are Singapore and Thailand, which have 40 and 45 of dependents, respectively, supported by 100 economically active persons (ASEAN Secretariat, 2004). Brunei Darussalam (50) and Indonesia (54) can be categorised as having an 'in between' position with ratios of 50 and 54, respectively.

The rest of the countries in the region have relatively high dependency ratios with at least 60 dependents relying heavily on support from a group of 100 in the working-age category. These countries include Cambodia (86), Lao PDR (89), Malaysia (60), Myanmar (61), The Philippines (66), and Vietnam (60) (ASEAN Secretariat, 2004).

More than 60 per cent of the population in ASEAN lives in rural areas. Most of the poverty in the region is also rural-based, although urban poverty is increasing. About 31 per cent of the population in the ASEAN region is poor (Ortiz, 2001). More women than men live in poverty and it also increasingly experienced amongst the elderly. The challenge therefore, is that a big percentage of the population across the ASEAN region falls outside of formal systems of social protection.

Currently, most of the older persons in ASEAN live in rural areas. In most AMCs older persons usually live with their children in extended families. The average household size is four to six in the most populated AMCs. Social protection for the majority of elderly people does not come from the formal sector with most relying on the availability of social and family support, charity organisations and NGOs for assistance.

Many countries in ASEAN have demonstrated strong commitment to the provision of basic education and health services, but this is declining since the economic crisis hit the region in the late-1990s. Child and youth well-being, for example, is heavily affected by the recent economic crisis and subsequent geographic disaster. Under conditions of crisis, most families are unable to provide basic needs for their children such as primary education, health care services and social protection.

Migration and Labour Market

Internal migration occurs as a result of labour imbalances and is, theoretically, beneficial to the economy as a whole. However, migration in ASEAN tends to also create relative disadvantages. Migrants are amongst the most vulnerable groups in society due to lack of family support mechanisms, legal status and any kind of social protection. Migration and urbanisation continue to grow in many AMCs and it has been estimated as growing at 2.9 per cent compared to 1.3 per cent for the regional population growth as a whole (ADB, 2001).

The main cause of this internal migration is the inadequacy of employment opportunities in rural areas, forcing people to look for jobs in urban areas. And since the pace of industrialisation in most ASEAN countries is lower than the rate of migration, most people who are unable to find jobs in the formal sector are relegated to the 'third' sector - the urban, informal sector (Suharto, 2002).

Intra-regional migration occurs as a result of labour imbalances at the country level. Labour mobility is a vital characteristic of the labour force in the ASEAN region to eliminate the country labour imbalances. At the regional level, migration is an increasing trend, involving a large number of cross-border workers' movements. The Philippines, amongst others, has experienced large emigration flows. In 2003, more than 1.8 million Filipinos lived abroad as permanent immigrants and a further 3 million people worked temporarily abroad (ILO, 2004). Remittances are important sources of revenue for both countries. These inflows, together with the household flows within the countries, constitute a significant element of the Filipino welfare regime. In some parts of the ASEAN region, this creates tension and conflict between receiving and sending countries, which is caused by an imbalanced demand for labour and a fear of allowing large-scale immigration. Both domestic and cross-boarder migrants generally enjoy lower access to basic social services and publicly-provided social protection than locals.

They may also be confronted with various forms of discrimination in employment, housing, access to administrative services and social exclusion (Cook, et al, 2003).

ECONOMIC CRISIS AND SOCIAL PROTECTION

The crisis adversely affected all three Clusters of AMCs. Whilst the severity of the impact varied across countries, the impact was not the same across geographical areas and social groups within individual countries (e.g., urban households compared to rural ones, factory workers compared to service sector workers, women compared to men, children to adults, etc.). Overall, the poor and vulnerable groups are the ones that require particular short-term assistance and longer-term protection (Knowles et al, 1999).

Social safety nets have assumed greater significance after the crisis in the transition and emerging market economies, and social funds are catching on in both emerging markets and advanced countries. So far, the transition economies such as Cambodia and Myanmar have done very little to develop formal social protection interventions, although they face a great challenge in terms of youth unemployment, mass poverty and child welfare issues. In conclusion, the region needs to activate a large agenda for social protection work, and future advisory and analytical work will likely reflect these regional priorities.

SOCIAL PROTECTION SYSTEMS IN ASEAN

A social protection system can reduce poverty and vulnerability by promoting efficient labour markets, diminishing people's exposure to risk, and enhancing the capacity of people to protect themselves and deal with risks and uncertain income. At the macro level, social protection policies could play a role in stabilising economic development because it stabilises demand for consumer goods by making it constant. In the ASEAN region, the current situations of social protection are heterogeneous and determined by:

- Different levels of economic development amongst the AMCs
- Wide variety of social-cultural conditions and social structures
- Diverse qualifications and efficiency of government institutions
- Various networks and power structures of lobby organisations and interest groups

Standard concepts and interventions of social protection in ASEAN tend to focus on enhancing the capacity of poor households to accumulate assets so that they can reduce their vulnerability and enable them to withstand shocks derived from economic crisis and calamities. The impacts of the recent tsunami crisis have been very serious on the economic as well as the social conditions of large proportions of the ASEAN community

Labour Market Policies

The economic crisis has created heavy economic and employment contraction throughout the region. Indonesia, The Philippines and Thailand suffered a great percentage of job losses (Suharto, 2002). From August 1997 to August 1998, as illustration, unemployment in these three countries increased by 16.2 per cent, 23.7 per cent and 27.8 per cent, respectively, amounting to a three-country total loss of 2.4 million jobs. Interestingly, the trend of male unemployment rates decreased more than female unemployment rates during the economic recovery in the ASEAN region (Suwannarat, 2003).

Labour market policies are therefore important for AMCs because it is only through work that people gain capacity to provide for themselves and their families against any kinds of shock. According to Ortiz (2001), there are four main elements of labour market improvements that can enhance effectiveness of social protection:

1. Labour market assessment: information about demographic trends, labour absorbing sectors, unemployment situations, migrant flows, and the size and causes of the informal sector can help identify a country's needs
2. Active labour market programme: (a) direct creation of job opportunities; (b) labour exchanges or employment services and (c) skills development programmes
3. Passive labour market policies: (a) unemployment insurance; (b) income supports; (c) an appropriate legislative framework to protect labour
4. Safeguards: (a) minimum wages; (b) safe working conditions; (c) labour standards; (d) labour free to organise

Common responses to the questionnaires distributed by the ASEAN Secretariat to a number of stakeholders of AMCs showed that labour market policies have been given strong attention in developing social protection systems in the region since the financial crisis. They stated that the current situations of labour markets in ASEAN have depended on the agriculture sector for a long time as a main source of employment absorption. Even before the economic crisis hit the region, the labour market trend of the ASEAN Member Countries was mainly characterised by a high degree of unemployment and continued predominance of the informal sector. Whilst significant change had taken place in the structure of employment in the ASEAN region, the rate of employment growth was lower than the growth of its labour force.

The labour force participation rates for both males and females increased from time to time. Many AMCs are now creating job opportunities by developing agricultural sectors. In responding to our survey, countries like Cambodia, Lao PDR, Myanmar and Viet Nam, emphasised the development of the agricultural sector as their main labour market. On the other hand, Indonesia and The Philippines adopt different approaches. They prefer to promote SMEs and self-employment activities as a source of job opportunities; whilst the Thai government has a distinctly unique policy of promoting overseas employment.

Furthermore, the high exit from the peasantry in rural areas in the ASEAN region during the crisis period increased the percentage of wage and salary workers and non-wage informal workers for males and females. The entry of workers into the informal economy and SMEs between 1997 and 1999 increased dramatically. In Indonesia, for example, the national and local newspapers widely reported that the crash of the modern economy, involving the closure of banks, factories and service agencies, pushed the newly unemployed to more than double that in the informal sector. In the case of street traders, known locally as *pedagang kakilima*, the increase is even more impressive. 'In Jakarta and Bandung, for instance, between the end of 1996 and 1999 the growth of the *pedagang kakilima* (street traders) was estimated at 300 percent (Suharto, 2005:244).

These trends are inspiring some ASEAN Member Countries to support and promote SMEs with policy actions such as giving financial credit, guaranteeing support and developing links between SMEs and big companies through partnership programmes and other entrepreneur development initiatives. Cambodia, Indonesia, Lao PDR, Myanmar, The Philippines and Thailand, have developed labour market policies that support SMEs through such programmes as:

- Promotion of Rural Employment through Self-employment and Entrepreneurship Development
- Supporting the Youth Programme with a Special Programme for Employment of Students and Work Appreciation Programmes
- Promotion of Rural Works Programmes
- Management of Small and Medium Enterprises
- Human Resources Development Programmes
- Maritime Training Programmes
- Labour Standards Enforcement Programmes
- Occupational Safety and Health Programme

The regional Workshop outlined that there is an absence of recognition for the ILO core convention on Employment in most AMCs. In ASEAN, there are only three AMCs that have acceded, ratified, and/or implemented the ILO's Employment Convention, which helps to support the implementation of employment standards.

Passive labour market policies in the ASEAN region are also regarded as an effective way to facilitate matching the supply and demand of labour, especially in highly segmented labour markets. It provides some forms of assistance to the unemployed as a form of social protection. For example, Indonesia has implemented several programmes, such as the Education System, Occupational Health and Safety, Minimum Wage, and Link and Match Job Brokerage programmes. Finally it was recognised that most ASEAN countries pay close attention to the development of SMEs, which of course is the most common of all passive labour market policies.

In terms of Labour Market Policies, the workshop noted that NGOs play an important role in the provision and monitoring of social protection measures – especially for persons with disabilities. It was also mentioned that increased emphasis on corporate social responsibility could be used as a form of social protection in order to enhance the enforcement of labour standards in member states.

Social Insurance

AMCs have implemented social insurance schemes with the basis of a national system. Ortiz (2001) mentions that most countries in the ASEAN region have evolved toward a multi-pillar mixed public-private system that consists of two basic programmes:

- Public programmes to assure minimum income to the aged, unemployed, and other vulnerable groups
- Private or semi-private programmes that encourage voluntary supplementation by individuals

Social insurance schemes in most AMCs generally cover the formal sector workers only and are built on a narrow membership base. The schemes mostly cover medical care, sickness benefits, invalidity benefits, maternity benefits, survivors' benefits, employment injury benefits, and retirement pensions. As noted by the workshop, these conditions occurred in Indonesia, Thailand, and the Philippines, where coverage of the informal sector is still at the initial planning stages and not mandatory. Another important issue raised during the workshop was the uneven coverage of social insurance between public and private sectors, which happened in some AMCs. However, Brunei Darussalam, Malaysia, Singapore and Indonesia have provided good examples of provident funds that cover both public and private sectors workers, which could be used as examples for other countries.

In terms of governments' responses to this issue, the Philippines, for instance, has developed a social security system (SSS) for the private sector and a government service insurance system (GSIS) for its public sector (Gonzales and Grogorio-Manasan, 2002). Reducing these risks allows workers who have lost their jobs to search for a good alternative, removing some barriers that might otherwise discourage workers from acquiring education and training, and helping to ensure that the health and education of their children is not sacrificed in an economic downturn.

Tambunan and Purwoko (2002) reported that Indonesia since 1977 had implemented ASTEK (*Asuransi Tenaga Kerja* or workers insurance), which in 1993 changed to become JAMSOSTEK (*Jaminan Sosial Tenaga Kerja* or social insurance for workers). The law mandates all employers with 10 or more employees or paying a monthly payroll of not less than one million Indonesian rupiah (Rp) for the whole company are obligated to register their employees in the scheme. However, if employers have in place a better social insurance scheme for their employees from other private providers, then they would be exempted from the mandatory enrolment of the JAMSOSTEK insurance programme. This scheme has been introduced as social insurance for formal workers, which aims to provide employees accident insurance, a provident fund, and death and health insurance. Indonesia does not have cash payment for sickness, maternity, family allowances, and unemployment benefits. A compulsory health insurance scheme for public servants, namely ASKES (*Asuransi Kesehatan* or health insurance), has existed since 1968. The main problem facing Indonesia is that informal employees and the self-employed are not covered by these formal social insurance schemes.

Singapore has developed social insurance systems with exclusive reliance on the mandatory, publicly managed, contributory scheme. Asher and Rajan (2002) stated that the main vehicle in social insurance systems in Singapore is the Central Provident Fund (CPF). It mainly provides housing, retirement, and health cares. They define the system as multi-tier. The function of the Multi-Tier is to ensure a minimum income in old age, including a survivor's benefit feature. Singapore does not have unemployment insurance or other schemes for social risk pooling. There are, however, arrangements to compensate workers for injuries or death incurred during employment and retrenchment benefits. Singaporean and permanent residents are permitted to save 15 per cent of their ordinary wages, bonuses and income from self-employment, each subject to a ceiling, in voluntary tax-advantage account under the Supplementary Retirement Scheme (SRS). Until SRS, there was no specific tax-advantaged voluntary savings scheme for retirement.

The CPF is increasingly being utilised for other purposes like buying a house, paying for medical bills, investing in funds, getting insured, etc. The Fund is also unique in that each member contributes to and operates his own individual account. Within certain limits, he can use his savings to buy a flat, invest in shares, and pay for education or medical expenses. The savings are divided into three accounts (a) an Ordinary Account, for home ownership, investments, education and insurance premiums; (b) a Medisave Account, for medical insurance and healthcare expenses; (c) a Special Account, which is reserved for old age and contingencies.

In 1963, the CPF began to extend beyond providing for retirement at age 55. After considerable public debate on whether savings meant for old age should be used for buying homes, a Public Housing Scheme was introduced, allowing members to dig into their CPF savings to buy Housing Board flats. The response was overwhelming. Since then, the Fund as slowly evolved into a social security covering a wide spectrum of needs for the majority of the population. Several major schemes introduced to date are The Public Housing Scheme, The Singapore Bus Service Shares Scheme (known as the DelGro scheme), the Approved Investment Scheme, The Dependants' Protection Scheme, and The Education Scheme (The CPF Story, 2000).

Thailand's social insurance system, established in 1992, covers about ten million of the total labour force and covers both public- and private-sector employees who worked in the formal sector. All of them are covered by social insurance, since they have relatively higher and more regular incomes which are mandated by law and regulation. However, post-crisis budget constraints forced the government to delay expansion of the scheme and government planners are concerned about the lack of benefits for the neediest in Thai society, such as farmers and informal workers. To deal with the problem, the government has begun to develop a universal health insurance named the '30 baht scheme' aimed particularly at informal sector employees. The Social Security Act and Workmen's Compensation Act of Thailand stated that all employees in enterprises with one or more employees are covered by the Workmen's Compensation Fund. The fund provides benefit in cases of work-related incidents such as injuries or diseases, loss of organs, disability, death or disappearance. However, this social security act does not cover civil servants and other government employees such as soldiers, police officers, teachers, and university staff, as well as workers in state enterprises. Instead, they are eligible for quite generous benefits in terms of pension and compensation by providing health care and services for self and family members. For non-government enterprise employees, the Labour Protection Act of 1998 provides protection for unemployment in three cases, namely severance pay, provident funds and employee welfare funds

Dzung and Vinh (2002) reported that in Vietnam, the social insurance system was only really established in 1995. Vietnam Social Insurance (VSI) has introduced these initiatives with the main purpose of adjusting the whole economic system into a market-oriented economy. This policy is considered as very progressive and covers 16 per cent of the Vietnamese labour force, including labour contracts of three months, state-owned enterprises, Vietnamese staff in joint ventures, armed forces, and non-state enterprises with 10 or more employees. However, the current system of transfer payments and fee reduction for politically designated populations, including veterans, war heroes and their families, are regressive and inadequately targeted. The government however, has recognised the problem, by taking strong steps in the past decade to recognise social insurance systems; and the contingencies included in the social insurance scheme now cover sickness, maternity, employment injury, retirement pension, and survivorship pension benefit as well as funeral allowances.

Even though Lao PDR is defined as a low-income and under-developed country in the region, employees in the public sector were provided with comprehensive social insurance benefits since 1986 featuring health care and pensions with a high replacement rate (Thompson, 2002). In time, the benefits are improving and coverage of the scheme is to become nation wide.

Another social insurance scheme in Lao PDR is managed under the Ministry of Labour and Social Welfare (MOLSW), is the social security system for civil servants, army, and public employees. It covers medical care, sickness benefit, invalidity benefits, maternity benefits, survivor's benefits, employment injury benefits, retirement pensions, and child allowances for each civil servants and pensioners' child under 18 years. However, the system is not sustainable because there is no system funding, leaving the state budget to subsidise up to 70 per cent of all since its inception in 2004. The employee contributions only amount to 6 per cent of their earnings, which are not based on any financial estimates. The income is used to meet short-term costs of medical schemes. For the private sector, LAO PDR government have launched degree No. 207/PM of year 1999 that provides for nine social insurance benefit contingencies plus a death grant.

In Myanmar, social insurance policies of the Social Security Scheme have been implemented. The Social Security Act was enacted in 1954 and applies in 104 townships in 13 states and divisions, which include (a) The Social Security Scheme implemented under social insurance

system: General Insurance and Employment Injuries Insurance, (b) General Insurance: Sickness, Maternity, Death, (c) Employment Injuries Insurance: Employment accidents, Occupational diseases, (d) Ratio of contributions paid by employers and employees: 1.5 : 1.5 of the insured wages, and (e) State Contributions paid by the Government if there is any deficit.

The participants of the project workshop all agreed that ASEAN needs improved monitoring mechanisms to ensure the effectiveness of the social insurance's implementations in each Member state as well as some kind of regionally integrated system (or database) on social protection, particularly in the area of social insurance.

Social Assistance

In the ASEAN region, social assistance programmes, including social rehabilitation are quite common. The system covers various kinds of assistance, from those who fall victim to natural disasters like earthquakes, tsunami, flood, riot, and social unrest; to those who lack abilities to sustain a living such as the disabled, orphans, the elderly, migrants, ethnic minorities, the unemployed and drug addicts.

Many ASEAN countries have some social assistance measures within their own national policies to address short-term emergencies that occur rapidly and affect larger portions of the population. However, social assistance has often been overlooked as a social welfare policy programme because of the fear that it may create dependency amongst the poor, as well as concerns over inadequate budgetary resources to provide social assistance at the expense of programmes designed to stimulate economic growth.

Cambodia, Lao PDR and Viet Nam, as transition economic countries, have developed social assistance schemes that are managed by state-owned enterprises rather than the government. These schemes are not designed to cope with poverty and unemployment resulting from the transition to the market stage. The government allocation for the programmes is severely under-budgeted, with local government units expected to meet any shortfalls, including meeting delivery costs. As a result, the number of poor people who are actually receiving some form of social assistance is only a small percentage of those entitled. There is increasing demand from traditional marginalised groups expecting continued state support, as well as increasing need from new vulnerable groups.

