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*Research on Strengthening APEC
Social Safety Net Activities*

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I . Introduction

Since 1997, the Asian countries hit by the economic crisis have suffered from a sharp increase of the unemployment rate and poverty ratio and as a response to the impact of the crisis, the countries' governments have try to strengthen the social safety nets in hurry. However, the social impact of crisis has been too great to deal with successfully for the countries that did not have adequate social protection arrangements in place. International donor organizations, such as the World Bank and Asian Development Bank, and advanced economies in the APEC region have provided financial or technical assistance in the form of aids or loans for mitigating the impact to the countries in crisis.

Also, APEC has been undertaking a range of social safety net activities since the 1997 economic crisis. APEC Leaders at their 6th Leaders Meeting in 1998 affirmed that social impacts of the financial crisis should be addressed with high priority. Related projects were discussed in Ecotech fora, the Economic Committee etc. In particular, guidelines for such activities were established in Finance Ministers' Meetings.²⁾

2) A project entitled "*Social Safety Programs in Selected Southeast Asian Economies 1997-2000*" was conducted from 1999 to 2000 to review social safety net programs introduced between 1997 and 2000 in selected APEC economies in order to identify practices that have been effective in

In 1998 the APEC Framework of Principles for Building Initiatives on Emergency Preparedness was adopted to set an APEC-wide disaster-coping cooperative framework. In 1999, APEC established the Virtual Social Safety Net Task Force, Thailand proposed the establishment of APEC Social Infrastructure Facility, and Australia announced its plan to provide a three-year Social Protection Facility of 5 million Australian dollars.

However, most of these efforts do not seem to have produced tangible outcomes so far due to the following reasons: 1) As APEC economies most severely afflicted by the crisis are in the process of recovery, willingness to follow the initiatives for social safety net tends to weaken. 2) The existence of many small and uncoordinated social safety nets activities in APEC around various fora gave the APEC community an illusive sense of achievement. 3) The proposals and initiatives failed to attract much political support, which is necessary to accomplish cross-cutting and resource intensive programs. 4) The resource mobilization issue, the very crux of the matter, was purposely kept at the sideline or did not attract necessary level of attention from member economies. 5) Some member economies that have been active in international assistance in social protection preferred bilateral arrangements to multilateral cooperation.³⁾

Under these circumstances, at the APEC Forum in Seoul (2000), Korean President Kim Dae-jung proposed establishment of an APEC Social Safety Net to provide mutual assistance and share the burden among member economies in times of unforeseen difficulties. The proposal was made as part of an initiative for achieving co-prosperity and harmony in the Asia-Pacific region.

achieving poverty alleviation.

3) APEC, "A proposal for Revitalisation of APEC Social Safety Net Activities by the Republic of Korea and Thailand", Twelfth APEC Ministerial Meeting, 2000/ANM/019, 2000

APEC Economic Leaders at the Brunei summit (2000) endorsed the need to address social safety net issues as part of an overall desire to *look after those disadvantaged by economic change*. Leaders urged addressing privatization issues as well as *strengthening social safety nets to deepen the regions understanding of how markets and institutions can be strengthened to face ongoing change*.

As social safety net improvement has become one of the major issues in the region, APEC decided to establish the *Ad Hoc Task Force on Strengthening APEC Social Safety Nets* and held the first meeting last February 2001 in Beijing, China. In the meeting, participants welcomed the usefulness of addressing social safety net issues in APEC. The member economies' delegations agreed that it should be a creative contribution to avoid duplication with undertakings in other fora because significant activities on social safety net issues were already under way in the Finance Ministers process and the Human Resources Development Working Group. So the meeting agreed on the usefulness of conducting preliminary research to take stock of social safety net activities in APEC and investigate options for cooperative endeavors among APEC members.

The objective of the research is to provide the necessary information and help establish basic directions for strengthening APEC social safety nets by reviewing the social safety net activities under way in APEC members and international organizations.

