

What are some ways in which social protection measures can be structured to enhance the social integration of vulnerable and marginalised groups in ASEAN countries? What roles do government, private sector, non-government organisations, community based, micro-finance organisations and other agencies play in fulfilling social protection and social integration in ASEAN countries?

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Abstract:

In this paper I describe some of the social protection measures that have been implemented in ASEAN countries and are incorporated into the ambitious agenda set out in the ASEAN Socio-Cultural Communities Blueprint under the ASEAN Charter, which will in turn be reflected in ASEAN national development plans of ASEAN nations¹ beginning in 2010. The ASEAN charter of ***One Vision, One Identity, One Community*** promotes a people-oriented ASEAN in which all sectors of society are encouraged to participate in, and benefit from, the process of ASEAN integration and community building, a population of nearly 600 million people in 2008². The ASEAN socio-cultural blueprint defines the common interests of ASEAN nations in achieving social development as a key component of establishing an ASEAN Community by 2020. The ASEAN Political-Security Community has mutual interests and interdependence among ASEAN peoples; common objectives, shared commitments and collective responsibility in enhancing regional peace, security and prosperity.” The ASEAN Community will be:

- A Rules-based Community of shared values and norms;
- A Cohesive, Peaceful, Stable and Resilient Region with shared responsibility for comprehensive security; and
- A Dynamic and Outward-looking Region in an increasingly integrated and interdependent world.

Without ignoring the varied levels of socio-economic development of individual countries within ASEAN, there are also some commonalities among these nations in relation to vulnerabilities and social protection.

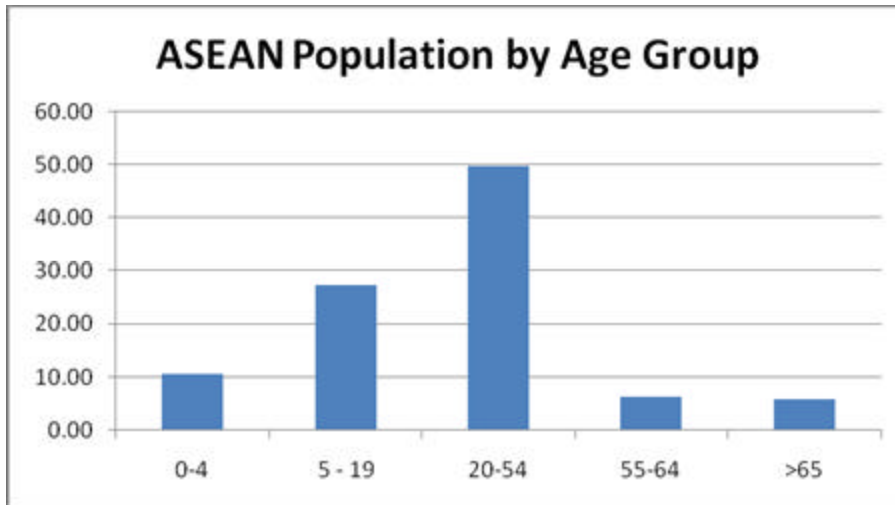
Vulnerability Characteristics: ASEAN countries are experiencing rapid socio-economic changes associated with, regional integration, globalisation and rapid economic growth. Economic performance is still strong despite the recent global financial crisis (GDP growth of 6-8%) and most countries are making significant progress in meeting the MDG targets. However, least developed countries in the ASEAN region still have a significant proportion of their population living on less than US\$2 a day, the majority of whom are rural based. While there has been an increase in the proportion of poor living in urban areas, as city populations expand and rural populations migrate to cities, most of the poor still depend

¹ Singapore, Brunei Darussalam, Malaysia, Lao PDR, Viet Nam, Cambodia, Myanmar, Philippines, Indonesia, Thailand

² 583,651,000 according to the ASEAN Statistical Yearbook 2008, ASEAN Secretariat July 2009 (available online www.asean.org)

on agriculture for their livelihoods and the poorest rural populations use the majority of their food cultivation for their own consumption.

ASEAN countries also face significant challenges due to high levels of rural under-employment and large numbers of youth entering the labour market each year.



Source: ASEAN Statistical Yearbook 2008

High levels of employment migration are encouraged to reduce risks of high unemployment. For example, in 2008, there were 373,000 foreign workers in Taiwan of which 125,000 were from Indonesia, followed by 85,000 Filipinos, 82,000 Vietnamese, and 79,000 Thais, half of which were in service jobs, as well as infrastructure projects.