In Singapore, social assistance programmes are tackled under the Ministry of Community Development and Support (MCDS). They submit a list of eligible recipients for social assistance to the People's Association. Once an accurate profile of the individual seeking assistance has been determined, the information is forwarded to the Citizen's Consultative Committee (CCC) that will determine the type of assistance required. The government-sponsored self-help groups, based on ethnic lines and the Nation Trade Unions Congress (NTUC) serve the needs of a specific group. The self-help groups provide financial and social assistance to their own ethnic groups, whilst NTUC serves its union members. Accesses to financial and social assistance schemes, retraining programmes and job placement have enabled the ruling party to cultivate and solidify political support.

In the Philippines, the enactment of the Social Reform and Anti-Poverty Act or Republic Act 8425 provided the adoption of a four-dimensional approach consisting of social, economic, ecological and governance in all the anti-poverty programmes. This law mandates the creation of the National Anti-Poverty Commission (NAPC) with the DSWD as one of its member-agencies. The Commission's sector-specific flagship programmes are:

- For farmers and landless workers – agricultural development;

- For the fisherfolk – fisheries and aquatic resources conservation, management and development;
- For the indigenous peoples and indigenous communities – respect, protection and management of the ancestral domain;
- For workers in the informal sectors – worker’s welfare and protection;
- For the urban poor – socialized housing; and
- For members of other disadvantaged groups such as women, children, youth, persons with disabilities, the elderly, and victims of natural and man-made calamities – the Comprehensive and Integrated Delivery of Social Services (CIDSS).

The Philippines Government implemented major policy and institutional reforms as well as key programmes geared toward protecting and empowering the poor and the vulnerable groups. It used a comprehensive and integrated convergence approach called the Kapit-Bisig Laban Si Kahirapan (KALAHI) or Linking Arms Against Poverty. This pro-poor strategy focuses on the acceleration of assets and ancestral domain reforms; improving access to and quality of essential human development services and social protection interventions; employment, livelihood and entrepreneurial opportunities for the poor; security and protection of the poor and identified vulnerable groups; and empowerment through fuller and meaningful participation of the basic sectors in governance and decision making all levels of government.

KALAHI-CIDSS: KBB (Kaunlaran at Kapangyarihan sa Barangay), aims to empower communities through their enhanced participation in community planning through participatory consultation and implementation of projects and improved local governance (additional input from the Philippines).

To support their social protection systems, most AMCs except Brunei Darussalam, have introduced the family planning programme that aims to maintain the growth of their populations. It is assumed that the steady growth of population, especially in high-population countries, would enable government to cover its citizens and provide them with the facilities and infrastructure for adequate social assistance provision.

During the workshop, it was noted that, apart from poverty, family dysfunction and domestic violence are also key socio-economic issues to be considered when examining social protection –and that they are also normally related to, or caused by poverty i.e. low wages or unskilled workers with an inability to provide adequate support for their families. The workshop also outlined that a lack of access to healthcare services and facilities is still evident in most transition and emerging countries. Other challenges faced by AMCs in the area of social assistance include the sustainability of the various programmes and the implementation of laws enforcing the various programmes in member states. Many governments also admitted their inability to reach target groups due mostly to lack of available data and information and/or lack of resources. However, AMCs are optimistic that the programmes will achieve some progress as a result of strong commitment to strengthening social protection systems and by sharing information among AMCs, as well as through building on the existing partnerships with NGO’s and civil society.

The workshop remarked that all AMCs have integrated their social assistance with provision of financial assistance and subsidized healthcare, compulsory education, employment assistance and training, call centres and networking with community. AMCs have also developed crisis centres, awareness programmes and promoted NGOs to help the vulnerable people. Brunei Darussalam, Singapore, Thailand, Vietnam and Indonesia provided pilot projects by adding subsidized housing into their system, whilst the Philippines took a step forward by providing tax incentives for hiring the disabled.

Micro and Area-Based Schemes

In ASEAN, there are at least four main forms of micro and area-based schemes usually implemented by local communities. They include micro insurance, agricultural insurance, social funds, and local disaster preparedness and management. Together with well-designed risk reduction initiatives such as disaster management, and community-based support programmes, these schemes can reduce vulnerability at community level and promote more sustainable rural livelihood.

- Micro insurance organised locally could offer an option to protect the group members against their economic risks.
- Agricultural insurance, mostly crops insurance programmes, provides the protection necessary to enhance getting innovative farming techniques and removing unnecessary barriers to rural economic development.
- Social funds, typically community-based activities, are very important to hold social capital amongst the villagers and maintain social livelihood programmes.
- Local disaster preparedness is specific local activities run by local institutions to anticipate regular natural disasters such as a typhoon in the typhoon belt of Luzon area; flooding in Java islands; droughts, mostly in eastern of Indonesia; earthquakes and the recent tsunami.

According to workshop's discussion, there are several similarities found in most AMCs in the area of micro and area-based schemes: such as schemes relating to the micro financing of enterprises as part of social protection; as well as schemes relating to the traditional values systems practiced in each member country; and finally, responses to natural disaster. These similarities have also served to tighten the emotional and cultural bond among the AMCs.

It was also noted that most countries' experience of savings groups is that they eventually become micro-finances and then, graduate to become cooperatives. In Indonesia, Lao PDR, Thailand, and Malaysia for example, the savings groups were formed to provide loans and government officials assisted them with the management of funds. In Malaysia for instance, the principle is to create a savings group for the rural poor and the group's representatives will then decide on who can receive loans as well as setting weekly savings and repayments.

AMCs have made significant advances in terms of micro and area-based schemes, which is a potential strength for AMCs regarding the regional integration of social protection. AMCs have also developed SMEs and the SME sector as part of its poverty reduction efforts. Local wisdom at the heart of decision-making process is an essential asset. The existence of local tradition, which functions as an effective mechanism to maintain the development of social protection at national level, is also an important feature of the ASEAN region

Agricultural insurance schemes are available for farming communities in some ASEAN countries. There are many kinds of agricultural insurance provided by both cooperatives and the state. These kinds of schemes provide a mantle of protection to farmers against natural risks that are usually beyond their control. These schemes are managed by pooling together farmers' risks and resources so that the burden of loss can be distributed. In Indonesia and other ASEAN countries, there are many kinds of seed banks, rotated savings and loan mechanisms for farmers. These are effective tool for rural development provided the institutional structures are in place.

The main function of community-based schemes is to sustain livelihood security, particularly for rural households. For instance, crop insurance mechanisms are easily found in rural areas in Cambodia, Indonesia, the Philippines, Thailand and Viet Nam. Other informal mechanisms

found in many rural areas for coping with household's difficulties include: borrowing, drawing down on savings, selling assets, mutual support from family and friends, reciprocal arrangements with wealthier households, and seeking additional income producing activities; and they all serve an important role in buffering the impact of crisis and regular shocks.

The best-known mechanism of the micro- and area-based schemes is micro insurance. It involves voluntary and contributory schemes for the community and in recent years, groups of workers in the informal sector throughout AMC's have set up their own micro insurance initiatives. The scheme normally gets assistance both from government and NGOs. Micro insurance in many AMC's has therefore become an emerging topic with high growth potential and it is proving popular amongst the region's citizens because of the fact that it provides benefits at affordable prices, even for low-income communities.

In Indonesia, one pilot project of a social welfare insurance scheme is called ASKESOS (*Asuransi Kesejahteraan Sosial*). It has been targeted at poor workers and informal sector workers. This programme is managed by an NGO or self-help organisation. With the administrative support of the NGO, informal workers are encouraged to save Rp 5,000 (equal to 50 USD cents) per month for three years; whilst doing so, the Department of Social Welfare meets the costs of any hospitalisation lasting at least five days (to the extent of Rp 1,000,000 (or USD 100 per year) and provides a lump sum of up to Rp 600,000 (or USD 60) in the event of their death (Tambunan and Purwoko, 2002; Thamrin, 2004).

In some parts of Indonesia, voluntary village-level organisations provide *Dana Sehat*, which is insurance against the costs of primary health care. The Department of Social Welfare of Indonesia stated that in Indramayu District, there are good local initiatives, namely the associations of Indramayu's village headman, which provide local people with local health insurance through an identity card scheme. All Indramayu villagers are protected by local health and a life insurance mechanism if they have local identity cards. All Indramayu villagers are eligible to have local identity cards and they pay Rp 7000 for them, of which Rp 2000 is allocated for their health insurance premium. Other villages in Indonesia have been setting up independent schemes to provide local people with social benefits in the form of medical, life/funeral, old-age, disaster, education, or other benefits. A certain amount is paid by members in order to maintain the group fund and a group leader is appointed to manage the fund. These schemes are independently organised by local/community groups and are rarely supported by government.

In Cambodia also, micro-insurance schemes are rapidly emerging to provide social affordable insurance to the informal sector. Similar situations are found in Thailand³, where family and community networks, particularly in rural areas, are traditionally seen as a safety net mechanism to provide necessary support, if and when necessary. There are two current forms of informal health insurance taking place in the country. The first element is gold card – a free health card that entitles individuals and families below the poverty line to free health care at public facilities. The second element is targeted to the 'near poor', who can purchase a *baht* 500 card, which entitles the holder and family members to public health services. However, the *baht* 500 programme has recently finished, and is now in the process of being replaced by the universal health insurance called '30 *baht* scheme'. The villagers and the informal bodies themselves act as an alternative social security system for the involved persons, as activities in the sector generate a certain income for them.

Community-based social funds are common in the ASEAN region and regarded as a

3 In Thailand, like in other transition and emerging countries, the informal sector is considered to be a dominant sector, with more than 75 per cent of Thailand's employed labour force currently in this informal economy or unregistered sector.

mechanism to channel public resources to meet particularly pressing social needs. It is typically managed at the local level, involving NGO and local governments that provide finance for small-scale projects such as livelihood programmes for community groups and local economic development projects. These approaches are now being used by both local governments and foreign development donors (NGOs, etc.) alike, to promote local economic initiatives, pilot test decentralised management, finance small-scale infrastructure (Ortiz, 2002).

In Indonesia, voluntary village-level organisations are running in many places to provide local community funds with primary care. They collect in-kind contributions to provide welfare assistance in emergencies. In Java, for example, households contribute a cup of rice or other kinds of food every week; and these resources are used to help families who do not have adequate resources when they face risks. This kind of mechanism is called *jimpitan*. Other forms of social funds are the replication of the *Grameen Bank* model. They are widely found in Java and North Sumatra. This model involves cooperative credit programme required by small-scale rural borrowers for further development of commercially based lending and promoting community involvement. Similar programmes are also observed in rural areas in the Philippines and Malaysia.

In Viet Nam, the community social funds programme takes the form of concession or exemptions from school fees, health costs and local taxes. Vietnamese households, particularly the rural poor, rely heavily on such informal social protection mechanisms, and they are usually based on family, community, and other contacts. Due to the poor standard of health facilities and their relative inaccessibility, rural communities are accustomed to self-medication with traditional remedies and medicines brought from local pharmacies.

Disaster preparedness and management is another essential form of social protection to assist communities in coping and mitigating risks. These issues were not priority issues amongst the AMCs until the recent tsunami that occurred in Indonesia and Thailand. Only several countries in ASEAN have established a disaster management centre for assessing hazards, providing emergency assistance and strengthening local-level risk reduction capacity. The Philippines, which is located in the region's typhoon belt, is one of the better examples of well-organised disaster management in ASEAN.

Child Protection

In ASEAN there is need for a wide range of interventions of child protection that incorporate both preventive and curative measures. Investment in children in responding to the above issues, however, represents only a small proportion of national budget amongst the AMCs, compared to the expenditure on defence (Crawford, 2001). There are several strategic entry points to protect children from all forms of abuses and exploitation in public policy in ASEAN.

1. Early child development programmes to ensure balanced psychomotive development of children through basic nutrition, preventive health, and education programmes
2. School feeding programmes and scholarships for children
3. Waiving of fees for mothers and children in health services
4. A street children initiatives programme to return children to shelters and homes
5. Advocacy programmes against child abuses, child exploitation and child labour
6. Youth programmes to avoid social problems among teenagers, such as criminality, sexually transmitted disease, prostitution, early pregnancy, and drug addiction

The main problems faced in child protection area are child abuse and poverty. The four main types of abuse are physical, emotional, and sexual abuse, and various forms of neglect. From the

workshop discussion, it was noted that the majority of lower income groups were lacking access to social protection system for their children in all AMCs. The phenomenon that mostly occurred in this group was neglect of children due to both parents' need to be in full-time employment, and this is particularly prevalent among migrant workers. Malnutrition in children due to poverty still remained a problem in most AMCs except Brunei Darussalam, Myanmar and Singapore.

Brunei Darussalam, Malaysia, the Philippines and Singapore have provided good basic services and adequate protection for children, including the basic law for child protection. Brunei Darussalam complies with the Convention on the Rights of the Child (CRC) on 23rd December 1995. Prior to the CRC, Brunei Darussalam had started drafting laws to enhance the position of children in a wide range of areas. Brunei Darussalam has also passed the Children Order 2000 to further protect the welfare of children, particularly the abused and neglected children. This order also provides that the best interest of the child shall always be of paramount consideration when any question arises with respect to the welfare of the child. In addition, Islamic Family Law was passed in 1999, and makes provisions regulating laws relating to Muslim families.

This particular legislation also includes matters pertaining to maintenance and guardianship or custody of children. The Islamic Adoption of Children and Adoption of Children Orders 2001, which both came into force on 26 March 2001, make provision to regulate the adoption of Muslim children in Brunei Darussalam. With regard to strengthening mechanisms for coordinating policies relating to children, the National Children's Council was established and officially launched on 18 January 2001. It is also tasked with establishing monitoring rules and regulations pertaining to children. The council consists of members from the government sector, the private sector as well as NGOs.

Another serious issue is child labour, including the worst forms of child labour like child prostitution, forced labour, slavery etc. However, beside general protection, children (13-15 years old) working due to their family's insufficient economic conditions also should also receive social protection. In line with the provisions covered in the ILO Convention No. 182 on The Prohibition and Immediate Action for the Elimination of the Worst Forms of Child Labour, children should only be allowed to do light work in the daytime and out of school-time, or work as a means to express their talents and/or interests.

Interestingly, the number of street children found in most AMCs is triggered not only by the poverty, but also by the domestic violence occurring in their surroundings. In some cases, children neglect is due to drug or substance abuser parents. In most AMCs, parents faced the impossible task of providing enough protection for their children. Closest relatives and families of these young persons who were entrusted with their care were often not able to provide adequate protection. The young persons consequently made good escape from constant harassment and violence from their families by going onto the streets. The next step in this cycle produced young offenders.

HIV and AIDS have also separated parents from their children. Losing the guidance of their parents leave children very vulnerable to exploitation. The exploitation of children mostly occurred in conditions where children are forced to work. Child trafficking, child labour and child exploitation for commercial purpose, for instance, are unfortunately highly evident in most AMCs.

Regarding gender issue in child protection, some AMCs experience conditions where more social supports are available for boys than girls, (i.e. by monks in Indonesia, Lao PDR, Vietnam and Cambodia provide a lot of informal support for boys in many of these countries). In Lao PDR and Vietnam, gender bias can also be seen in the national education systems, where young girls have fewer opportunities available to them, especially in higher education.

In light of these persistent problems, all AMCs have already had national action plans to implement child protection programmes that provide protection of the rights of the children. They also provide provision of financial assistance and welfare assistance services. The ten AMCs have ratified the ILO Conventions on child protection and are therefore promoting and regulating childcare services, minimum age of employment and eliminating the children involved in the worst forms of labour.

As part of governments' commitment to support child protection, Malaysia, the Philippines, Cambodia, Singapore and Indonesia have also developed specific community-based programme for child protection. Malaysia, for example, has provided a child protection team in every village. Another significant action launched by Myanmar is establishing training for childcare services.

In October 1995, by acceding to the United Nations Convention on the Rights of the Child (CRC), Singapore made a commitment to meet the minimum standards in the provision of health care, education, legal and social services for children. In many areas, provision for Singapore children was already well above these standards, but the principle of "in the best interests of the child" has since guided and further improved Singapore's policies and service provision for children and young persons, including the area of child protection.

Singapore has developed services and programmes dedicated to children abused under the Child Protection Services (CPS), which include Case Management, Specialised Counselling and Intervention Programmes, Programmes by Psychologists, Psychiatric Programmes, Enable A Family Volunteer Schemes, Practical and financial Assistance, Forestry Service, Kinship Care and Family Care Programmes, and Placement in Residential Care. The FamCare scheme, for example, taps into kinship support to provide care for child abuse victims when alternative care arrangements need to be made. Care provided by relatives can often reduce the fear and anxiety of the child, as the child is usually more familiar with relatives than with an unrelated family.

In the Philippines, the Department of Social Welfare and Development (DSWD) has enacted a total of eight national policies, inclusive of the Early Childhood Care and Development (ECCD). It is designed to enhance the quality and coverage of essential health, nutrition, psychosocial development and early education services of Filipino children aged 0 to 6 years. These policies cover issues such as employment of children, child abuse and discrimination, and international and domestic adoption. Community participation is being harnessed in the services. The DSWD has devolved to LGUs, such as family and women's welfare; whilst it is also implied in child and youth welfare, through the institution of community-based services. Its key programme for poverty alleviation, managed by the national office, applies community organisation before services, and is delivered to the community, which they themselves pick out as relevant to their needs (Bautista, 2002).

To strengthen the policy climate to protect children's rights, the Philippines has ratified the Convention on the Rights of the Children in 1990, the ILO Optional Protocols 138 and 182 in 1998. The Philippines is also committed to other international instruments like as the Convention on Discrimination Against Women, Millennium Development Goals (MDGs) and World Fit For Children. The end goal is to move towards international cooperation and partnership in upholding children's rights; such cooperation includes advocacy, prevention strategies and provision of special interventions to children in need of special protection.

As part of the Philippines government's commitment to the different international instruments, national framework/plans have been developed to guide local chief executive programme developers and other stakeholders. These include the following:

- Philippines National Strategic Framework for Plan Development for Children (Child 21) - A strategic framework using the lifecycle perspective for planning programmes and interventions

that promote and safeguard the rights of the Filipino Children.

- National Plan of Action for Children (NPAC) - Concentrates the vision of child 21 into clear, action able and time bound plans within a shorter 5-year time frame.
- Framework of Action Against Commercial Sexual Exploitation (FA-CSEC) – serves as a roadmap for any action, initiative or endeavour of LGUs, NGOs, National government from prevention to rehabilitation of children who become victims of commercial sexual exploitation of any form of sexual abuse.
- Medium Term Statistics Framework for the Girl Child – This is the Philippines’s concrete response to the Beijing Platform for action on the girl child.

To address specific problems on children with the goal of upholding their rights for the best welfare and interests, the government, in partnership with various NGO’s, has taken important legislative and organizational initiatives for the protection of children in need of social protection. As a result, the several laws were enacted. Republic Act 7610 (Special Protection of Children Against Child Abuse Exploitation and Discrimination Act) as amended by RA 7658, for example, declares as a State policy the provision to children of special protection from all forms of abuse, neglect, cruelty, exploitation and discrimination and requires the formulation of a comprehensive government programmes on child abuse, exploitation, and discrimination.

The Philippine’s government has also developed programmes and services to strengthen the policy climate to protect children’s rights. Programmes and services launched by the government include Early Childhood Care and Development, Pre-school Programme (Expanded Pre-school Education Programme); bright Child Campaign, Supplemental Feeding Programme, Food for School Programme, national Programme for Child Labour, National Programme for Street Children, Sexual Abuse and Commercial Exploitation of Children, Special Protection and Assistance to Children Without Primary Caregivers, Centre and Community Bases Programme for Children in Conflict with the Law, Children in Various Circumstances of Disability, Children as Zone of Peace, Community-based Strategies for the prevention, management and Alleviation of the problems associated with HIV/AIDS infection, and Violence Against Children.

The Philippines launched its Food for School Programme, a provision of one kilo of rice per child. Distribution is based on the attendance of each child in the day care centres and in schools with the highest Grade 1 enrolment in 55 provinces, covering the most depressed barangays, in the 5th and 6th class municipalities, including cities and municipalities in Metro Manila. The Philippines also provides the best alternatives to family care for children in conflict with the law, children in various circumstances of disability, children in situations of armed conflict, children with HIV/AIDS and other children in various circumstances of disability.

The government of Thailand has been developing some similar policies to implement the UN Convention on the rights of the children. Child protection in this country is designed to protect children from abuse, the illicit use of drugs, and economic and sexual exploitation. This protection is needed due to the fact that children are one of the vulnerable groups experiencing a wide range of abuses and mistreatment from both within and outside the family. The Convention seeks to address this vulnerability by requiring member states to assert the children rights in their national policies for child protection (Davies, 2000). In response to this concern, the Thai government includes children as the target group in its social security act in the form of child allowance. This benefit is provided for insured persons (Pongsapich, 2002). Together with the old-age pension, this scheme was introduced in December 1999 with the actual contribution rate being set at 2 per cent (1 per cent each from the employer and the employee) for 1999; 4 per cent from 2000; and increased to 6 per cent from 2001 (Asher: 2000). In addition, the Ministry of Education has cooperated with UNICEF to launch some projects denouncing child trafficking and providing scholarships for children who remain in or come back to school.

In order to prevent children becoming involved in the worst forms of child labour due to economic conditions and/or poverty, the Indonesian government is empowering its family economy through informal training for working children and for their family. These programmes are designed around the use of revolving funds for their families to run small scale business/ home industries; and some efforts have also been made to strengthen national policy and raise awareness on the need to abolish the worst forms of child labour throughout many of the country's regions.

It is also acknowledged that Cambodia has become a transport hub for the trafficking of women and children. There are estimated to be 88,000 trafficked Cambodian women in Thailand and between 40-60 per cent of sex workers (14,000) in Cambodia were forced or tricked into the business (NPRS 2003-2005). Other young girls turn to the sex industry as they have few viable alternatives. Poverty, social upheaval, underdeveloped legal infrastructure and weak law enforcement are all contributing to the rapid growth of the sex industry and trafficking of women and children.

In the transition countries of ASEAN, child protection programmes are still given less attention. The high child dependency ratios indicate the need to provide social protection for children. In Cambodia, for instance, there is a need to focus on combating child labour and trafficking. In their National Poverty Reduction Strategy (NPRS 2003-2005), it is mentioned that there were several strategies being taken by the government. It started with the promotion of law enforcement regarding child protection, followed by an increased coordinating mechanism for combating sexual trafficking and the establishment of five new transit sites.

In conclusion, the expansion of community-based child protection networks, preventing and supporting activities for vulnerable children and increasing the capacity of alternative forms of care for children at risk undoubtedly needs to be considered further by all AMCs in the years ahead.

Chapter 4: RECOMMENDATIONS ON STRATEGIC DIRECTIONS AND FOLLOW-UP ACTIONS

(Based on the Regional Workshop (Jakarta Indonesia 28th Feb – 1st March 2006) and informed by the previous Chapters)

INTRODUCTION

The activities of the current project culminated in a Regional Workshop in Jakarta, February 28-March 1, 2006. The workshop gave the opportunity to bring together key stakeholders in Social Policy in the ASEAN member countries and in a head-to-head Group discussions to complete the review of the current situation in social issues and social policy at regional and country level. It also gave the opportunity to make recommendations on strategic initiatives to enhance country level and regional level social policy, through co-operative action of mutual learning and support.

WORKSHOP CONTEXT

The overall objective of APRIS is to support the integration, and in particular the regional economic integration process in ASEAN by facilitating access to relevant experience and know-how, including from the EU, whilst contributing to strengthened EU-ASEAN relations and EC-ASEAN dialogue. GDSI were asked to contribute to this process through more specific objectives, namely, to assist the ASEAN Senior Labour Officials identify and implement a set of strategies that:

- Build capacity of ASEAN officials involved in establishing systems of social protection or social risk management that build upon local strengths and existing (formal and informal) mechanisms;
- Lead to the development of an integrated policy framework and institutional mechanisms to deal with the overall issue of social protection, with a view to facilitating movement of skilled workers in the region;
- Identify special needs of ASEAN's newer members and facilitate "mentoring" arrangements among ASEAN Member Countries;

GDSI carried out a detailed analysis of the existing literature and executed a survey of social affairs ministries in the 10 ASEAN countries to ascertain current social issues and current social protection policies and programmes to address the social issues.

The project identified 5 areas in the social policy domain, which are the principal focus of attention:

- Labour Market Policies: (a) Active (labour exchange, training, employment generation); and (b) Passive (unemployment insurance, labour standards)
- Social Insurance: Income support based on prior contributions in the event of illness, disability, work injury, maternity, old-age, death
- Social Assistance: Social services for highly vulnerable groups (e.g. cash or in-kind transfers, family allowances, temporary subsidies)

- Micro and Area-based Schemes: Micro-insurance, social fund, disaster management
- Child Protection: Early child development programmes, school feeding and scholarships

Different levels of protection exist across the ASEAN community, on the basis of which member countries can be grouped into three synthetic clusters:

- Transition economies
- Emerging economies
- Advanced economies

The principal factors influencing protection levels include levels of economic wellbeing and its stability, quality of governance, socio-cultural conditions and social structures and networks, power structures and interest groups.

Economic development and structural change, despite contributing to overall socio-economic wellbeing, generates attendant social tensions due to population growth, urbanisation and migration, growing income disparities, in particular between urban and rural communities, disruption of traditional support systems, uneven social protection coverage (some regions rather than others, public rather than private sector employees, formal rather than informal sector). There is also tendency to copy the West without recognizing the differing social and ethnic contexts.

The results of this exercise, in issues identification, policies to address these issues, which are currently being implemented across the 10 ASEAN member states, and the obstacles to their implementation, have been written up in the earlier chapters of this "Issues Paper". As part of this overall exercise, a Workshop was organised to complement the research carried out to complete the information gathering exercise. Although the Workshop had very precise objectives, the dynamics generated there gave a more focused orientation to proceedings. It culminated in the generation of a set of strategies, mainly at the regional level, for each social protection area and further proposed the implementation of a set of pilot actions, mainly at the country level, for replication in other member countries. The proposals generated at the Workshop form the basis for the formulation of principal element of the concluding chapter of this report, namely an overall general strategy of co-operation in social protection in the ASEAN region.

WORKSHOP OBJECTIVES

A Workshop was organized on February 28 - March 1, 2006 with participation from senior civil servants from the social and labour ministries of the 10 ASEAN member states, together with members of the ASEAN Secretariat and GDSI and some observers from non-ASEAN states (Appendix 2). The general objective of the Workshop was to complement the research work already carried out in preparing the "Issues Paper" (to get feed-back from the participants in completing the information input required) and mapping a co-operative way forward towards joint social policy action in the ASEAN region.

The specific objectives set out for the Workshop were to:

- Identify best practices in social protection policy among ASEAN states
- Identify the major obstacles to implementing policies;
- Elaborate strategic directions to strengthen social protection systems in ASEAN at national and regional level
- Define procedures on how ASEAN countries can co-operate toward implementing a set of common policies

It was agreed in the course of the Workshop that the first two objectives could be achieved

within the preparation of the Issues Paper and that delegates from the respective participant countries could provide additional information by correspondence to complete this exercise. The emphasis at the Workshop was, therefore, placed on:

- Elaborating strategic directions to strengthen social protection systems in ASEAN at national and regional level; and
- Defining procedures on how ASEAN countries can co-operate toward implementing a set of common policies

WORKSHOP PROCESS

The workshop was opened by Dr. Wilfrido V. Villacorta, Deputy Secretary-General of ASEAN (Appendix 4) and Mr. David Martin, European Co-Director, APRIS (Appendix 5). The work carried out to date on the Issues Paper was presented by Edi Suharto and Juni Thamrin of the GDSI Team (Appendix 6). Professor Michael Cuddy, GDSI, outlined his understanding of the overall project, its objectives and what should be achieved during the Workshop (Appendix 7). Ms. Moe Thuzar and Ms. Elaine Tan of the ASEAN Secretariat outlined the Workshop agenda, the key questions to be addressed and the desired outputs.

The Workshop participants were assigned to three Working Groups, with at least one national representative in each working Group:

Working Group I:	Labour market issues and social insurance
Working Group II:	Social assistance and child care
Working Group III:	Micro and area-based schemes

Each Working Group appointed a Chairperson and Rapporteur.

The main thrust of deliberations in Day 1 included socioeconomic issues, which demand social protection in the region, national response to these issues, the forms of “best practice” social protection implemented in the region and some ideas for strategic action at the regional and national levels. A synthesis of each Working Group discussions was reported back to plenary session (Appendix 8).

Retaining the same Working Groups as in Day 1, so as to build on significant output already achieved and the operational rapport established, the focus of the deliberations in Day 2, as agreed between the ASEAN Secretariat and the GDSI Team, was centred on:

- Refining and making more concrete the strategies, which were articulated on Day 1; and
- Agreeing a number of feasible initiatives, which could be implemented by way of pilot projects.

It was, also, agreed that delegates would provide, by correspondence with the GDSI Team, the additional information, which was necessary to complete the “Issues Paper”.

WORKSHOP OUTPUT

Introduction

The Workshop output may be summarised, in general terms, as comprising two types of proposed initiatives, strategic initiatives and pilot actions, across five thematic areas (Table 1). The strategic initiatives refer primarily to the ASEAN region, while the proposed pilot actions are targeted at both the regional and the national levels.

Since the strategic initiatives are to be implemented at the regional level, that is, that they will be carried out as a joint project of the ASEAN members, it presupposes an organisational capacity at the ASEAN level to implement such joint action. Such organisation must link together the relevant ministries at the national level under the umbrella of the current ASEAN Secretariat.

The objective of the pilot actions is primarily to identify a number of feasible initiatives, which are carried out simultaneously, on a pilot basis, in a number of countries. These initiatives can be monitored and reported on to a regional forum on a periodic basis. This can enable each participant in the project to benchmark themselves against the other participants. Factors, which influence or impede success, can be identified and participants can learn by doing and learn from each other. Learning from the experiences, best practice can be articulated and put into effect in the participating countries. Ideally, this best practice will eventually be put into effect in all ASEAN member states.

The language of “social protection” is imported from developed economies and has not always the same currency or understanding in societies where social problems are so pervasive. Consequently, an initial task is to *Agree a regional (ASEAN) working definition of social protection* to be subsequently used at both regional and national levels.

Table 1: Workshop output: strategies and initiatives by social area

→ ↓ Initiatives Themes	Strategic Initiatives	Pilot Actions
1. Labour market policies	X	X
2. Social Insurance	X	X
3. Social assistance	X	X
4. Micro and Local enterprises	X	X
5. Child protection	X	X

Labour market and social insurance

Labour market and social insurance initiatives are closely related, in particular, eligibility for social insurance is linked to previous employment. Consequently, the proposed initiatives for these two related areas are grouped together.

Strategic initiatives

The strategic initiatives to be carried out at the regional level include:

- Advocating stronger political commitment through policy studies on cost of inaction, for example, the social cost of out-migration
- Providing inputs to, or ensure that, ongoing and planned regional projects and initiative on skills networking and recognition, and labour mobility, also address social protection needs of workers (formal, informal, migrant workers)
- Developing regional labour market monitoring and HRD planning systems
- Developing and implementing a 3-year regional project (with pilot activities at national level) on integrated social protection systems
- Documenting existing social protection policies in ASEAN
- Establishing key social parameters on social protection in ASEAN

Pilot actions

Regional level: Establishing key social parameters in all 10 countries

While recognising the significant variation in social and economic conditions across the ASEAN members, it is essential to establish a regional database on key social parameters, using comparable methodology and understanding of the identified parameters. The objective is to set up an initial baseline and to update the database on an agreed regular basis.

Initial suggestions on the key parameters include:

- A catalogue of existing national social protection policies
- Types of social protection (programmes, social assistance, provident funds, etc.)
- Expenditure on social protection (as % of GDP/ national budget)
- Listing of executing agencies/departments/institutions with their management capacities, manpower, resources, etc.
- A measure of multi-sector coordination (one-stop service)
- A critique of the enabling environment, for example
 - Legislation (new, amend, update)
 - Social dialogue
 - Local/ community participation (esp. women)
 - Media coverage, awareness
 - Accessibility to services (through ICT and other means)
 - Monitoring mechanism (check-and-balance)

National level: Actions to be adopted by other partner states

The suggestions for pilot actions are based on national priority issues, which may also be implemented by other ASEAN members. The suggested initiatives are grouped into three clusters and are associated with the nominating member state:

Cluster 1 (Informal sector)

- Indonesia: Promoting self-employment in the informal sector
- Philippines: Advocating voluntary membership of protection schemes
- Thailand: Providing social protection for home-based and agricultural workers
- Viet Nam: Providing social protection for agricultural workers

Cluster 2 (Public Sector)

- Cambodia: Extending social insurance to retired and disabled workers
- Lao PDR: Balancing contributions and benefits in social initiatives
- Myanmar: Providing unemployment benefits, and social protection for irregular and/or elderly workers

Cluster 3 (Aging workforce)

- Singapore: Ensuring adequate incomes for the retired
- Brunei D: Regulating retirement age with a gender perspective
- Malaysia: Re-training to provide skills for a new work environment

Social Assistance

Strategies

The strategies for social assistance, which are directed at the regional level, focus on mobilisation of political commitment, regional organisation of effort, sharing best practice and planning action at the regional level. Specifically they include:

- Promoting stronger national and regional political commitment
- Establishing an ASEAN committee on social protection under the SOMSWD or SOMRDPE
- Sharing best practices in social protection among ASEAN member states
- Preparing an action plan on social assistance measures at regional and national level

Pilot actions

The pilot actions are aimed at promoting stronger political commitment at the national level through highlighting social need and benchmarking performance in social protection with other member states. Specifically these initiatives include:

- Data collection on social protection need among the national population, which can be used for benchmarking with other member states.
- Benchmarking with other countries on social protection legislation and policies and the benefits derived from supporting various social groups at risk, e.g. the elderly, victims of disaster, the disabled, marginalized groups, and single parents

Micro and area-based schemes

Strategies

The strategies proposed consist of two broad strands:

- (i) Capacity building of the stakeholders and the identification and dissemination of best practice; and
- (ii) The promotion of indigenous practices in micro and area based initiatives

Technical programs in micro area-based finance should be co-ordinated by SOMRDPE and should include the following elements:

- Capacity building of stakeholders, including government officials, NGOs and communities (It should include gender sensitisation.).
- Documenting “best practices” from ASEAN countries and sharing with each other
- Sharing information through video-conferencing, as a first step
- Technical regional meetings to document best practices (Country reports and data bases from which best practices are selected)

Strengthen promotion and utilisation of local/indigenous practises and systems in micro and area-based initiatives through the following initiatives:

- Recognition, mapping, codification and institutionalisation of local/indigenous practices (e.g. Local practices that can be shared with other communities, for example, self help groups like the Grameen Bank Model)
- People-to-people exchanges and solidarity among community/local and indigenous people of ASEAN
- Harnessing benefits of indigenous/local knowledge and promoting them through national public policy
- Promoting and organising an annual ASEAN Local Fair

Pilot actions

Two pilot actions are proposed, which are based on national interests, but which may also be implemented by other ASEAN members and a pilot action which is regional in character and which would be repeated on an annual or bi-annual basis:

- People-to-people exchanges for the purposes of information flow and knowledge transfer (Indonesia)
- Mapping the incidence and type of indigenous knowledge based activities (Philippine)
- ASEAN Indigenous Fair (Indonesia)

Child Protection

Strategies

The proposed strategies include capacity building through education, research and associated knowledge transfer; networking for knowledge transfer, raising awareness and promoting political commitment:

- Capacity building
 - Understanding, implementing, monitoring and evaluation of the rights of the child based on the Convention on the Rights of Child (CRC)
 - Training on early child education and care (ECCD)
 - Training on children in need of special protection (CNSP)
 - Sharing of best practices in child protection schemes, undertaken along side with trainings
 - Conduct research on these issues in order to get a better understanding of the circumstances and processes of child vulnerability and alternative policy actions
- Networking
 - Each Member Country to establish/improve their website on child protection that can be shared by other Member Countries
 - Sharing of best practices, results of research conducted
- Raising awareness and promoting community involvement
- Promoting stronger political commitment

Pilot action

One pilot action is proposed at the regional level, namely, the joint training of trainees who are or will be engaged in CRC, CNSP, ECCD services, both in terms of their work practice and in research to support their more effective working:

Target group:

ASEAN officials working in the area of child protection

Objectives:

To strengthen capacity of trainers of their respective countries

To equip them with knowledge and skills needed to transfer to practitioners

Action:

Conduct a series of training for trainers focusing on four different areas on child protection, namely CRC, CNSP, ECCD, and research, conducted in four different countries

Output:

Better trained officers working on child protection

Better protection for the children

CONCLUSIONS AND RECOMMENDATIONS

The Workshop provided a forum to discuss social issues across the ASEAN region, the social protection measures and programmes, which are in place and the obstacles to their successful implementation. The Workshop format, with three Working Groups, facilitated discussion in five social areas, which are the focus of the APRIS project. The format was very effective in facilitating discussion on a very wide range of social issues. Each Working Group was able to report back to the plenary session and get feedback on their deliberations.

After discussing the region's social problems and the specific national measures in place to address them, the Working Groups focused on articulating strategies for addressing the social issues at the regional level and the national level. Pilot actions were also identified, which could be implemented, primarily, but not exclusively, at the national level.