There are strong correlations between poverty and remoteness of residence among all ASEAN countries. The poorest households can be found mainly in the mountainous and highland areas, or remote islands, where accessibility is often difficult. Geographical isolation is a major cause of poverty, and most of the rural and small island communities have little access to markets, employment opportunities, or social services.

A large proportion of rural roads become impassable and boat travel becomes more hazardous during the annual wet or rainy season. Seasonal floods and droughts have severe adverse impacts on people's livelihoods and in particular the livelihoods of the vulnerable groups with low adaptive capacity and limited social safety nets. Floods and storms destroy crops and investments made in agricultural production (e.g. irrigation) leaving many poor farmers in accumulative debt.

Poverty Reduction and Social Protection Mechanisms in ASEAN:

Traditionally in the South East Asian region, family and community support are the primary sources of protection in times of hardship. Formal safety nets are more recent initiatives but do not yet offer significant coverage or protection to reduce the vulnerability of poor rural populations due to low connection to formal employment and labour laws, low public expenditures on social protection and low administrative capacity of local governments. ASEAN countries previously prioritised spending on supply side investments, especially social infrastructure including health care institutions and schools, rather than social protection. However, many social protection programs and projects were implemented after the Asian Financial Crisis in 1997-1998 under various line Ministries, mostly using ODA or

loans rather than directly funded by governments, as well as numerous pilot and small-scale social protection and poverty reduction activities supported by various NGOs and INGOs.

Governments within ASEAN have more frequently used consumer subsidies, usually to offset impacts of fuel and food price rises, to protect “poor” populations. However many of the consumer subsidies were untargeted and benefited the non-poor as much, if not more than, the poor. Based on the lessons learned from East Asia crisis 1997-98, some ASEAN governments introduced social protection programs to ensure that the existing poor and new poor were protected through public works programs, food distribution, as well as education and health subsidies. Usually these programs or projects were part of national poverty reduction strategies, and implemented separately through line Ministries of Health, Education or Ministries of Labour and Social Welfare rather than part of an integrated and comprehensive system for employment and social protection. The Millennium Summit and introduction of MDGs identified an over-arching poverty reduction goal, but then further reinforced separate sectoral responsibilities for reaching goals in health, education and gender, and a minor target related to youth unemployment. As a result sectoral plans and programs were developed with an expectation that gender and good governance would be ‘mainstreamed’. Not surprisingly, a variety of social protection measures were designed and implemented in ASEAN countries to achieve the MDGs.

Thailand has followed a “universal” approach to social protection. In April 2009, Thailand introduced a social pension of 500 bhat (\$14) per month for citizens above 60, however the National poverty line is 1453 bhat (\$41). The elderly social pensions, combined with the civil service and private sector social security pension systems, will cover 71% of the elderly in Thailand. The social pension augments the free national health insurance scheme that covers 100% of the population and already implemented in Thailand. Thailand provides the highest level of social protection coverage of its population among ASEAN nations.

Public Work Programmes (PWP) are used in many ASEAN countries and are designed to provide income to poorest households through work on community or public works that improve or rehabilitate community services or infrastructure (most often roads, bridges, walkways). PWP are more appropriate when the link between poverty and unemployment or underemployment is exceptionally strong. Most PWP offer only short-term employment, they are more appropriate for transient rather than chronic poverty. Most public work programmes implemented in ASEAN countries are temporary and aim to stabilise incomes of poor households during periods of no or very low income opportunities, e.g. part of recovery actions after a natural disaster, or post harvest to prevent the sale of agricultural or household assets. In Cambodia, participants in public works programs receive rice³ in return for their labour in rural infrastructure projects (such as tertiary roads; irrigation canals; water systems/reservoirs) aimed at increasing food production and/or access to markets. The cash wages paid in public works programmes are generally enough for people to be able to meet basic living costs but remain low to ensure that the temporary work programs do not compete with the regular labour market⁴. In Lao PDR, improving dry season access roads to all season access roads were found to have the most significant impacts on poverty reduction⁵, and in response communities have received “block grants” to improve road access, water and sanitation.

³ Equivalent to 3.5kg of rice per 1 cubic meter of earth work

⁴ In Timor Leste in 2007 the Serbisu Ba Dame Project⁴ provided temporary work for more than 46,000 beneficiaries, creating a total of 606,000 workdays of employment on rural road rehabilitation (17.2 km) and maintenance (2,325 km) and restoration of irrigation canals (180 km). Wages were \$2.00 per day. Projects implemented by Ministry of Agriculture and Secretary of State for Employment and Vocational Training

⁵ The Impact Of Road Development On Poverty In The Lao People’s Democratic Republic, *Peter Warr* Asia-Pacific Development Journal Vol. 13, No. 2, December 2006*

Rural Microfinance has had a significant impact for poverty reduction in rural households but have also been used to provide protection against other social risks such as human trafficking by creating local alternative income generating options. ILO, together with the Lao Community Sustainable Development Promotion Association (LCSDPA), implemented *village banks* in 5 provinces of Lao PDR covering 125 villages in 22 districts. Villages that had a high number of trafficking victims or at-risk individuals were targeted and complementary vocational and business management training⁶ offered as a balanced solution to risky migration. Around a third of loans taken in the rice production season were to buy fertilizer. Previously, borrowers had paid 50 per cent interest on fertilizer purchased to the fertilizer store. The monthly interest rate on their loan (of 3–4 per cent) from the village bank meant a significantly reduced debt burden. Nearly half of the loans were used for investing in chicken, duck and pig raising. Following the skills training courses from the Department of Industry and Handicraft, most farmers have started to vaccinate their poultry and livestock. The business investments have been in brick making, small trade, mushroom growing, handicraft production, food processing and repair shops. On average, village banks have accumulated more than US\$1,000 in savings and loan repayment rates have been close to 100%.

Cash transfers have been used in several countries to support access to education and health services, even when these services are “free” as poor households need support to overcome costs such as transportation, school-uniforms, school text books and materials that often exclude the vulnerable households from participating (e.g. transportation costs preventing a chronically ill person living in a remote being able to access free health care). More recently, in response to the Global Financial Crisis, ASEAN countries have re-evaluated their social protection programs and introduced more targeted interventions for poor rural and remote communities with behavioural conditions for recipients⁷. In the Philippines a conditional cash transfer designed to help achieve health MDGs has been implemented for poor households on the conditions that (i) pregnant women must get prenatal care starting from the first trimester and get postnatal care thereafter; (ii) child birth is attended by a skilled/trained professional; (iii) parents/guardians must attend family planning sessions/mother’s class, parent effectiveness service, and other services; and (iv) children under 5 years old must get regular preventive health check-ups and vaccinations. The health package provides a beneficiary household with P6000 per year⁸.

In Indonesia, a more integrated and comprehensive range of social protection measures linked to poverty reduction, employment and community participation has recently been introduced. A National Team for Poverty Reduction Coordination (TKPK) was established, consisting of 22 ministries and the heads of all central institutions having any programs related to poverty reduction. Regional and local TKPK offices were also established at provincial and local levels (or districts and municipalities). From 2008, all programs dealing with poverty reduction were coordinated into 3(three) cluster of programs, in accordance with steps to be taken to provide basic assistances and capacity building to the poorest, poor and near poor people. Cluster one is for Social Assistance and Protection, cluster two is for Community Empowerment, and cluster three is for Micro and Small Business Empowerment.

⁶ ILO Women’s Entrepreneurship Development and Gender Equality “WEDGE – Get Ahead Training

⁷ Indonesia has strengthened a targeted cash assistance program for the poor, and the Philippines has put a conditional cash transfer program in place.

⁸ Approximately \$US130.00

Cluster One: Social Assistancess and Protection. The role is to reduce living costs and burdens of poor people for food, shelter, water, sanitation, health, and education. The assistance provided is in form of cash transfers and subsidies. The recipients are households who are poorest, poor and near poor households. Each year, the Central Bureau of Statistics verifies and updates the data of targeted households (by name and address). In 2007, 19.1 million targeted households received assistance including 3.4 million poorest or extreme poor households. In 2008, 18.5 million poor households received assistance and in 2009 17.1 million households received assistance.

Cluster Two: Community Empowerment. The PNPM Mandiri (the National Program on Community Empowerment) is a set of programs to increase income and capacity of poor communities and to accelerate achievement of Millennium Development Goals by 2015. Community Block Grants are able to be accessed and used to achieve specific objectives including:

1. Increasing participation of all community members, including the poor, women's groups, indigenous communities, and other community groups, that have not yet been fully involved in the development process;
2. Improving the capacity of community institutions that are locally based, representative, and accountable;
3. Improving local government capacity to provide public services especially to poor communities through development of pro-poor policies, programs and budgets;
4. Increasing synergy between communities, local government, and other pro-poor stakeholders (such as private sectors, associations, universities, media, NGOs, etc.) with a purpose for improving effectiveness of poverty reduction initiatives;
5. Enhancing the capacity and capability of the community and local government as well as local stakeholders in independently reducing local poverty;
6. Increasing innovation and the use of appropriate technology, information and communication in community development.