There was a clearly expressed understanding of common problems and the need for joint initiatives at the regional level, which can support and encourage national initiatives. The need for partnership between government, funding agencies and civil society to achieve consensus on priorities, objectives and implementation is well recognized. While appreciating the interdependencies between economic development and social protection, there seems to be a common difficulty across member states of putting adequate emphasis, at the political level, on social protection. The need to get the political commitment of member states is, therefore, a priority. However, there was clearly expressed understanding at the Workshop of the power of collective action in mobilizing political support. This manifested desire for collective action is one of the most important outputs from the Workshop.

There was a common thread going through the strategic initiatives proposed for all five social protection area. They included:

- Capacity building or organizational structures, training and research at the regional and national levels
- Best practice identification and implementation
- Networking to facilitate information flow and knowledge transfer
- Regular fora for discussions and trading of experiences
- A common approach to creating political awareness and garnering political commitment
- The need for integration of effort between the public sector, NGO's and the communities

There was very encouraging richness in the pilot actions proposed both for the regional and national levels, for example:

- Regional level
 - Regional database of social parameters and policies
 - Training of trainees in Child Protection across the region
 - ASEAN Indigenous Fair in the area of Micro and Area-based Initiatives
- National level:
 - Providing social protection for specific groups
 - Promoting self employment in the informal sector
 - People to people exchanges for the purposes of information flow and knowledge transfer

The challenge now is to move forward toward realising concrete action along some of the tracks, which have been delineated during the Workshop. A set of recommendations is set out below based on the ideas generated from the Workshop. Although there is no particular priority in the order, there is a logic, which moves from organisational and structural issues to support actions and then to the implementation of pilot actions or policy initiatives.

Recommendations:

- Establish an ASEAN Social Protection Action Group with representation from the social protection ministries and relevant NGOs, with a Working Group for each social protection area
- Arrange regular meetings among counterparts across member states addressing the different social protection strands
- Agree a common definition of terms in the social protection domain
- Set up a common data base on key social parameters and current social protection measures in each country
 - Set an initial baseline on parameters and policies, through which each member state can benchmark its own situation
 - Update the database on a regular basis
- Put in place a research unit which will propose, support and promote regional initiatives
- Strengthen the existing networks for information flow and knowledge transfer through creating a Regional Website on Social Protection, linked to national websites
- Obtain government commitment in each ASEAN member state to establish a minimum baseline set of objectives, measures and standards in each social protection area
- Establish cross-country pilot projects in agreed set of measures, implemented over say 3 years (financed from common fund with international assistance)
 - Compare achievements over implementation period
 - Identify obstacles to achieving these standards
 - Identify best practice for each policy initiative and try to influence movement toward best practice in each member state
 - Organise regular meetings/conferences to discuss and plan progress – use cross country case studies to track progress and chart the way forward
- Identify a small number of policy measures and supporting legislation, which can be implemented across all member states, for example in respect to rights of migratory workers in, say, the construction industry and tourism industry
- Prepare an action plan on social protection measures at regional and national levels
- Initiate stakeholders' capacity building actions at the regional level; for example, the proposed Pilot Action under the Child Protection rubric, the training of trainees who are or will be engaged in CRC, CNSP, ECCD services, is an excellent place to start joint co-operative action.

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Appendix 1:

SUMMARY OF THE CURRENT ISSUES IN RELATION TO SOCIAL PROBLEMS IN ASEAN MEMBER COUNTRIES

a. Labour Market

Socio-economic issues constituting social protection	Existing social protection	Follow-up actions at national level	Follow-up actions at regional level
<ul style="list-style-type: none"> ▪ Contagious social impacts of the recent economic crisis are still found in most ASEAN MEMBER COUNTRIES (AMCs) with more severe impacts in transition and emerging countries. ▪ Over population growth and segmented and imbalance labour market problems are observed particularly in Indonesia, The Philippines, Viet Nam, Thailand. ▪ Most AMCs are still facing unemployment and rising informal sector workers (e.g. Indonesia, The Philippines, Cambodia) ▪ Labour migration problems are particularly evidence in Indonesia, the Philippines, Malaysia, and Singapore. ▪ Forms of discrimination and exclusion continue to be important issues in some AMCs 	<ul style="list-style-type: none"> ▪ In Active labour market forms, such as: providing direct employment generation; employment services and skills development programmes. ▪ In Passive labour market forms, such as unemployment support; income support and labour protection legislative framework ▪ Promoting SMEs (the Philippines, Indonesia, Thailand, Lao PDR, and Malaysia) ▪ Developing agricultural sector as main labour market (Viet Nam, Cambodia, Lao PDR, and Myanmar) 	<ul style="list-style-type: none"> ▪ Developing labour market information system ▪ Enhancing pre- and in-service skills building, especially for women to ensure access to skills building and increase importance of market-driven training, and the shift from skills to knowledge. ▪ Facilitating job brokerage, counselling and placement services ▪ Improving pension system ▪ Providing appropriate unemployment benefits ▪ Encouraging expansion of labour standard and legal reform efforts. ▪ Developing apprenticeship programmes ▪ Developing technical and vocational training for labour. 	<ul style="list-style-type: none"> ▪ Developing an ASEAN labour market information system ▪ Developing exchange programmes on labour market issues ▪ Developing standards to facilitate labour mobility in ASEAN ▪ Enhancing regional cooperation in promoting SMEs and informal sector development in ASEAN ▪ Creating ASEAN models of partnership on industrial relations.

b. Social Insurance

Socio-economic issues constituting social protection	Existing social protection	Follow-up actions at national level	Follow-up actions at regional level
<ul style="list-style-type: none"> ▪ Whilst impacts of economic crisis are still found in most AMCs, poverty and economic shocks are particularly evidence in Indonesia, The Philippines, and Myanmar ▪ Decreasing profit of firms and fluctuations in economic growth are noticed in Indonesia, Viet Nam, LAO PDR, and Cambodia ▪ Social unrests and natural disasters are affecting socio-economic development in Indonesia, Thailand ▪ Discontinues works and issues relating to the increase of the urban informal sector are discovered in Indonesia, the Philippines, and Thailand ▪ Some AMCs are also facing financial failures, illness, injury, diseases and any kinds of potential risks such as loss of productive assets, jeopardizing abilities to generate income 	<ul style="list-style-type: none"> ▪ Unemployment insurance (e.g. The Philippines) ▪ Work injury insurance or employment accident benefit schemes (e.g. JAMSOSTEK in Indonesia) ▪ Disability and Invalidity insurance (e.g. The Philippines, Thailand, Vietnam, Malaysia) ▪ Sickness, Health and Maternity insurance in most emerging and advanced countries of AMCs. ▪ Old-age insurance in most AMCs. ▪ Death Grants and Survivor's Pension in most AMCs. 	<ul style="list-style-type: none"> ▪ Improving the service quality of social insurance institutions and any linked it with financial institutions. ▪ Developing financial resources of provident funds. ▪ Improving the rate of return on provident fund investment. ▪ Developing unemployment benefits scheme plans such as training of employment office staff for job placement, provision of new technology in social insurance offices required to access contribution records and exchange information with employment offices on claims. ▪ Improving the coverage of health care and maternity insurance. ▪ Establishing social insurance management as an important element of poverty reduction. ▪ Extending coverage to employees in medium and small enterprises, and the informal sector. ▪ Developing training centre and institutional capacity building for servicing AMCs on social insurance programmes ▪ Developing social insurance systems for migrant workers in both sending and receiving countries in ASEAN 	<ul style="list-style-type: none"> ▪ Developing an ASEAN network on social insurance and pension arrangement ▪ Sharing successful experiences with social insurance system within AMCs ▪ Developing exchange programmes among AMCs to share and learn experiences in service delivery, especially for the poor

c. Social Assistance

Socio-economic issues constituting social protection	Existing social protection	Follow-up actions at national level	Follow-up actions at regional level
<ul style="list-style-type: none"> ▪ Illiteracy, high incidence of school drop outs/lack of education opportunities and malnutrition are part of the social impacts of crisis found in Indonesia, Thailand and Myanmar, and Cambodia. ▪ Governments are failed to redistribute adequate social and economic opportunities to the vulnerable groups and the poor (e.g. Cambodia, Indonesia, Thailand, and the Philippines). ▪ Economic shocks, chronic poverty, homeless, disability, severe illness, ethnic minority and social exclusion are found in most transition countries. ▪ Gender and vulnerability issues relating to single parents or female headed households are noticed in Indonesia, Cambodia, Myanmar, Singapore. ▪ Issues of human trafficking are found in Thailand, Cambodia, Lao PDR and Viet Nam. ▪ Most AMCs are facing issues relating to urbanization, migration, unemployment problems, including the urban informal sector, whilst ageing community is evidence in Singapore, Brunei Darussalam, Viet Nam, Malaysia, and Myanmar. ▪ War and social conflict/political down turn are found in Viet Nam, Cambodia, Myanmar, and Indonesia. ▪ Indonesia, Thailand, and the Philippines are prone to natural disasters. 	<ul style="list-style-type: none"> ▪ Welfare and social services for highly vulnerable groups such as disabled, orphans or substance abuser are implemented in most AMCs ▪ Cash or in-kind transfers such as food stamps and family allowances in some advanced and emerging economies (e.g. Singapore, Brunei Darussalam, Indonesia, The Philippines) ▪ Temporary subsidies such as housing subsidies, life-line tariffs, fuel price subsidies, lower price of staple foods in times of crisis (e.g. <i>Subsidi Tunai Langsung</i> or Direct Income Transfer in Indonesia as a form of the fuel price subsidies). 	<ul style="list-style-type: none"> ▪ Providing basic food staples and clean water especially for the poorest households and victims of natural disasters. ▪ Developing specific aid, support and assistance for specific disabilities such as rehabilitation, reading Braille, learning sign language and vocational training. ▪ Enhancing services for the elderly such as regular monitored health checks; meals provided and specific vocational training. ▪ Providing public works paying subsistence wages; develop vocational training in specific skills that are in demand and jobs search activities ▪ Providing rehabilitation clinics, counselling services and regular health care services. ▪ Distributing food with nutrition programmes. ▪ Providing public housing for urban poor. ▪ Capacity building for governments, institutions and organisations to develop and implement social assistance programmes within AMCs. 	<ul style="list-style-type: none"> ▪ Developing participatory tools on social assistance to guide local and national initiatives. ▪ Documenting effective policies/best practice cases from the region for strengthening support for family care provision, including public policy for strengthening “traditional family values” ▪ Developing a common approach for documenting social problems, and sharing lessons learned in solving social problems.

d. Micro and Area-based Schemes

Socio-economic issues constituting social protection	Existing social protection	Follow-up actions at national level	Follow-up actions at regional level
<ul style="list-style-type: none"> ▪ Impacts of sudden crisis and economic shocks are found in Indonesia, Thailand, Malaysia, and the Philippines. ▪ Price instability is evidence in Indonesia, Lao PDR, Cambodia, Myanmar. ▪ Indonesia and Thailand continue to face issues relating to economic transitions and reforms. ▪ Environmental issues such as flood, heavy rainy, landslides, drought, earthquake, including devastating impacts of the recent Tsunami are particularly evidence in Indonesia, Thailand and The Philippines. ▪ Issues relating to Low incomes are evidence in Lao PDR, Cambodia, Viet Nam. ▪ Harvest crops failures are found in Indonesia, but also evidence in Viet Nam, and Lao PDR. 	<ul style="list-style-type: none"> ▪ Any kinds of micro insurance involves voluntary and contributory scheme for the community (e.g. ASKESOS in Indonesia). ▪ Agricultural insurance to protect farmer from natural perils like storms, floods, droughts, plant pest, disease and harvest failures. ▪ Community-based social funds in Thailand and Indonesia (e.g. Jimpitan, Arisan, Funeral Funds) ▪ Disaster preparedness and management to assist communities in risk coping and mitigation 	<ul style="list-style-type: none"> ▪ Scaling up social and micro funds to expand community-driven development ▪ Developing appropriate indicators for risks management and vulnerability at the household and community levels ▪ Providing the best means of dealing with problems such as floods, droughts, disease, harvest failures and other natural disasters ▪ Assisting local communities in drafting a set of rules governing the operational of micro insurance. ▪ Providing training in the management of a micro insurance scheme for local communities members. ▪ Promoting financial literacy, encourage equal access to productive resources, and ensure equity in access to education and public services. ▪ Developing network on crops insurance schemes amongst the farmer's associations. ▪ Generating agricultural insurance model for the poor in rural areas ▪ Developing sustainable livelihood programmes in local area ▪ Initiating community-based disaster management 	<p>Promote economic entrepreneurship and the development of rural enterprises through:</p> <ul style="list-style-type: none"> ▪ Collaborating with the private sector to promote large-scale production and marketing by small rural business to link small rural economies to the larger market ▪ Convening regional workshops to share experience on community enterprises ▪ Facilitating access of rural population to micro-financing ▪ Investing in education, skills training and lifelong learning to promote employability of the poor ▪ Sharing experiences on informal sector development, rural youth entrepreneurship, etc. ▪ Sharing policy approaches on micro-financing and employment/income generation strategies, with a view to developing a shared approach.

e. Child Protection

Socio-economic issues constituting social protection	Existing social protection	Follow-up actions at national level	Follow-up actions at regional level
<ul style="list-style-type: none"> ▪ Extreme poverty are still evidence in most transition countries and some emerging countries whilst social impacts of the crisis continue to be evidence in most AMCs. ▪ Negative impacts of human trafficking are particularly evidence in Cambodia, Thailand, Indonesia ▪ The break up of family pattern are found in most AMCs, but particularly evidence in Cambodia, Lao PDR, and Thailand. ▪ Negative impacts of globalisation (e.g. downsizing firms and capital flights have increased unemployment) are especially evidence in Indonesia, Thailand, Cambodia, whilst issues relating to forced and trans-national migrations tend to increase in most AMCs ▪ Issues relating to political instability and homelessness are still found in Myanmar, Cambodia, Viet Nam, and Indonesia. 	<ul style="list-style-type: none"> ▪ Initiatives on the elimination of child labour and street children (e.g. Indonesia, The Philippine, Thailand, Cambodia). Under the ILO-IPEC (International Programmes on the Elimination of Child Labour), for example, Indonesia has been implementing National Action Plan to eliminate the worst forms of child labour. ▪ Early child development programmes, including school feeding programmes, scholarships and school fee waivers (e.g. Indonesia, The Philippines). ▪ Child rights advocacy (e.g. in Indonesia this programme is widely implemented by NGOs) ▪ Youth programmes to avoid marginalization in teenagers, criminality, sexually transmitted diseases, and early pregnancy and drug addiction. ▪ Family allowances to assist families with young children to meet part of their basic needs. 	<ul style="list-style-type: none"> ▪ Supporting community-based coping related to orphans and AIDS victims. Women are particularly vulnerable as they are expected to bear the burden of caring for the sick and may face additional social exclusion compare to men. ▪ Making education affordable for the poor through reduce education costs for the poor, eliminate hidden fees, provide grants and scholarships for needy students ▪ Providing and strengthen the network of vocational education and training centre of excellent. ▪ Empowering women to make their own care decisions by teaching them to recognize early danger signs. ▪ Providing rehabilitation centre for the youth and child involved in drug addiction problems. ▪ Providing counselling centres and temporary shelters for street children and child labour, and providing empowerment programmes for their families. ▪ Improving care-seeking behaviours and caring practices for women and children. 	<ul style="list-style-type: none"> ▪ Assisting the reform of civil codes and their enforcement in order to improve protection for children and women ▪ Exploring ways and means to prevent harmful child labour, such as the combat of child trafficking and commercial sexual exploitation ▪ Data collection and indicators development on the children-related MDGs ▪ Coordinating and cooperating in advocacy on child survival, protection and development concerns ▪ Capacity –building in emergency preparedness to address children’s needs ▪ Continue addressing ASEAN’s identified priorities for early childcare and development through i) monitoring, licensing and minimum standards; ii) curriculum; and iii) capacity building and qualifications

Appendix 2:

SOCIO-ECONOMIC DEVELOPMENT SITUATION IN THE ASEAN MEMBER COUNTRIES



CLUSTER 1: TRANSITION COUNTRIES

1. Cambodia



The fundamental development challenge facing the Royal Government of Cambodia (RGC) is to reduce poverty and inequality, and improve the quality of life of the vast majority of Cambodia's rapidly growing population. In 1990, the first year of the *Human Development Report*, Cambodia's Human Development Index was calculated at only 0.501, placing the country at the "low human development" status.

In year 2004, Cambodia's HDI is 0.543, having moved up to the "medium human development" category, placing Cambodia at 130th place out of 173 nations. Poverty in Cambodia, however, remains widespread (UNDP, 2004).

According to the ADB (2004), the rate of urbanisation in Cambodia is extremely rapid, about 8.4 percent annually, and arguably the highest in the world. This high rate of growth is primarily the result of pent-up large-scale migration from rural areas after the Paris Peace Agreement of 1991, following three decades of civil unrest and war. According to the 1998 census, the urban population is about 1.8 million of which 55 percent live in the capital, and dominant city, Phnom Penh.

Another important aspect of the economy is that skilled labour is extremely small. Despite a growth rate of 5-6 percent of GDP between 2002 and 2004, the unemployment rate is high, particularly amongst young men, reaching 16 percent in 2004. Nearly half of all Cambodian children are malnourished, and one in eight dies before their fifth birthday, largely due to preventable causes. Another disturbing feature of socio-demographic information is the high proportion of youths under 18 in the population (42 percent), which leads to an extremely high dependency ratio with the economically productive age group of 20-49 constituting only 16 percent of the population. The youthful population, the high unemployment rate and high levels of poverty, combined with the social dysfunction of a post conflict state, present immense challenges to respond to the issues of HIV/AIDS and gender-based violence.

According to Mak Sonjeng (2003), economic growth in Cambodia has mostly benefited urban areas and not led to widespread poverty reduction in rural areas where most of the population lives. The Cambodia National Poverty Reduction Strategy calculates that the incidence of poverty has declined from 39 percent of the total population in 1993-94 to 36 percent in 1997⁴. The National Poverty Reduction Strategy also found that, on average, the poor are living close to the poverty line and that consequently there is considerable potential for poverty reduction through growth with equity. Conversely, trends could reverse and poverty worsen with slower growth or an even more constrained distribution of benefits. Reduction in poverty incidence and progress towards reaching the millennium development goals (MDGs) – both mainly in urban areas - suggest that past economic growth has mostly benefited urban areas, where 15 percent of the population lives, with limited trickle down to the rural economy, and no indication of progress in rural poverty reduction. Income per capita in rural areas in year 2005 is estimated at US\$119, compared to US\$280 nationwide. With 90 percent of the poor living in rural areas and 79 percent of the poor depending on the broader agriculture sector for their livelihoods, progress in reaching the government's poverty reduction goals will not be achieved without addressing, head on, several key constraints faced by the rural economy. According to the National Poverty Reduction Strategy, 36 percent of the Cambodian population live on less than US\$0.46-0.63 per day, and 50.3 percent of children under age five are underweight.

The Second Socio-Economic Development Plan (SEDPII) of Cambodia recognised that the proportion of public health spending captured by the poor is very low and efforts so far to improve the equity of the health sector have not been effective, as the poor use government services far less than the non-poor. This is confirmed by poverty and social impact analysis in the recent Public Expenditure Review. It shows that the poor benefit only 2/3 as much as what would be the case with equal distribution whereas the richest receive double that expected. Poverty prevention, as well as poverty alleviation, therefore hinges crucially on a reform of the fee-and-exemption system, and providing access to good quality care for the poorest.

The analysis indicates that whereas the lowest income quintile (bottom 20 percent) consumes 13 percent of the resources, the top quintile uses almost 40 percent. This disparity is even greater if the relative health need of the poor is considered to be greater than that of the rich. Inequality in resource distribution is most evident for the national facilities, where relatively wealthy urban Cambodians make most use of these services. By contrast, district hospitals appear to provide the greatest benefit to the poorest group. Public sector resources available for service delivery are still very limited, however, and can be expected to remain so for many years. Whilst there is uncertainty about the actual figures, the share of government in total health spending is estimated at only about 10 percent, with donors contributing about 20 percent and households contributing the balance and therefore the bulk of expenditure on health (PER 2002). The current staffing of the Ministry of Health (MOH) is appropriate (in the

⁴ However, with a population estimated at 10 million in 1993/4 and 11.4 million in 1997, in absolute terms the number of poor has actually increased over the last decade, from 3.9 to 4.1 million (or a 5 percent increase in absolute terms).

mix of skills represented, but not in quality) to its needs as a direct provider of comprehensive health services. The MOH is less adequately staffed, however, in relation to its key non-service delivery functions.

The Education Sector Support Programme (ESSP) is geared towards poverty reduction through a combination of systematic reforms, ensuring that public resources are primarily used for the programmes benefiting the poor more than the wealthy; additional interventions targeting the most vulnerable groups at risk; and measures aimed at increasing the relevance of the education and training system for the Cambodian economy in order to help accelerate economic growth. The long-term goal is to achieve Education for All (EFA) by 2015. The medium-term goal is to provide nine years of quality basic education for all by 2010 alongside strengthening of pro-poor policy development and sector management, and improving the relevance of post-basic education. The RGC and The Ministry of Education, Youth and Sports (MOEYS) have already taken a number of policy measures to implement pro-poor education reforms. In 2000/01, the abolition of start-of-year parental contributions for grades 1 to 9 has already resulted in an 18 percent increase in enrolment nationally, and even higher increases in remote areas. The education recurrent budget share has increased from 15.7 to 18.2 percent in the past two years, allowing for provision of operational budgets to around 6000 primary and secondary schools.

The increasing cost of a public education (registration fees, uniforms, supplies, mandatory private lessons) prevents many families from sending their children to school. These children then spend extraordinary amounts of time unsupervised, either loitering or earning an income. An accurate census of the homeless or street population has yet to be carried out. Depending on the definition and according to the figures accepted by UNICEF, there are between 600 to 1,000 street children who have completely cut ties with their families and have made the streets their home and 10,000 street children who have kept ties with their family and return home either regularly or irregularly.

In the 1990s, the main characteristics of the education system in Cambodia were: (1) under-representation of children from poor families, girls and other disadvantaged groups at all levels, especially for secondary and post secondary education; (2) limited internal efficiency, especially high repetition and dropout rates in primary grades and inefficient secondary and post-secondary staff deployment; (3) uncertain quality of education, including limited availability of instructional materials and trained and motivated teachers; and (4) limited resources for the education sector. Limited public resources for the education system have resulted in unaffordable high costs, especially for poor families; a barrier to access; and low wages for teachers.

Lack of relevant post-basic education limit the contribution of the education sector to economic development and growth. Under-served groups are a result of poverty, geographic isolation and social exclusion. In particular, poor rural and ethnic minority areas are affected by lack of schools in rural areas, longer distance from students' homes, poor classroom conditions, and schools without a full range of basic education grades. These factors also contribute to an uncertain quality of education in rural/remote areas, made worse by the difficulty in attracting qualified teachers to work in these areas, due to absence of targeted salary incentives. The situation is also affected by the shortage of non-formal re-entry education and literacy programmes where the school dropout rate is high. In order to address the above-mentioned issues and achieve the sector objectives and education policy, a strategy and programme were clearly set out in the ESSP for 2001/05, jointly endorsed by RGC and donors/NGOs in mid 2001. The ESSP is based on a rolling approach with an annual strategy, jointly reviewed by the RGC and its partners. The programme adjusted annually based on ESSP review recommendations and budget allocations set out in the MTEF.

A long period of war, isolation and chaos has made life difficult for those most vulnerable. Street children and their families are amongst the most vulnerable in the country. In Cambodia, they are the tragic evidence of the country's recent dramatic history and the uneven development of a new economy, political system and capacities to respond to basic human needs. During the period of rapid change in Cambodia, in Phnom Penh in particular, lone children as well as entire families are finding themselves in new situations. The entire structure of many families was destroyed as a result of the massive killings and separations during the *Khmer Rouge* regime. In the past, nurturing by grandparents or other elderly relatives as well as support from Buddhist monks and school teachers eased some of the pressures of parenting. Now, however, the traditional family structure and support system for providing care and protection to children, including orphans, have been seriously compromised.

The population of homeless people, namely children, continues to increase in the capital city. The repatriation of Cambodian refugees has brought new residents to Phnom Penh. The difficult living conditions in the provinces are due to poverty, poor crop yield, continuous warfare and/or banditry in some regions. In addition, landmines prevent farmers from growing rice in many parts of the country, also affecting migrations to Phnom Penh. Illegal trafficking of young people for the purpose of sexual exploitation in the commercial sex trade is on the increase.

A survey carried out by Mith Samlanh Friends (2001) on the profile of street children listed the following reasons, in order of importance, for street children to leave or be separated from their homes: (1) problems within or breakdown of the family; (2) poverty; (3) becoming orphaned. All these factors lead to an increase of the urban migration and, therefore, to an increase in the population of street children and their families. Urban poverty forces many children to work in order to supplement the family's income. For its work, Friends has adopted the wide definition of street children: children who spend most of their time on the streets, returning or not to a family setting on a regular or irregular basis. Most of the street children in Phnom Penh come from the big squatter area in the Tonle Bassac called "Building". Approximately 50,000 people live in this particular squatter community, including an estimated 30,000 children who receive little or no parental support. This population is already a prime target for prostitution, trafficking and sexual violence.

2. Vietnam

Vietnam has been widely quoted as a country with moderate levels of human development even though being very poor for the last 25 years (NCSSH, 2001; Fritzen, 1997). With the economy pinning under the restrictions of state planning, the result of decades of war and continued international isolation, Vietnam introduced a wide-ranging economic reform programme in 1987 known as *doi moi* (restoration).

In view of economic indicators, the reform was regarded as having a massive success. Their impacts on the social sectors, in contrast, have caused much debate (Nguyen, 1997; Fritzen, 1999). On the positive side, Vietnam has avoided sharp decline in social indicators and coverage of services, somewhat in contrast to most transition countries. In fact, it has managed to enlarge coverage levels in almost all social service areas.



Any set of economic reforms that produce the large-scale decrease in poverty incidence experienced in Vietnam – from 58 percent to 37 percent between years 1992-1998, according to a large-scale living standards survey (GSO, 1999) – is bound to have generally positive impacts on most social indicators. Yet *doi moi* introduced a broader set of institutional reforms that also badly interrupted the service delivery network, such as the discharge of the agricultural cooperatives that had underpinned rural service delivery (Fritzen, 1999).

The economic growth by the period 1996-2000 was 7 percent and dropped slightly to 6.8 percent in 2001. This steady growth is primarily due to the low-level quality and low efficiency development; limited and unstable macro-economic balances; lack of perfect legislative systems; and other difficult conditions. Between 1996 and 2000, Vietnam experienced an increase in total export and import revenue (21.5 percent and 13.3 percent), in which the total invested on FDI (Foreign Direct Investment) was US\$10 billion and total invested on ODA (Official Development Assistance) was US\$6.2 billion.

An other interesting economic sector to note is SOEs (Stated-Owned Enterprises), which dominate and play important roles in the development of the national economy. Recently, Vietnam had approximately 200,000 SMEs (small and medium enterprises). Another important economic player is farming households, which account for 60,000. It generates significant employment. There are three areas of labour force that dominate the composition of employed workers - agriculture, forestry, and fishery. These three labour sectors accounted for 62.6 percent in 2000; with the service and construction-industry sectors accounting for 24.3 percent and 13.1 percent, respectively. In the same year, the labour force was working in the non-state sector and attracted about 700,000 labourers, particularly those who work on private and non-farming sectors.

The increasing rate of GDP means that the government is expected to invest on social development. From the social development aspect, Vietnam indicated an increasing trend in spending, as can be viewed from its expenditure for social insurance (14 percent), education (15 percent), and health care (6 percent). This number is not adequate if we glance back to the poverty line, and particularly given that social and health insurance doesn't seem to cover the vast majority of its population, which mostly live in the rural and informal sectors of the economy. Social assistance, allocated to formal social protection, is only delivered by the Contingency Fund for Pre-Harvest Starvation and Disaster Relief; while health and education assistance comes from the Hunger Eradication and Poverty Reduction (HEPR) as well as other limited programmes. Other smaller measures of assistance include the Social Guarantee Fund for Regular Relief (SGFRR).

The Vietnamese government is attempting to bridge the gap between economic growth and social development. Therefore, social protection is a part of important social affairs that should be undertaken by the government. It establishes a priority in developing an appropriate social policy in line with economic development. There are several policies issued by the government concerning this interest:

- Policies on economic development and forthcoming solutions projected to recover macroeconomic stabilisation to achieve convenient conditions for social protection
- Formulate a legal system for labour, child protection and care of the disabled and elderly people. The government is also looking to reform its social insurance system to strengthen social protection policy
- Establish some programmes to alleviate poverty
- Allocate state budgets and mobilise all resources for implementing social protection

The population growth of this country between 1989 and 1999 was 1.7 percent; by 2001 it became 78.7 million people. This population growth rate rose to 14.3 percent in 2000, of which the net fertility rate was 19.9 percent and the net mortality rate was 5.6 percent. In accordance with the low level of mortality and the relative growth of the fertility rate, another remarkable fact is the increasing level of life expectancy. In 1975, it was 50.3 years and rose to 67.2 years in 1995 and 67.8 years by 2001. As a result, the number of elderly people increased from 4.7 percent in 1989 to 5.8 percent in 1999. Another upward trend is the migration rate. During the period 1994-1999, it experienced its highest rate, 74 percent, as a result of industrial development in the big cities. Those cities that can be defined as destinations of urban movement are Hanoi, Ho Chi Minh, and Danang. These industrialised cities have attracted about 1.2 million people from rural areas who chose to migrate to earn a better living.

Major modifications in the way services are planned for, financed and implemented were often made *ad hoc* in the first years of the transition. Some 15 years on, major reviews of the social sectors (UNICEF, 2000; World Bank et. al, 2001) outline an unfinished agenda of institutional and policy reform to cope with both old and new challenges. In 2000, the Vietnamese government made primary education compulsory, nationwide. This achievement has proved effective in combating the rate of illiteracy — 14 percent, 9 percent, and 6.1 percent in 1989, 1999 and 2001, respectively. In 2001, the average number of schooling years per person was 7.3 years and it has changed its policy on compulsory education from elementary to secondary school. This policy is projected to be reached by the year 2010. Indeed, some observers point to growing regional and socioeconomic inequalities, a 'crisis' of affordability of social services for the poor, and the generally poor quality of public services as evidence of a growing gap between reform needs and progress in the social sectors (Fritzen, 2002). Nowhere is this disjunction greater than in the field of social protection.

3. Myanmar

Myanmar can be observed as a forest-clad mountainous country, with hills, ranges, plateaus, valleys and plains. The mountain ranges altitudes vary from 3000 to 7000 feet from natural boundaries. In the Central Myanmar, there is a dry zone. The dry zone covers 40 percent of all croplands. Almost 50 percent of the total land area is covered with forests. Poverty can be attributed to many factors. Seventy-five percent of Myanmar's population live in rural and remote areas. It is in those areas that poverty is the great problem. Poverty is also widely prevalent amongst large segments of the urban population. Their earnings have been eroded by inflation. Urban poverty exists amongst the unemployed as well as those in low-paying jobs. A large portion of the rural population does not have access to safe water or proper sanitation.

The Population of Myanmar is 52.17 million. The labour force (age 10 and above) is estimated at about 25 million. The labour force participation rate is about 64%. Over 56% of the labour force is in the Agricultural Sector. The unemployment rate has been estimated at around 4%. It reckons the contributing family workers in the agriculture sector as being employed.



Proportion of population under 15 years of age decreased to 32.7 percent in 2002 from 38.6 percent in 1983. The adolescent (15-24) population grew to 9.5 million in 2002 from 7.0 million in 1983; although the size of the population dropped to 18.1 percent in 2002 from 20.6 percent in 1983. The proportion of the working-age population (15-59) increased to 59.3 percent in 2002 from 55.1 percent in 1983. Contrary to the decreasing trend of its adolescent population, the proportion of its older population (age 60+) increased from 6.4 percent in 1983 to 8 percent in 2002.

As mentioned above following the introduction of the Market Oriented Economic System in 1988, due to upsurge in private sector investment the number of listed private industrial undertakings, big and small, increased from (47,384) in fiscal year 92/93 to (100970) in 01/02. The new industries were mostly located in the 26 Industrial Zones established throughout the country in proximity to the major towns and cities. There has also been extensive infrastructure development projects for building roads, railways, bridges, dams, factories, housing complexes, markets, schools, hospitals etc.

Undertaken by both public and private sectors. Intensification of agriculture through increase in sown acreage, providing water for agriculture through building of dams and river water pumping facilities, increased use of fertilizer, better cultivating techniques and to an extent mechanization of agriculture increased absorption of labour in agriculture. All this gave rise to increased demand for labour and so the employment situation improved considerably since 1988.

Another avenue of employment opportunities emerged since the early nineties with the increasing demand by some countries within the Asian region for Myanmar workers and trainee workers. Thus many Myanmar workers left, both legally and illegally, to take up employment in another country. In 1999 the Law relating to Overseas Employment was promulgated to enable legal dispatch of Myanmar workers by licensed overseas employment agents.

The employment exchanges of the 77 Township Labour Offices all over the country have played an important role in the placement of workers both for local and overseas employment. According to the Employment Restriction Act all public establishments as well as private and co-operative establishments employing 5 or more workers are required to recruit workers through the public employment exchanges. The employment exchanges have also been a source of labour market information.

According to job offers from employers received by the employment exchanges, demand for labour centered mostly around unskilled general workers. Also there was an increasing demand for skilled information and communication technology workers of various types particularly by the local banking, hotel and tourism and business sectors.

In economic terms, Myanmar shows good development. Until 1997, GDP growth averaged over 7 percent per year. During the crisis period in 1997, however, economic growth ran out of steam (decreasing to 5 percent per year in 1998-1999); and has not benefited the poor; created currency shortage; and destroyed private capital flows (Babson, 2000).

Until very recently, economic development in Myanmar tended to improve. Official estimates put GDP growth at 13.8 percent in FY2003 (ended 31 March 2004), up from 12 percent in FY2002 (revised up from an earlier estimate of 10 percent) (Asian Development Bank: 2005). Growth in agriculture in FY2003 was estimated at 11.7 percent; industry at 20.7 percent; and services at 14.5 percent. Consumption accelerated by 12.6 percent and investment by 24.1 percent, according to official figures. The impact of trade and investment sanctions imposed by the US and other governments was particularly evident in foreign trade, with exports and imports of goods and services declining by 30 percent and 22.5 percent, respectively. For FY2004, GDP growth was targeted at 12.6 percent with the agriculture sector the main source of growth.

Whilst the move to mobilise greater tax revenues has had a positive impact, much more needs to be achieved before the government has adequate funding for crucial social and economic investment. New measures for generating revenues, widening the tax base, and further reduction of tax exemptions and evasion should be considered.

The dual exchange rate – under which the ratio of the kyat-US dollar parallel rate to the official rate has widened to about 150:1 – contributes to fiscal deficits and fosters corruption. This provides an imperative for moving toward a unified exchange rate. Also, the adoption of a flexible interest rate regime would strengthen the regulation of monetary aggregates by the central bank. Complete recovery from the 2003 banking crisis is likely to require a more prudent regulatory framework for the sector in line with international best practices.

Strengthening the agriculture sector should be a key goal since it accounts for a major share of the country's GDP (46.7 percent in 1993 and 41.9 percent in 1999) (Asian Development Outlook, 2000:106), and since about 70 percent of the population live in rural areas. Policy measures worthy of consideration are the further liberalisation of the sector, including the removal of the temporary ban on exports of rice and increasing the accessibility of credit to rural households. More generally, sustained growth requires greater investment in basic infrastructure and an improved environment in which the private sector can develop.

In the area of external relations, several agreements were concluded with neighbouring countries. The government adopted a framework agreement for a free trade area that involves Bangladesh, India, Myanmar, Sri Lanka, Thailand, Bhutan, and Nepal. This aims to fast-track tariff reductions amongst these countries. Other agreements were concluded with India, and Thailand to provide Myanmar with credit facilities and economic and technical cooperation. The Government also lifted a restriction that limited its rubber exports to 55 percent of production, in an effort to encourage exports.

About 30.6 percent of the country's children under 3 years old are either moderately or severely malnourished. All children in rural areas, especially in border and remote areas will have full access to primary education and healthcare services. The burden of poverty relates first and foremost to the problems of basic physical well-being. Food is the most important item of consumption in poor households. Myanmar is basically considered as an agricultural

country. The national governments since independence in 1948 till early 1962 practiced a mixed economy, allowing market forces to play a leading role in the development process. Then for 26 years, since 1962, socialism with a centrally planned economy was adopted. Finally, following the political disturbances in August 1998, the State Peace and Development Council took over the reins of government in September 1988 and introduced market-oriented economic policy. The government undertook a number of economic stabilisation and reform measures to redress the worsening economic situation of the country. The development is due to restoration of peace and tranquillity across the nation. Top priority is given to community peace and tranquillity and prevalence of law and order.

4. Lao PDR

Lao PDR is located in the heart of the Indo China Peninsular and has a position as a landlocked country. It shares its border with Cambodia to the South, 2,069 km of border with Vietnam to the East, 1,835 km of border with Thailand to the West and a 236 km border with Myanmar to the North West.