The policy reason for supporting community groups is to “revive and to strengthen the Spirit of Gotong-Royong/togetherness” among individuals, community and , in the long term, across the nation. In 2007, 2,999 sub-districts participated in PNPM Mandiri. In 2008, it expanded to 4,200 sub-districts and in 2009, all sub-districts in the country including new sub-districts were covered, a total of 6,408 sub-districts. More than 650,000 community groups receive from and are active participants in PNPM Mandiri. Grants are provided to poor communities will self-identify problems and seek solutions to improve 12 health and education indicators. All participating communities receive assistance in the form of facilitators and training, and an average village annual block grant of US\$8,400. The results after 1 year are⁹: Education activities 56%, health activities about 44%. Educational activities funded include school materials, equipment and uniforms (59%); financial assistance for school fees and other needs (31%); infrastructure (5%); financial incentives for education workers (4%); and socialization and training (1%). Health activities funded include: supplementary feeding for underweight or malnourished children (40%); financial assistance for pregnant women and mothers to access health services (30%); infrastructure (13%); facilities & equipment (11%); socialization and training (3%); incentives for health workers (3%).

⁹ Preliminary findings from April 2009

Cluster Three: Micro and Small Business Empowerment. This cluster is to support individuals and small groups operating micro and small businesses. The assistance is in form of soft loans to develop their business activity. The maximum loan amount for individual businesses is 500million Indonesian rupiahs (IDR), and for a small business the loan amount is between 500 million IDR to 2.5billion IDR. The Government assures the risk of the credit and pays claims for Non Performing Loans from banks which execute this Credit Scheme. Since it started in November 2007, 1.7 million creditors have received more than 13 Trillion IDR credit in the first year of operations. This cluster is designed as the exit strategy step for the poor before they no longer need a grant from the government. After the eligible individuals or groups have paid back their soft loan and have been successfully operating their micro and small economic business for a further 6 months, they are considered to be able to operate independently.

From this last example, we can see how integrated policies and programs that recognise the essential support needed for supporting communities and social inclusion integrated with social protection measures. There are also much improved monitoring systems developed to be able to measure the results of these programs.

ASEAN nations have experimented with different social protection measure to recover from the East Asian Financial Crisis, reduce levels of poverty and maintain economic growth. Overall, ASEAN Member States have made good progress towards the attainment of the Millennium Development Goals (MDGs) particularly in primary education, gender equality as well as combating infectious diseases. However, some ASEAN Member States still need to overcome significant challenges to fully achieve the MDGs. The ASEAN Leaders adopted the Joint Declaration on the “Attainment of the MDGs in ASEAN”¹⁰ in March 2009. ASEAN Vision 2020 envisages ASEAN nations ‘being governed with the consent and greater participation of the people with its focus on the welfare and dignity of the human person and the good of the community’. ASEAN has developed a concept of human rights through participation in ‘inclusive growth’ that creates and improves access to opportunities for all. But this has been supported by:

1. The 1998 Declaration of the Advancement of Women in the ASEAN Region;
2. The 2001 Declaration on the Commitments for Children in ASEAN;
3. The 2004 Declaration on the Elimination of Violence against Women in the ASEAN Region;
4. The 2004 Declaration against Trafficking in Persons, particularly Women and Children; and
5. The 2007 Declaration on the Protection and Promotion of the Rights of Migrant Workers

The Working Group for an ASEAN Human Rights Mechanism recommended to the High-level Panel that the ASEAN human rights body should be institutionalized as a ‘Commission’¹¹ and aims to establish the ASEAN human rights body by December 2009¹².

¹⁰ The 14th ASEAN Summit held in Cha-am, Hua Hin, Thailand

¹¹ The ASEAN human rights body will be guided by the Universal Declaration on Human Rights and not by current varying conditions of human right in member-states. At the same time, the ASEAN human rights body will ‘tackle human rights issues in a realistic manner. Governments must join with civil society to optimize opportunities for building or rejuvenating democracy. Civil society plays an important role in facilitating the democratization process by promoting human rights and sustainable development.