It covers a total of 236,800 square kilometres, three-quarters of which is mountains and plateaus. The country has three distinct regions. Mountains that average 1,500 meters above sea level dominate the north. Income per capita for Lao people is 326 USD per year. The GDP figures in years 1995-2003 was 6.3 percent, but with 80 percent of the poor living in rural areas and 79 percent of the poor depending on the broader agriculture sector for their livelihood. Poverty incidence in this country has dropped 15 percent in a 10-year period, from 45 percent in 1993 to 30 percent in 2003 (Sydavong, 2004). Education plays an important part in the socio-economic development of the country and it is also the basis for human resource development.

At the end of 1975, the Lao PDR had a 90 percent illiteracy rate and its limited educational facilities were mainly in the capital. Since the foundation of the Lao People's Democratic Republic in 1975, the education system has improved and expanded to almost all parts of the country. Under the slogan "*Studying means Patriotism*" all ethnic groups in the country are expected to have access to its educational system.

In public health sector, over the last 25 years, the Lao Public Health network has been growing constantly to meet social requirements. Modern medical technology has been acquired and much attention paid to disease prevention. In the last 25 years the Ministry of Agriculture and Forestry has been actively improving constructed and expanded agricultural infrastructures, such as irrigation systems, water reservation, expanding agricultural land, piloting and managing fixed livelihoods for people throughout the country. These activities have seen positive results and have contributed to a 5.1 percent increase in the GDP. In 1975 there were 524,600 ha of land for agriculture, producing 660,900 tones with a yield of 1.26 tones per hectare. In 2000, the figures increased to 690,000 ha and 2,230,000 tones with a yield of 3.27 percent tones per ha. Rice production per head per annum in 1976 was 229 kg compared to 438 kg in 2000 and production of other crops such as vegetables, corn, potatoes and other starchy crops increased livestock: Laos enjoys favourable natural conditions for raising animal husbandry. Fish rising has become popular throughout the country. It can be concluded that the

agriculture sector has seen marked progress in the last 25 years.

According to UNDP, in 1990, life expectancy at LAO PDR was at 50 - the same as Cambodia and Bhutan; and infant mortality was only slightly better than those two countries. A big leap has been made in literacy since 1930, but the adult rate is still only 54 percent. For the fast-moving ASEAN countries, the corresponding figure is over 80 percent. Mean years of schooling for those over 25 years of age—the work force—was only 2.9 years. That is better than Cambodia, but in Vietnam the figure is 4.6 years, in China 4.8, and in a developed country like the UK, 11.5 years (Handley, 1994:30). There is another statistic that is indicative of the circle of poverty and gender disparities. In 1998, the adult literacy rate was 82 percent for males over age 15 and 55 percent amongst females. Net enrolment ratios (both sexes combined) have shown some improvements: comparing 1997 with 1980, they have increased 72 percent to 73 percent at the primary stage but from 53 percent to 63 percent at secondary level. However, schools periods were much shorter for the majority of children and youths in rural areas. With donor support, more village schools are opening up in previously deprived areas to encourage enrolments and longer periods of education, especially amongst girls. Surprisingly, there were dramatic changes in the education level in 2003. The illiteracy rate of males decreased to 32.5 percent but there was also a decreasing illiteracy rate of females to 61.9 percent.

The government of Lao PDR began decentralising control and encouraging private enterprise in 1986. The results, starting from an extremely low base, were striking - growth averaged 7 percent in 1988-2001 except during the short-lived drop caused by the Asian financial crisis, beginning in 1997. Despite this high growth rate, Lao PDR remains a country with a primitive infrastructure. It has no railroads; a rudimentary road system; and limited external and internal telecommunications. Electricity is available in only a few urban areas. Subsistence agriculture accounts for half of GDP and provides 80 percent of total employment. The economy will continue to benefit from aid from the IMF and other international sources and from new foreign investment in food processing and mining.

CLUSTER II: EMERGING COUNTRIES

1. Indonesia

After more than 30 years under the Soeharto regime, Indonesia has made substantial progress, particularly in stabilising political and economic conditions. A period of great economic growth was achieved from 1968 to 1996, when per capita income increased sharply from about US \$50 to US \$1,124; economic growth was nearly 5 percent in that year. In 1998, Indonesia went through its worst economic crisis, when the economic growth rate dropped to negative 13 percent (BPS, 2003). At the same time, the political situation became unstable in several regions. President Soeharto was ousted and replaced by his Vice President, BJ Habibie. This time was known as the reformation era. Since 1998, Indonesia has had four presidents, B.J. Habibie, Abdurrahman Wahid, Megawati Soekarnoputri, and Susilo Bambang Yudhoyono.

In fact, before 1997, Indonesia had a high economic growth rate, 7 percent per year (Muhammad, 2005). However, the rate has declined since its economic crisis in 1997. In 2002, the economic growth of Indonesia was 3.3 percent (Teropong, 13 October 2005). It increased to 4.1 percent in 2003 (Berita Resmi Statistik, 13 October 2005). Currently, as it is stated in the State Budget (APBN) that the economic growth is predicted to increase to 5.4 percent (APBN, October 13, 2005).



The number of migrants in 1980 was 3.7 million. The number increased in 1990 to 5.2 million people for the year. Based on population census figures in 1980, 1990 and 2000, the level of urbanisation in Indonesia increased significantly. In 1980, the level was 22.3 percent; it increased to 30.9 percent in 1990, 34.3 percent in 1994, and to 42 percent in 2000. The number of people living in cities was 32,845 million in 1980. It became 86.4 million in 2000 (Sarjono Herry Warsono, 2005). On the contrary, people living in rural areas decreased from 77.6 percent in 1980 to 64.09 percent in 1995 (Priyono Tjiptoherijanto, 2005).

Since 2000, the economy has recovered, with a growth rate of 4.92 percent in 2000 and 4.1 percent in 2003. However, this success has not benefited the poor significantly. Even though the percentage of poor people decreased in 2003, the absolute number is still high, accounting for 38.4 million. The increase in the number of poor people is mainly caused by price instability, especially food prices, political instability, and falling of harvests. Moreover, if we increase the poverty line about 125 percent to cover groups of people categorised “closely poor” or “near poor”, the number of this group is higher than poor people.

Although the pace of urbanisation in Indonesia continues to increase, poverty in Indonesia remains a rural phenomenon because 65-75 percent of poor people live in villages. The main problem of poverty in rural areas is related to the lack of health facilities, clean water, and education. More than 90 percent of poor people living in rural areas have low education levels (primary schools). The main problem of poverty in urban areas is related to limited job opportunities and wage adjustments that do not follow price increases, which is, recently, caused by the increase of fuel prices.

In 2005, poverty reduction policies contained two steps of work. First, the onus was to engage public participation in creating policy. Second, the aim was to choose good programmes that would have wide impact in increasing the welfare of the poor. These steps are supported by other policies as follows:

1. Basic infrastructure development to improve the job opportunities for poor people, good governance development, increasing the quality of public facilities, and to maintain peace in the community
2. Poor people empowerment by agribusiness development, small and medium enterprise development; basic infrastructure development by community approach
3. Increasing poor people access to: health facilities (e.g. medicine, curing cost, and health infrastructure); education facilities (e.g. scholarships and education infrastructure); and life skills development
4. Social safety development for poor people by covering food and social safety net systems

2. Thailand

Thailand slipped into a financial crisis in 1997, which had far-reaching consequences for the economy and even more for the social well-being of the population. Many Thai people lost their jobs; those who remained in work, they had to accept a drop in real wages and rising costs of living. The government responded to the devaluation of the Thai Baht and escalating public debts with a cut in government spending and restraint in monetary policy (Schramm 1998: 26-30).

Before the crisis, Thailand experienced significant increase in GDP and per-capita income. The average annual growth rate of Thailand's GDP stood for 8.7 percent and the growth of GDP was 7.2 percent between 1987 and 1997. Unfortunately, the real GDP growth of Thailand declined dramatically – at 1.4 percent in 1997 and 10.8 percent in 1998 – when the crisis hit Thailand in mid-1997. This decline was followed by a gradual increase at 4.2 percent in 1999; and by 2000, the GDP growth was 4.4 percent. This percentage growth was important during crisis recovery and the growth rate in the years ahead is projected to be relatively the same as in the year 2000. The inflation measured by the consumer price index (CPI) increased to 8.1 percent in 1998 from 5.6 percent in 1997. In 1999, the inflation rate stood at 0.3 percent and jumped to 1.6 percent in 2000; by 2001, the inflation rate was expected to be 2.6 percent (Pongsapich, 2002).



The social sector was hit particularly hard by the backlash in health and welfare expenditures. Public spending for social services was reduced more than half between 1997 and 2000. The budget for the Medical Welfare Scheme, the free medical care system for low-income people, was increased. The government also adopted a series of measures for economic development and labour market promotion. Job creation in the public sector, infrastructure development, vocational training, and interest-free credits for start-up companies were amongst the social policy responses to the Crash of 1997.

According to the population and housing census, in 2000 the actual population of Thailand was 60,617,230 people. Thailand's population is projected to increase to 69.9 million by the year 2016. Because of a declining fertility rate, population growth declined at 1.1 percent during the period 1999-2000. This number is expected to decrease during the period 2000-2016 and it is projected to decline to only 0.2 percent in 2016. It has been expected that the proportion of the population aged 15 years old and below will decline and the proportion of the elderly, which is 60 years and above, will increase.

Furthermore, according to the national economic and social development board (1997), of the total population in 1995 21.9 percent were urban residents. In 2000, urban residents accounted for 25.8 percent of the total population. This number is expected to increase slightly in 2010. At that time, approximately 35.3 percent of the total population will live in urban areas. During 1995-2010, the urbanisation process is expected to proceed at a rapid pace. Most of the country's fast-growing urban areas are projected to be areas on the eastern seaboard. This urbanisation is caused by the fact that most people want to have a better life or better

occupation. Thus they tend to move to regional growth centres such as Bangkok, Khonkeha, Nakornratchasima, Songkhla, and Chiangmai that offer more job opportunities. Thus, urban population ratios are inclined to be highest in the centre of metropolitan and large city factories (Pongsapich, 2002).

However, the social safety net programmes were not enough to prevent a mass of people from falling into poverty. In the social security system, the Thai government gradually reduced its obligation to contribute to the scheme. First, the introduction of old-age pensions and family allowances for insured persons was postponed from September 1996 to December 1998. From early 1998, the contribution rate for sickness, maternity, invalidity and death benefits was reduced for each contributor from 1.5 to 1.0 percent of the employees' payroll. In an attempt to ease the hardship of thousands of laid-off workers, the government announced a free extension of health insurance coverage for up to 12 months after the termination of employment. However, the regulation for dismissed workers became effective only after several months.

One of the consequences of the 1997 crisis was the higher open unemployment. Between 1997 and 1998 the number of unemployed rose considerably during the crisis from 2.2 percent to 4.6 percent. The labour force survey in 1999 described that the unemployment rate reached 5.2 percent (Pongsapich, 2002). Moreover, real wages have also fallen, with agriculture the hardest hit sector. Between August 1997 and August 1999, real wages fell about 14.4 percent in agriculture; 4.4 percent in construction; 3.7 percent in services; and 2.2 in manufacturing (World Bank, 2005).

In Thailand, as in many other countries, the labour market is divided into formal and informal sectors. Employees in the formal sector are those people who have a higher and regular income and are protected by social security measures. Formal sector employees are classified into employees in the private formal sector (i.e. workers in private enterprises) and employees in the public sector (i.e. state enterprise and civil servants). On the other hand, the informal sector is understood as workers who work outside of the 'conventional' workplace and factory forms of employment and work without a regular contract. According to the national statistical office (NSO), more than 75 percent of Thailand's employed labour force is in the informal sector. Almost 52 percent of enterprises in Thailand are informal enterprises and based on 1997 statistics, 'employment generated by the informal sector in the manufacturing, trade and service sectors is approximately 3.5 times greater than that generated by the formal sector' (Pongsapich, 2002).

Moreover, the female proportion working in the informal sector is higher than in the formal sector such as in home-based production, particularly in the production of garments, textiles, food and beverages, and other goods made in small neighbourhood home-based factories or individual homes. There are some problems faced by informal sector workers such as being invisible to policy makers, lack of legal rights and lack of information, such as education and training. Another problem is the risk of doing informal sector work due to the fact that their employment is often irregular and without enforceable contracts. They do not have job security and are not covered by most labour legislation. It can be seen in the problems they encounter, such as delayed payment of wages. This condition is exacerbated by the fact that they do not have effective legal resources, are without access to new markets or resources and health hazards directly associated with their occupations. Those hazards include unsafe buildings, overcrowding, pollution, etc. One of the most vulnerable worker types are those workers who deal with garbage and waste process or manufacturing process involving the use of chemicals and other materials in unregulated surroundings without any kind of protective equipment. Most of the informal workforce ignore risks and work in this way because they are suffering poverty (Pongsapich, 2002).

3. The Philippines

The poverty situation in the Philippines can be described as follows: first, there has been a sluggish decline in poverty incidence, especially during the 1970s up to the mid-1980s, when the poverty rate of Filipinos hovered around 40 percent of total households; second, there is roughly twice as much rural poverty as urban poverty; and third, large regional differences exist in poverty rates, inequality, and living standards. By the 1980s and the 1990s, attention shifted towards the implementation of more direct poverty reduction measures to respond to other social and economic needs of the poor and the marginalised. The Aquino administration (1986-1992) implemented the Comprehensive Agrarian Reform Programme, based on Republic Act 6758, which aimed to dismantle the unequal land ownership structure in the countryside.

Next, the Ramos administration (1992-1998) institutionalised the 'Social Reform Agenda' (or SRA) as a package of policy and programme interventions 'undertaken to ensure the welfare of disadvantaged groups.' The roots of the SRA also started from a series of consultations spearheaded by the National Unification Commission during the Aquino administration that aimed to jumpstart the peace and reconciliation process in the country.



The SRA was the package of interventions that the Philippine government pursued to ensure the welfare and integration of disadvantaged groups into the political and economic mainstream. The SRA orchestrated the government's human development goals, as embodied in the Medium-Term Philippine Development Plan (MTPDP), through a set of interventions aimed at the alleviation of poverty and the attainment of social justice, equity and a lasting peace. In order to institutionalise the gains made under the SRA, Congress passed Republic Act 8425, or the Social Reform and Poverty Alleviation Act which created the National Anti-Poverty Commission or NAPC and gave it the following key mandates: "coordination with national and local government bodies and the private sector to assure full implementation of social reform programmes; ensure meaningful participation of the sectors; and oversee and recommend policies to ensure effective formulation, implementation and evaluation of policies, programmes and resource allocation."

The law was passed on December 7, 1997 and was activated on June 30, 1998, at the start of the Estrada administration. Under RA 8425, NAPC is composed of 13 heads of national government agencies, the four presidents of the leagues of local government units, and representatives of 14 basic sectors identified in the Republic Act. President Macapagal-Arroyo chairs the Commission, assisted by the Vice-Chairperson for the Government Sector appointed by the President and another Vice-Chairperson for the basic sectors elected by the Sectoral Council members. The coordination between the two sectors is supported by a Secretariat, which is headed by the Lead Convenor.

Whilst the organisation and the institutionalisation of NAPC in government was taking place, unfortunately, the Philippine economy was affected by the Asian financial crisis in 1997 and the El Niño dry spell in 1998. Because the crisis affected the growth of the real estate and trade

sectors, then later the manufacturing sectors, and the weather disturbance, in turn, impacted the productivity in the agricultural sector, poverty and human development in the country also worsened. Official poverty statistics showed that poverty incidence, the proportion of families whose incomes are below the poverty line, increased for the first time in history from 28.1 percent in 1997 to 28.4 percent in 2003.

CLUSTER III: ADVANCED COUNTRIES

1. Singapore

Singapore is the most developed country in Southeast Asia. With the annual growth rate about 9 percent, Singapore enjoys a high level of positive economic indicators such as a per capita GDP of S\$39,585 and a per capita GNP of S\$42,212 in 2000 (Asher & Rajan in Adam, et al, 2002). Despite the number falling considerably to a per capita GDP of S\$23,700 in 2003 because of the global recession and the slump in the technology sector during 2001-2003, Singapore keeps performing as the highest value for per capita GDP amongst the countries in the region (CIAWFB, 2004). More than 60 percent of the total GDP was provided by services sectors such as financial services and business. Almost 30 percent of it came from manufacturing, whilst the rest contributed by the other sectors (Asher & Rajan in Adam, et al, 2002).



In terms of demographic indicators, Singapore has a relatively small population compared with other Southeast Asian countries. In 2000, the total population of Singapore was 4.02 million, of which 3.26 million were citizens and permanent residents, whilst the rest were foreigners who have been staying for more than one year (Asher & Rajan in Adam et al, 2002). In 2004, the total population increased slightly to 4,353,893 with the growth rate at 1.71 percent (CIAWFB, 2004). However, the total fertility rate (TFR) has been below the replacement rate of 2.1 since 1975 (the TFR was 1.6 in 2000) (Asher & Rajan in Adam et al, 2002).

Hence, it is predicted that the population in Singapore will begin to decline considerably in the next decade. In addition, the median age of the population has been increasing rapidly from 34.2 years in 2000 to 36.2 years in 2004, and it is predicted to be 41.2 years in 2030. The proportion of the population above 65 years of age is also projected to increase by 2.6 times from 7.3 percent in 1997 to 18.6 percent in 2030 (Asher & Rajan in Adam et al, 2002; CIAWFB, 2004). This means that the old dependency ratio will increase from 10.4 in 1999 to 29.5 by 2030 (Asher & Rajan in Adam et al, 2002).

As the most rapid growing country, Singapore had enjoyed full employment especially after the adoption of the development strategy of labour-intensive export-oriented industrialisation (EOI) in the early 1970s. In fact, this country had suffered from labour shortages that led the country to receive an influx of foreign workers (Employment and Training Papers, 1998). The recent data shows that in June 2000, Singapore had a total labour force of 2.2 million, of which 60 percent were males and 40 percent were females (Asher and Rajan in Adam et al, 2002).

As in the case of its non-resident population, about a quarter of the labour force is made up of foreign workers (Asher and Rajan in Adam et al, 2002). These workers are chiefly known by two characteristics: those who earn below S\$ 2,500 per month and those who are subjected to a foreign workers' levy (Asher and Rajan in Adam et al, 2002). The amount of levy paid by foreign workers varies according to occupation and skills. It was recorded that in 2000, total revenue from these levies was S\$ 1.5 billion or equivalent to 6.5 percent of total revenue or 1.1 percent of total GDP (Ramesh, 2000; Asher and Rajan in Adam et al, 2002).

One of the current critical issues in the social development of Singapore is the increasing number of its old-age population as a consequence of its longer life expectancy rates. If, in the year 2000, the life expectancy at birth was 76 years for males and 80 years for females, the figure increased in 2004 to 78.96 years for males and 84.29 years for females (CIAWFB, 2004). As the pension needs are for the old age, the life expectancy at age 60 (and above) should be considered. The K.C. Tan of The Nanyang Technology University for instance had estimated the life expectancy of the female population at age 60 and 65 in 1990 was about 20.9 and 17 years, respectively; whilst for males it was 17.5 and 14.2 years, respectively. This means that in the future, the need to provide for the female old-age population will be, on average, greater than the needs for financing old-age males (although, both male and female population needs are becoming higher and higher). On the other hand, the labour force participation rate of females in 2000 was lower than males. At the same time, their average monthly earnings at S\$ 2,500 were only 72 percent of the earnings of males (Asher and Rajan in Adam et al, 2002). Hence, becoming an old female in Singapore would be harder than an old male if the government do not give appropriate attention to their needs.

Another issue faced by Singapore relates to the provision of social amenities in general and social protection in particular for foreign or migrant workers. The growing number of migrant workers in Singapore has contributed significantly to the socioeconomic development of the country. These migrant workers have successfully generated output for Singapore and an enhanced tax base to finance the retirement needs of its residents (Asher and Rajan in Adam et al, 2002). Hence, these workers have rights to receive adequate social protection from the government.

In conclusion, there are some important points regarding the socioeconomic situation in Singapore that are related to social protection issues:

- Singapore is economically advanced and hence the life expectancy in this country continues to increase. As a result, Singapore continues to face a crucial problem of the growing number of its old-age population. This means that its existing social policy should be adequately covering this part of its population
- Life expectancy of its female old-age population is much higher than its male counterpart. This raises the issue of gender within the social protection system of Singapore
- Since Singapore faces rapid economic development, its demands for migrant workers cannot be avoided and, in fact, the number of migrant workers tends to increase steadily

2. Malaysia



Malaysia has had a parliamentary democracy with one dominant party called the National Front Coalition, which initially comprised the United Malays National Organisation (UMNO), the Malaysian Chinese Association Party (MCA) and the Malaysian Indian Congress Party (MIC).

After the formation of Malaysia, this coalition was expanded to include political parties from Sabah and Sarawak (Merfat Tallawy, 2003). This party has won every general election, and consequently it controls the country's political affairs and many other sectors such as law and social policy. Therefore, the evolution of social policy and indeed of all public policies in Malaysia has not been affected by intermittent swings from one political ideology to another. This situation influences processes of development that need stability and continuity.

The development strategy in Malaysia has two main objectives: first, to ensure the expansion of real per capita income by providing resources; and second, to equally distribute incomes and wealth to society. Before the 1970s, the nation failed to improve the equality of wealth and eliminate poverty. There was inequality along intra-ethnic lines which led to conflict amongst different races in 1969 that ended in the declaration of the New Economic Policy (NEP) in 1970. During the implementation of NEP (1971–1990), the state experienced successful growth, poverty alleviation, and increased income distribution to its diverse society.

Development in Malaysia has advanced for many years with the stability of its body politic and an absence of serious natural disasters or devastating armed conflict. As a result, Malaysia has experienced almost continuous economic expansion during the latter half of the past century and, more significantly, has enjoyed a lengthy period of equitable growth. The policy framework for national development is NEP, which is divided into a three-pronged long-term development plan; the first Outline Perspective Plan (OPP I) 1971–1990, the second OPP II 1991–2000, which is replaced by the National Development Policy (NDP), and the third OPP III 2001–2010 which is called the National Vision Policy (NVP). In addition, NEP also implemented the programmes and projects of four medium-term development plans under OPP I; namely, the Third (1971-1975), Fourth (1976-1980), Fifth (1981-1985) and Sixth (1986-1990) Malaysia Plans (Tallawy, 2003).

Besides economic growth, the aim of NEP was national unity which will be implemented through two main ways: poverty alleviation, irrespective of race, and reformation of Malaysian society to ensure that race would not be an issue in economic activity. Based on the estimates of the Ministry of Finance, the GDP in Malaysia shows a marked fluctuation. Starting in the first half of the 1990s, the GDP went over the 9 percent mark, and continued with a slight increase to 10 percent in 1996, but then it dropped sharply to 7.4 percent in 1998. Gradually, this situation recovered: in 1999, the state reached a growth rate of 6.1 percent; and grew to 8.3

percent the following year. However, in 2001 the GDP plummeted to 2 percent, and then in 2002, it was also dropped to 1 percent (Zin, Lee and Rahman 2002). The enlargement rate of the whole economy is linked to the manufacturing and construction sector that accelerated at twofold digit growth, and this leads to the significant transformation of the economy. On the contrary, agriculture, fishing and forestry as the main employment sectors faced negative growth.

Malaysia's population was 22.7 million inhabitants in 1999, 23.3 million in 2000 and about 23.8 million in 2001. In 2003, its 25 million inhabitants occupied an area of 329,758 sq km. The Malaysian population is projected to increase to 27.4 million in 2008 (ILO, 2001). From 1996 to 2000, the average population growth rate per annum was 2.4 percent, which will experience a declining fertility rate when the country continues to develop. In 2000, the number of working-age people (15-64 years) rose; as a result, there was a decrease in its dependency ratio from 62.7 percent in 1995 to 59 percent in 2000. This condition is projected to continue until the end of this decade.

Conversely, there will be a growing number in its working age group from 62.9 percent to 65.8 percent. At the same time, people who are above 65 years old will also go up. Consequently, the problem of an elderly society will emerge. Whilst, urbanisation in Malaysia rises from time to time, for example, in 2000, there was an increase from 55.1 percent in the previous year to 61.8 percent. This phenomenon is motivated by several reasons such as: better economic opportunities and the desire to enhance the quality of life in town areas.

The number of people employed in Malaysia has increased in line with the rapid growth of the Malaysian economy and structural transformation in its economic sector. In 1995, there were 7,999,200 working people. This figure rose steadily over the next six years to 8,426,500; 9,038,200; 9,880,900; 9,178,000; 9,573,000; and 9,801,200, respectively. Afterwards, in 2003 its labour force rose to 10,240,000. Employed people distribute into various sectors, namely: local trade and tourism, 28 percent; manufacturing, 27 percent; agriculture, forestry & fisheries, 16 percent; services, 10 percent; government, 10 percent; construction, 10 percent; and informal employment, which, in 1999, accounted for 23 percent of the working population, most of them working in agriculture, forestry, and the fishing sector (Department of Statistic, 2004).

When the Asian economic recession affected Malaysia, the currency depreciated by 30-40 percent and real GDP growth fell from 7.8 percent to minus 6 percent; therefore there was a retrenchment of 100,000 workers in early 1999. Moreover, the number of jobless people went up from 2.5 percent to 3.7 percent. Due to this situation, the government has made a significant attempt to strengthen economic fundamentals and to improve corporate governance to bring about a fast recovery. The economic recovery that began late in the first quarter of 1999 has continued to expand. Most economic indicators have been increasing steadily, signalling that Malaysia is on the way to a strong rebound from the 1998 recession.

The Official Unemployment Rate in 2003 was 3.6 percent. Those without a job in Absolute Numbers in 2003 was 370,000. The Youth Unemployment Rate in 2000 was as follows: Age 15-19 - 29.5 percent; Age 20-24 - 36.1 percent; Age 25-29 - 13.2 percent; Age 30-34 - 4.8 percent (Tallawy, 2003). However, there is no accurate data about the number of foreign workers, as different sources have different estimates. For instance, Edwards (1997) says that there were 500,000 in 1985, one million in the 1990s and 1.7 million in 1997, whereas the government maintain there were about 1.6 million foreign workers in 1999.

The achievement of poverty eradication in Malaysia shows dramatic success. The poverty reduced from 52.4 percent in 1970 to 9.3 percent in 1995. This trend continued to fall in 1997 to 6.8 percent, comprised of 2.4 percent in urban areas and 11.8 percent in rural areas. Conversely, in 1999, the number of poor people rose to 9.1 percent, which included 3.8 percent for urban and 13.2 percent for rural areas.

Education in Malaysia is one of the important elements of its social and economic development, because literate people will be supporters of the development project. In 2000, the level of literacy in Malaysia was 93.8 percent; this is evidence that education is placed as a main priority in the national development agenda. In fact, government provides 11 years of free schooling. Even though education is not compulsory, more than 99 per cent of all six-year olds during this period were enrolled in schools and more than 92 per cent of all students were enrolled at the upper secondary level.

Government spending funds on the health services stood at M\$3.7 billion during 1996 to 2000. This was equivalent to 12 percent of total expenditure for the social sector or 3.7 percent of the entire development budget. In the next period (2001 – 2005), the allocation of money for this sector has gone up steadily to M\$5.5 billion or 14.7 percent of its social sector cost and 5 percent of the whole development account. The largest spending budget in the first period was for the building of new hospitals and clinics. This continued in the second period. Whereas research and development spend amounted to M\$5 million during 1996–2000, and then increased to M\$25 million for 2001–2005. Health services have become a focus of the overall development approach; due to the fact that status of health is an outcome of economic improvement and it is one of the indicators of success in the process of development.

Malaysia has implemented many programmes related to its health sector since a long time ago. Starting in 1957, the government provided a health care centre in order to improve the quality of health of all Malaysians. In the 1950s, the programme was concentrated in rural areas because the economic structure at that time was agriculturally based and a high number of people lived in countryside areas with pronounced infant and maternal mortality problems. There were many projects initiated to deal with this issue; for example, a comprehensive health care system was put in place, which comprised services like child health care, family planning, immunisation, communicable diseases control and environmental sanitation. Moreover, government in urban areas established hospitals that offered a variety of primary, secondary and tertiary care.

3. Brunei Darussalam



Brunei Darussalam is one of the very small countries in the ASEAN region. It can only be compared, in size, to Singapore. Similarly, between these two countries is not only in territory parameters. Both of them are considered robust, and able to survive facing all kinds of economic crises experienced in the Southeast Asian region. There are a lot of opinions as to why Brunei has managed to keep its economy stable in the middle of several economic crises. However, most of these analyses point to the small number of Brunei's population, and to the richness of Brunei's natural sources, which makes it easy for the government to manage its economic stability.

People in Brunei can be said as a community to have already fulfilled most of their basic needs, economically and socially. This is not only caused by the community's ability to fulfill their own needs. Brunei's Government effective interference in this matter is imperative. How the government manages the community's law and order and how it protects the government's interests is the key to its success.

Brunei small, wealthy economy is based upon proceed form exports of crude oil and natural gas , with oil and gas export revenue accounting for over 84 percent of GDP in 2004 , around 91 percent of exports in 2004 , and 95 percent of government revenues in 2004. Per capita GDP places Brunei amongst the World Bank's high income non-OECD group of countries, UNDP ranked no. 33 in terms of Human Development Index (HDI) and GDP per capita US\$19,000.00. The country's manufacturing sector is very small. The government provides for all medical services and subsidies food and housing. Real GDP growth in 2004 was projected to be 1.7 down from the 3.8 percent growth reported in 2003.

Brunei's main economic problems include lack of diversity in the economy, heavy reliance on the volatile oil and natural gas sectors, huge state subsidies, a civil service which employs over 37.5 percent (2001 census) of Brunei workforce, a small tax base (the country has no personal income tax and a low tariff regime), and slow movement towards privatization.

Brunei would like to diversify away from hydrocarbons into areas like information/communication technology (ICT), financial services, business services, logistics and transportations, downstream oil and gas industries and halal (Muslim dietary law) food. Brunei would also like to turn itself into a major shipping hub. In January 2003, Brunei unveiled plans aimed at attracting US\$4.5 billion in foreign investment and creating more than 7,000 new jobs through 2009. The economic diversification strategy will create two new centres of commercial development both in Sungai Liang and Pulau Muara Besar. The Sungai Liang Industrial Park will house petrochemical projects including a methanol and a fertilizer plant, potential spin-off industries and the utilities needed to support these activities. Furthermore, with its strategic location close to the vital sea lanes going through the South China Sea, linking the Indian and Pacific Oceans, Brunei is looking to transform Pulau Muara Besar into a major transshipment hub complemented by an export processing zone. Well-positioned to take advantage of international shipping through the region, the proposed port facility is also envisaged to become a regional centre for the aluminium industry and the many spin-off activities related to this industry.

Such momentum is anticipated to have a spilling positive effect in kick-starting the business cluster development including potential key areas in tourism and hospitality, transportation and logistics, business services and financial services. The BEDB is also set to establish it's first SME Innovation Centre in support of the local technopreneurs and in future development of ICT sector in Brunei Darussalam.

Oil production began in Brunei in 1929 with the discovery of Seria onshore field located in Belait district. Production from Seria field peaked at around 115,000 bbl/d oil in 1950s, but fallen to around an average of 91,000 bbl/d in the 1960's. The highest oil production achieved in 1979 at about 261,000 bbl/d. In 1981, an oil conservation policy was adopted to rationalise the oil output in order to extend the life of the fields and to improve recovery rates. The total production was gradually reduced to the level of 150,000 bbl/d in 1988 and 1989. However, since November 1990, the government has given flexibility to the Conservation Policy and resulted in an increase in production at availability. In 1990s the average total oil production was 172,000 bbl/d and for the first half of 2000s, i.e. from year 2000 to 2005, the total average oil production is about 201,000 bbl/d.

APPENDIX 3

Regional Workshop on Strengthening Social Protection Systems in ASEAN

28 February – 1 March 2006, Jakarta

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APPENDIX 4

Remarks by Dr. Wilfrido V. Villacorta, the Deputy Secretary-General of ASEAN at the Opening Session of the Regional Workshop on Strengthening Social Protection Systems in ASEAN 28 February 2006, Jakarta

Distinguished representatives of ASEAN sectoral bodies on labour, social welfare, rural development and poverty eradication and women.

Colleagues from the ASEAN Secretariat, the ASEAN-EU Programme for Regional Integration Support, and the ASEAN-UNDP Partnership Facility.

Ladies and Gentlemen,

It is my pleasure to open the Regional Workshop on Strengthening Social Protection Systems in ASEAN.

I wish to take this opportunity to extend my congratulations to the ASEAN Senior Labour Officials Meeting for taking the pioneer step in calling for this region-wide initiative. This workshop is a significant step in addressing the cross-cutting nature of social protection.

I wish to express my sincere thanks to the ASEAN-EU Regional Programme on Integration Support for helping us make this workshop a reality. Appreciation also goes to the ASEAN-UNDP Partnership Facility for supporting the participation of multi-sectoral representatives that would enrich the workshop's discussions and enhance its regional flavour.

Social protection has been identified as a priority by ASEAN Ministers responsible for labour, social welfare and development, as well as for rural development and poverty eradication. ASEAN national machineries for women have likewise highlighted the importance of social protection. The ASEAN Leaders have been concerned with investing more resources for social protection, recognising that people are at the core of regional integration, particularly economic competitiveness. Strengthening social protection systems in ASEAN reinforces and facilitates economic integration.

Through the workshop discussions today and tomorrow, we hope to assist Member Countries identify a set of regional strategies that build upon individual strengths, in order to mitigate any untoward impact of the changes and restructuring that economic integration brings. At the same time, we would also be looking at ways and means to ensure that the needs of those most vulnerable to such changes are included in our programmes and actions at national and regional levels.

This project captures the essence of partnerships in accomplishing regional priorities. The focused topics of the workshop's group discussions will provide the necessary foundation for an integrated regional approach to strengthening social protection systems in the ASEAN region. Through this initiative, we would be supporting the objective of enhancing ASEAN's competitiveness under the ASEAN Economic Community.

I wish you success in your deliberations.

APPENDIX 5

Remarks by Mr. David Martin, European Co-Director, APRIS at the Opening Session of the Regional Workshop on Strengthening Social Protection Systems in ASEAN 28 February 2006, Jakarta

Based here at the Secretariat, APRIS - the EU ASEAN Programme for Regional Integration Support - is tasked with supporting ASEAN in its integration efforts, particularly with regard to the establishment of regional economic integration. We do this through the implementation of sub-projects – in the form of studies, seminars and technical assistance – mobilising consulting teams from both ASEAN and the European Union and drawing on EU and other experiences from outside the region as appropriate.

As we know, the Second Declaration of ASEAN Concord that adopted by the ASEAN leaders at their Ninth Summit in Bali in 2003, calls for the creation of an ASEAN Community by 2020 characterised by three pillars or sub-Communities, which are an ASEAN Security Community, an ASEAN Economic Community and an ASEAN Social Cultural Community. All three pillars will be necessary for an integration process that is solid and balanced over the longer term.

In Europe, history has shown that regional integration – in the form of greater competition, productivity and economies of scale - improves competitiveness and delivers higher economic returns. Yet the liberalisation process and removal of trade (and other) barriers required for the creation our Internal Market – and integration into the broader trading system under the WTO – also create tensions. These tensions must be managed. One way of doing so is to ensure minimum levels of economic and social cohesion.

In Europe, the organisation and financing of social protection systems is the responsibility of the Member States. The EU does have a particular role, however, in ensuring, through EU legislation co-ordinating national social security systems, that people who move across borders and hence come within the remit of different social protection systems are adequately protected.

More recently, the European Union has also started promoting closer co-operation among the Member States on the modernisation of social protection systems which face similar challenges across the EU. This co-operation takes place mainly within the Social Protection Committee (SPC) where the so-called 'Open Method of Co-ordination' was developed and applied to the areas of social inclusion and pensions. Co-operation has also been launched on health and long-term care and 'Making work pay', i.e. ensuring that social protection systems provide income security without discouraging employment.

Information on the organisation of the main social protection schemes in the Member States of the European Union is compiled by MISSOC (Mutual Information System on Social protection), a network of correspondents from national authorities. More information on the above can be found on the Internet, the portal URL of which I would be happy to share with you (http://europa.eu.int/comm/employment_social/social_protection/index_en.htm)

Some of the main EU policy documents over recent years have been:

- Strengthening the social dimension of the Lisbon strategy: streamlining open co-ordination in the field of social protection - Commission Communication COM(2003)261 adopted on 27 May 2003, in which the Commission proposes better and more visible co-ordination of social protection at the EU level;
- The Social Protection Report 2001 which analyses the trends in social expenditure over the 1990s and describes from a comparative viewpoint the most relevant reforms implemented since 1999;
- Commission Communication COM(99)347 adopted on 14 July 1999, entitled a concerted strategy for modernising social protection; and
- Commission Communication COM(97)102 adopted on 12 March 1997 on modernising and improving social protection in the European Union.

In terms of the Workshop we are holding over the next two days, I would like to thank the staff of the ASEAN Secretariat - and our Consultant team from GDSI - for their hard work in putting the Workshop together. I hope you will participate fully in the discussions.

The Workshop has been designed as an inter-active forum and should provide a useful opportunity for the sharing of experiences and information. On the basis of this, it is hoped we can identify examples of best practice for future replication and help national policy makers to develop instruments that support the creation of a "Community of Caring Societies", as envisaged in the Vientiane Action Programme, with better management of the social impact of economic integration and strengthened social protection systems throughout the ASEAN region.