ASEAN pushed further in developing the “ASEAN Socio-Cultural Community Blueprint for Social Protection, Employment and Social Inclusion” one of three strategic frameworks for implementing the ASEAN Charter¹³ by 2015. The ASEAN Socio-Cultural Community (ASCC) Blueprint¹⁴ has as its primary goal to “contribute to realising an ASEAN Community that is *people-centred and socially responsible* with a view to achieving *enduring solidarity and unity* among the nations and peoples of ASEAN by forging a *common identity* and building a *caring and sharing society* which is *inclusive and harmonious* where the *well-being, livelihood, and welfare* of the peoples are enhanced.” This is a significant shift in thinking for ASEAN from its initial focus on regional economic integration and trade to incorporate political and socio-cultural mandates. It demonstrates a recognition of shared interests and responsibilities, and higher levels of confidence that ASEAN nations can have common goals and policies despite different political systems and different levels of economic development.

As an example, the ASCC Blueprint states that it will: “...address the region’s aspiration to lift the quality of life of its peoples through cooperative activities that are people-oriented and environmentally friendly geared towards the promotion of sustainable development. ...The ASCC is characterised by a culture of regional resilience, adherence to agreed principles, spirit of cooperation, *collective responsibility, to promote human and social development, respect for fundamental freedoms, gender equality, the promotion and protection of human rights and the promotion of social justice*...The ASCC shall *respect the different cultures, languages, and religions* of the peoples of ASEAN *emphasise their common values in the spirit of unity in diversity* and adapt them to present realities, opportunities and challenges”.

The ASCC comprises the following components: (a) Human Development; (b) Social Welfare and Protection; (c) Social Justice and Rights; (d) Ensuring Environmental Sustainability (e) Building the ASEAN Identity; and (f) Narrowing the Development Gap. These components are envisaged to be achieved by implementing a set of 340 actions that are people-centred and socially responsible.

The Human Development goals link employment, training, skills development, social protection and social inclusion principles to increase the participation of women, youth, elderly, persons with disabilities, vulnerable and marginalised groups in the productive workforce by enhancing their entrepreneurial skills, particularly to improve their social well-being and contribute towards national development and regional economic integration.

The Social Welfare and Protection goals are to enhance the well-being and the livelihood of the peoples of ASEAN through “...alleviating poverty, ensuring social welfare and protection, building a safe, secure and drug free environment, enhancing disaster resilience and addressing health development concerns.” Community-driven initiatives for poverty reduction, social welfare and protection from negative impacts of globalisation and integration and promoting social justice and mainstreaming people’s rights are all included. Specific actions include improving the quality, coverage and sustainability of social protection and increasing the capacity of social risk management, and to safeguard the interests and rights as well as provide equal opportunities, and raise the quality of life and standard of living, for women, children, the elderly, and persons with disabilities including the

¹² National human rights institutions (NHRIs) exist in Indonesia, Malaysia, the Philippines and Thailand. These have formed a network – the ASEAN NHRI Forum – to address human rights issues of common concern. They are also helping Cambodia to establish its own NHRI.

¹³ The three pillars are an ASEAN Economic Community, an ASEAN Political & Security Community and an ASEAN Socio-cultural Community. The ASEAN Charter has been fully ratified by all 10 ASEAN Member States and came into force in December 2008.

¹⁴ www.asean.org - The ASCC Blueprint was published in June 2009.

rights and welfare of disadvantaged, vulnerable and marginalised groups such as women, children, the elderly, persons with disabilities and migrant workers.

ASEAN social protection measures are frequently based on *collective* eligibility rather than individual eligibility sometimes referred to as the 'Asian communitarian approach to democracy.' Some Governments are concerned about targeting of households rather than extended families or communities, which could undermine some solidarity and risk-sharing arrangements. The exception to this is usually assistance provided for persons with disabilities. The ASCC Blueprint emphasizes the role of communities in making decisions and taking actions for social protection and poverty reduction locally. The first ASEAN Social Forum was held in November 2008 to facilitate the participation of civil society organizations and NGOs in various ASEAN meetings, processes and sectoral bodies. The ASCC foresees the active participation of civil society organisations in the development and implementation of social protection and social integration measures.

Unfortunately the Blueprint does not provide details of resources required to achieve this ambitious agenda and the realities of diversity and differences in the structures and performance of the various national systems make the task exceedingly difficult. However it holds the ASEAN governments accountable to each other, as well as their citizens, to develop national plans to implement social protection, employment and poverty reduction programmes that support social inclusion.

By Fiona Howell, Social Protection Advisor

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