I wish you every success in your deliberations.

Thank you.

APPENDIX 6

Slide Presentation of Project Team (Dr. Edi Suharto and Juni Thamrin) First Day of the Workshop

<p>STRENGTHENING SOCIAL PROTECTION SYSTEMS IN ASEAN ASEAN/APRIS-PMU/D/SV/2004/06 GDSI: Edi Suharto & Juni Thamrin Draft Issues Paper February 2006</p> <p style="text-align: right;">1</p>	<p>Structure of the issues paper</p> <ul style="list-style-type: none"> • C1: Introduction • C2: Conceptual Framework of Social Protection • C3: Existing Social Protection Systems in ASEAN • C4: Strategic Directions and Follow-up Actions <p style="text-align: right;">2</p>
<p>THE Rationale</p> <ul style="list-style-type: none"> • ASEAN considers social protection as a key element in the promotion of human well-being and sustainable economic development • The initiative to strengthen social protections is paramount within the context of poverty eradication strategies <p style="text-align: right;">3</p>	<p>Previous agreements</p> <ul style="list-style-type: none"> • The Hanoi Plan of Action (1998-2004) to address the impact of the financial crisis • The ASEAN Senior Officials on Rural Development and Poverty Eradication in collaboration with Australia (1999-2002) implemented a regional project on Social Safety Nets (SSN) set out in the ASEAN Action Plan on SSN • Vision and mission statements – ASEAN Labour Ministers (2000-2001) • The 9th ASEAN Summit – Bali 2003 <p style="text-align: right;">4</p>
<p>Objectives of the PAPER</p> <ul style="list-style-type: none"> • Social and economic issues that constitute social protection in ASEAN Member Countries (AMCs) • Specific forms of social protection measures currently being implemented in AMCs • Implementations of social protection programmes working in each AMC; the strengths and challenges • Strategic directions and follow-up actions to strengthen social protection systems in ASEAN at national as well as regional level <p style="text-align: right;">5</p>	<p>THE FRAMEWORK</p> <pre> graph LR A[Socioeconomic Issues Constituting Social protection] --> B[Social Protection System • Existing Schemes • Strengths & Challenges] C[Interviews with Stakeholders Regional Survey] --> B D[Inception Meeting Literature Review] --> B B --> E[Strategic Directions & Follow-up Action at National Level] E --> F[Strategic Directions & Follow-up Action at National Level] E <--> F </pre> <p style="text-align: right;">6</p>

What is social protection?

Policies and intervention measures designed by government, private sector or civil society to respond to the economic, political, and security risks faced by the region's population, particularly those categorised as the poor and vulnerable.

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Types of Social Protection

- LABOUR MARKET POLICES: active (labour exchange, training, employment generation); passive (unemployment insurance, labour standards)
- SOCIAL INSURANCE: income support based on prior contributions in the event of illness, disability, work injury, maternity, old-age, death
- SOCIAL ASSISTANCE: social services for highly vulnerable groups (e.g. cash or in-kind transfers, family allowances, temporary subsidies)
- MICRO- AND AREA-BASED SCHEMES: micro-insurance, social fund, disaster management
- CHILD PROTECTION: early child development programmes, school feeding and scholarships

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Socio-economic issues

- Continuing social impacts of the recent economic crisis: most AMCs
- Over population growth and segmented and imbalanced labour market problems: e.g. Indonesia, the Philippines, Viet Nam, Thailand
- Unemployment and rising informal sector workers: most transition and emerging countries
- War and social conflict, political turmoil, natural disaster: e.g. Cambodia, Myanmar, Viet Nam, the Philippines, Indonesia
- Illiteracy and high incidence of school dropouts and lack of education opportunities: e.g. Cambodia, Myanmar

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Socio-economic issues (contd)

- Chronic poverty, homelessness, disability, severe illness, ethnic discrimination and social exclusion: most transition economies
- Gender and vulnerability issues relating to single parents: e.g. Cambodia, Myanmar, Thailand
- Street children, child labour, human trafficking: e.g. Cambodia, Indonesia, Lao PDR, Viet Nam
- Ageing community and migration problems: advanced economies
- Negative impacts of globalisation: most transition and emerging economies

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Labour Market Policies

- Active labour market initiatives, such as: providing direct employment generation; employment services and skills development programmes (most AMCs)
- Passive labour market initiatives, such as unemployment support; income support and labour protection legislative framework (most AMCs)
- Promoting SMEs and the informal sector (e.g. the Philippines, Indonesia, Thailand, Lao PDR, and Malaysia)
- Developing agricultural sector as main labour market (most transition and emerging countries)

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Social Insurance

- Unemployment insurance (e.g. the Philippines)
- Work injury insurance or employment accident benefit schemes (e.g. JAMSOSTEK in Indonesia)
- Disability and invalid insurance (e.g. the Philippines, Thailand, Viet Nam, Malaysia)
- Sickness and Maternity insurance in most emerging and advanced countries of AMCs.
- Old-age insurance in most AMCs.
- Death Grants and Survivor's Pension in most AMCs.

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Social Assistance

- Welfare and social services for highly vulnerable groups such as disabled, orphans or substance abuser are implemented in most AMCs
- Cash or in-kind transfers such as food stamps and family allowances in some advanced and emerging economies (e.g. Singapore, Brunei Darussalam, Indonesia, the Philippines)
- Temporary subsidies such as housing subsidies, life-line tariffs, fuel price subsidies, lower price of staple foods in times of crisis (e.g. *Subsidi Langsung Tunai* or Direct Income Transfer in Indonesia as a form of the fuel price subsidies).

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Micro-&Area Based

- Micro insurance: voluntary and contributory scheme for the community (e.g. ASKESOS in Indonesia).
- Agricultural insurance to protect farmer from natural perils like storms, floods, droughts, plant pest, disease and harvest failures.
- Community-based social funds in Thailand and Indonesia (e.g. *Jimpitan*, Arisan, Funeral Funds)
- Disaster preparedness and management to assist communities in risk coping and mitigation (e.g. the Philippines, recently in Indonesia)

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Child Protection

- Initiatives on the elimination of child labour and street children (e.g. Indonesia, The Philippines, Thailand, Cambodia). Under the ILO-IPEC (International Programmes on the Elimination of Child Labour), for example, Indonesia has been implementing National Action Plan to eliminate the worst forms of child labour.
- Early child development programmes, including school feeding programmes, scholarships and school fee waivers (e.g. Indonesia, The Philippines).
- Child rights advocacy (e.g. in Indonesia this programme is widely implemented by NGOs)
- Youth programmes to avoid marginalization in teenagers, criminality, sexually transmitted diseases, and early pregnancy and drug addiction (e.g. Thailand)
- Family allowances to assist families with young children to meet part of their basic needs (e.g. The Philippines)

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The Strengths

- All AMCs have been implementing some kinds of social protection (public or community-based initiatives) based on their specific needs and resources.
- The relevant ASEAN sectoral bodies in labour, social welfare and development, and rural development and poverty eradication have established strategic frameworks for regional co-operations in the five key priorities for social protection.

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The Challenges

- Existing systems of social protection are mainly based on Otto van Bismarck's model (the industrial relationship and social insurance). Those insured are mostly urban-wage earners and their closest dependents. On the other hand self-employed, informal workers, agricultural labourers and the unemployed and their dependents are not covered.
- Existing systems are dominated by informal and ad hoc mechanisms, ranging from developed schemes for the civil service and the army, to stigmatised charity provisions by civil society, with abject neglect of the majority (Low, 2002).

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The Portrait

Social Protection in Indonesia

Limited coverage, struggling with insufficient funds, ineffective institutions, and suffer from a lack of sustainability and quality. Whilst the overall coverage of the available schemes is only for employees in the formal sector, such as public servants and members of the armed forces, reputation of the schemes is low, people opt-out wherever possible and contributory schemes are suffering from evasion.

Source: Tambunan & Purwoko (2002); Scheil-Adlung, (2004)

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<p style="text-align: center;">FOLLOW UP ACTIONS BOTH NATIONAL AND REGIONAL LEVELS</p> <p style="text-align: right;">19</p>	<p>Follow-Up Actions at National Level</p> <p>1. Labour market policies</p> <ul style="list-style-type: none"> • Developing a labour market information system • Enhancing pre- and in-service skills building • Facilitating job brokerage, counselling and placement services <p style="text-align: right;">20</p>
<ul style="list-style-type: none"> • Improving pension systems • Providing appropriate unemployment benefits • Encouraging expansion of labour standards and legal reform efforts • Developing apprenticeship programmes <p style="text-align: right;">21</p>	<p>2. Social insurance</p> <ul style="list-style-type: none"> • Improving the service quality of social insurance institutions and links with financial institutions • Developing financial resources of provident funds • Improving the rate of return on provident fund investment • Developing unemployment benefits scheme plans • Improving the coverage of health care and maternity insurance • Developing social insurance systems for migrant workers <p style="text-align: right;">22</p>
<p>3. Social assistance</p> <ul style="list-style-type: none"> • Providing basic food staples and clean water, especially for the poorest households and victims of natural disasters • Developing specific aid, support and assistance for specific disabilities • Enhancing services for the elderly • Providing public works that pay subsistence wages <p style="text-align: right;">23</p>	<ul style="list-style-type: none"> • Providing rehabilitation clinics, counselling services and regular health care services • Providing public housing for the urban poor • Capacity building for governments, institutions and organisations <p style="text-align: right;">24</p>
<p>4. Micro- and area-based schemes</p> <ul style="list-style-type: none"> • Scaling up social and micro funds to expand community-driven development • Developing appropriate indicators for risks management and vulnerability at the household and community levels • Providing the best means of dealing with problems such as floods, droughts, disease, harvest failures and other natural disasters <p style="text-align: right;">25</p>	<ul style="list-style-type: none"> • Promoting financial literacy, encouraging equal access to productive resources, and ensuring equity in access to education and public services • Developing a network of crop insurance schemes among farmers' associations • Proposing agricultural insurance model for the poor in rural areas • Developing sustainable livelihood programmes in local areas • Encouraging community-based disaster management <p style="text-align: right;">26</p>

5. Child protection

- Supporting community-based coping related to orphans, aids victims and women
- Making education affordable for the poor through reduced education costs and availability of scholarships
- Empowering women to make their own care decisions
- Providing rehabilitation centres for the youth and children that have drug addiction
- Providing counselling and temporary shelter for street children and child labour

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Follow-up Actions at Regional Level: General

- Exchange of information/networking through regular seminars (preferably on an annual basis)
- Exchange of officials/attachment visits focusing on specific issues of priority at both policy and technical levels
- Collaborative research on issues of priority; and
- Sharing of training courses/resources

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Labour market policies

- Developing an ASEAN labour market information system
- Developing exchange programmes on labour market issues
- Developing standards to facilitate labour mobility in ASEAN
- Enhancing regional cooperation in promoting SMEs and informal sector development in ASEAN.
- Creating ASEAN models of partnership on industrial relations

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Social insurance and social assistance

- Developing an ASEAN network on social insurance and pension arrangement
- Sharing successful experiences with social insurance system within AMCs
- Developing exchange programmes among AMCs to share and learn experiences in services delivery, especially for the poor.

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- Documenting effective policies/best practice cases from the region experiences
- Developing a common approach for documenting social problems, and sharing lessons learned in solving social problem
- Investing in education, skills training and lifelong learning to promote employability of the poor
- Share policy approaches on micro-financing and employment/income generation strategies

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Micro- and area-based scheme

Promote economic entrepreneurship and rural development:

- Collaborating with the private sector
- Convening regional workshops to share experience on community enterprises
- Facilitating access of rural population to micro-financing

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Child protection

- Assisting the reform of civil codes and their enforcement in order to improve protection for children and women
- Exploring ways and means to prevent harmful child labour, such as combating child trafficking and commercial sexual exploitation
- Data collection and indicators development on the children-related MDGs

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- Coordination and cooperation in advocacy on child survival, protection and development concerns
- Continue addressing ASEAN's identified priorities for early childcare and development through
 - monitoring, licensing and minimum standards
 - curriculum; and
 - capacity-building and qualifications

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APPENDIX 7

Slide Presentation of Project Team (Prof. Michael Cuddy) First Day of the Workshop

<p style="text-align: center;">Regional workshop on Strengthening Social Protection In ASEAN</p> <p style="text-align: center;">Professor Michael Cuddy</p> <p style="text-align: right;">1</p>	<p style="text-align: center;">Strengthening social Protection System in ASEAN <u>Objectives</u></p> <ul style="list-style-type: none"> • Building capacity of ASEAN officials involved in establishing systems of social protection or social risk management • Developing an integrated policy framework and institutional mechanisms for overall social protection • Identifying special needs of ASEAN's newer members and facilitate "mentoring arrangements among ASEAN Member Countries <p style="text-align: right;">2</p>
<p style="text-align: center;">Strengthening social Protection System in ASEAN <u>Progress to date</u></p> <ul style="list-style-type: none"> • Identified social and economic issues that constitute social protection • Catalogued the specific forms of social protection programmes currently being applied in Member Countries <p style="text-align: right;">3</p>	<p style="text-align: center;">Strengthening social Protection System in ASEAN <u>Findings 1</u></p> <ul style="list-style-type: none"> • Different country clusters have different protection level <ul style="list-style-type: none"> ○ Transition economies ○ Emerging economies ○ Advanced economies <p style="text-align: right;">4</p>
<p style="text-align: center;">Strengthening social Protection System in ASEAN <u>Findings 2</u></p> <ul style="list-style-type: none"> • Critical factors influence level of protection <ul style="list-style-type: none"> ○ Macroeconomic level and stability ○ Quality of governance ○ Socio-cultural conditions and social structures ○ Networks, power structures and interest groups <p style="text-align: right;">5</p>	<p style="text-align: center;">Strengthening social Protection System in ASEAN <u>Findings</u></p> <ul style="list-style-type: none"> • Problem emerge with economic development <ul style="list-style-type: none"> ○ Population growth ○ Urbanisation – migration ○ Rural households are poorest ○ Growing disparity ○ Disruption of traditional support systems ○ Limited coverage – regional/sectoral/informal ○ Lacking regional specificity – copying West <p style="text-align: right;">6</p>

Social protection essential to sustainable development

- Labour Law
- Education
- Health Care
- Social Protection

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Outputs from conference

- Identify best practices in social protection policy among ASEAN states
- Identify the major obstacles to implementing policies
- Elaborate strategic directions to strengthen social protection systems in ASEAN at national and regional level
- Define procedures on how ASEAN countries can co-operate toward implementing a set of common policies

8

Recognising the difficulties

- Economic development as prerequisite to social development
- Getting member states' commitment
- Need for partnership between government, funding agencies, civil society to achieve consensus on priorities, objectives and implementation
- Cultural diversity and sensitivities
- Adapting other regional models to the specifics of the ASEAN regions

9

Towards a strategic approach

- Establish an ASEAN Social protection Committee
- Set up a common data base on current situation
- Set minimum baseline commitments – objectives/standards
- Establish cross-country pilot project (financed from common fund into which international agencies contribute)
- Compare achievements
- Identify obstacles to achieving these standards
- Organise meetings/conferences to discuss and plan progress – use cross country case studies

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APPENDIX 8

Slide Presentation of Project Team (Prof. Michael Cuddy) Second Day of the Workshop

<p style="text-align: center;">Regional Workshop on Strengthening Social protection in ASEAN</p> <p style="text-align: center;">Review of Day 1 – Proposal for Day 2</p> <p style="text-align: center;">Professor Michael Cuddy PhD.</p> <p style="text-align: right;">1</p>	<p style="text-align: center;">Working Group Discussions</p> <ul style="list-style-type: none"> • Labour Market Policies and Social Insurance • Child Protection and Social Assistance • Micro and Area-based Schemes <p style="text-align: right;">2</p>
<p style="text-align: center;">Structures of Deliberations</p> <ul style="list-style-type: none"> • Socio-economic Issues That Constitute Social Protection • Forms of Protections • Evaluation of Responses to Problems • Strategies <p style="text-align: right;">3</p>	<p style="text-align: center;">Strategies</p> <p>Labour Policies and Social Insurance</p> <ul style="list-style-type: none"> • Advocate for stronger political commitment <ul style="list-style-type: none"> – Policy studies (to highlight the cost of inaction) • Continue regional discussions on skills recognition • Develop regional labour market monitoring and HRD planning systems • Follow-up discussions should continue at national and regional levels to integrate social protection into the development agenda: <ul style="list-style-type: none"> – focused multi-sector groups (govt, business, NGO) – Pilot projects at national level – Sharing and learning (“peer review”) of experiences at regional level • Development of database of social parameters, existing policies. <p style="text-align: right;">4</p>
<p style="text-align: center;">Strategies Child Protection</p> <ul style="list-style-type: none"> • Include social protection for children in the national agenda • Raising awareness on child protection • Political commitment • Capacity building for advocators and implementers and stakeholders • Networking between partners • Information exchange • Promoting community based involvement • Document and sharing best practices • Conduct more research • Collect more data and validity <p style="text-align: right;">5</p>	<p style="text-align: center;">Strategies Social Assistance</p> <ul style="list-style-type: none"> • To have political commitment • Law • To establish an ASEAN committee on social protection under the SOMSWD or SOMRDPE • To share best practices among ASEAN Member Countries • To have action plan on social assistances • To introduce social insurance <p style="text-align: right;">6</p>

Strategies Micro and Area-based Schemes

- Share Information and Practices among the Communities and AMC
- Reclaiming / Revitalizing / Recognition Importance of Local / Indigenous Wisdom, Knowledge, System of Practices in Managing Sustainable Development of Local Resources
- Capacity Building for Different Stake Holders
- Establishment of ASEAN Saving Fund for Micro / Area-based initiatives
- Gender Sensitisation and Gender Mainstreaming in Micro and Area-based Initiatives and Gender and Cultural Based Rehabilitation Efforts after Natural Disasters

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Planned Agenda

- Identifying best practices of social protection that can be replicated in ASEAN Member Countries
- Assessing particular issues and strategies of social protection in five core areas being faced at the regional level
- Outlining regional approaches to improving social protection standards in ASEAN

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Alternative proposal

- Delegates agree to provide information to complete planned programme using work of Day 1
- Refine and make more concrete strategies – Grouping as in Day 1
- Agree a number of initiatives which can be implemented by way of pilot projects
- Identify a feasible initiative from each social protection area

9

Towards a strategic approach

- Establish an ASEAN Social Protection Action Group
- Set up a common data base on key parameters and current social protection measures in each country
- Get government commitment on a minimum baseline set up of objectives, measures and standards in each SP area
- Establish cross-country pilot projects in agreed set of measures, implemented over say 3 years (financed from common fund with international assistance)
- Comparison of achievements over implementation period
- Identify obstacles to achieving these standards
- Organise regular meetings/conferences to discuss and plan progress – use cross country case studies

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