This research consists of five sections as follows. Section 1 describes the background, objective, scope and contents of the research. Section 2 provides stocktaking of social safety net activities undertaken in the APEC region by multinational financial and development institutions, as well as by major APEC member economies on a bilateral basis. Section 2 begins with a

general discussion of the concept and definition of social safety nets and then, building upon it, broadly assesses the extent to which these existing social safety net activities and projects have addressed issues such as poverty alleviation, social impact of the economic crisis, and social development goals. Though by no means an exhaustive list, a scope of discussion for the organizations currently engaged in the provision of social programs in the region is as follows: World Bank, ADB, UN (UNDP, ESCAP), Australia (AusAid), U.S.A. (Accelerated Economic Recovery in Asia - AERA), etc. Section 3 reviews and describes all of the collective APEC activities related to social safety nets. Emphasis shall be placed on APEC's response to the Asian economic crisis. The section also tries to identify useful complementary as well as overlapping areas in which those activities have been undertaken in various fora. Some areas of activity to be considered are as follows: APEC's ECOTECH social safety net-related activities, The Economic Committee's Social Safety Net Studies, the social safety net initiatives arising from the Finance Ministers' Meetings, etc. Section 4 seeks to identify gaps and missing links between the collective APEC's Social Safety Net-related activities and those undertakings elsewhere and to suggest possible areas where the functioning of the APEC's social safety net programs can be strengthened. Useful areas of investigation include poverty measurements and databases, targeting and delivery of services, gender bias, as well as the relationship between domestic arrangements and multilateral efforts. Section 5 recommends strategic options that APEC can choose to pursue in order to further provide added value to its existing social safety net activities. If necessary, the establishment of a mechanism and/or facilities to assist the implementation of strategic options can be explored. Additional focus may also be given to strengthening cooperation between APEC and multinational financial and development organizations.

II. Stocktaking of Existing Social Safety Net Activities in the APEC region

1. Definition of Social Safety Net

The World Bank defines social safety nets as programs that protect a person or household against the adverse outcomes of chronic incapacity to work (chronic poverty); and a decline in this capacity from a marginal situation that provides minimal means of survival with few reserves (transient poverty).⁴⁾

In ADB documents, the term social safety net is used as an alternative to social protection. Accordingly, social protection is defined as the set of policies and programs designed to promote efficient and effective labor markets, protect individuals from the risks inherent in earning a living either from small-scale agriculture or the labor market, and provide a basis of support to individuals when market-based approaches for supporting themselves fail.⁵⁾ This definition recognizes that social protection encompasses activities that span both the formal and informal

4) <http://www.worldbank.org/poverty/safety/index/.htm>

5) Ortiz Isabel, "Reforming Social Protection Systems in Asia and the Pacific: A Perspective from the ADB" presented in OECD workshop, 9th-10th April 2001, COM/DEELSA/CD(2001)20, Paris

sectors, regardless of whether households derive their incomes from industry, services or agriculture. In fact, social protection shares a large part of social policy with social safety nets, however, social protection address mainly social issues as a formal long-term, whereas social safety net's aim to cope with not only formal programs of long-term, but also short-term but sudden disruption such as economic crisis and natural disaster.⁶⁾

UNRISD states that the concept of social safety nets is not new early "poor relief" laws were often described as safety nets, while public works programs have a long history in both developed and developing countries. The term has more recently been explicitly linked to adjustment, and in this context has taken on a particular connotation. Most adjustment-related safety net programs are meant to supplement the activities of existing ministries and agencies unable to address the direct or indirect social costs of adjustment. So a social safety net is a variety of mechanisms implemented in conjunction with structural adjustment measures, and designed to address either structural or transitional poverty and unemployment, to reduce the impact of adjustment measures on certain groups, or to create or improve both social and physical infrastructure. Emergency funds, compensatory funds, employment funds and social investment funds are various types of safety nets.

APEC describes social safety net as a set of specific programs designed to provide targeted income support and basic services to poor people and those needing assistance after economic downturns, natural disasters and other temporary adverse economic circumstance.⁷⁾ In the international context, social safety

6) Pugu Irawan, "Analysis and Recommendations on Social Safety nets: Prospects in Indonesia" presented in Regional Seminar on Strengthening policies and Programs on Social Safety Nets 1-3 May 2001, ESCAP SD/SSN/INF.4

net can be viewed as a means to assist countries to overcome the undesirable side effect of globalization and the ensuing process of restructuring and reform to adopt to the changing parameter in the world economy.⁸⁾ Also, APEC HRD working group's report describes that social safety nets is to tide livelihood over during the period of economic downturn. Coping with household insecurity requires a combination of private savings, informal support, employer obligations and public provisions.

The definition of social safety nets can encompass all kinds of social devices to protect people from poverty, unemployment, disease, disaster, etc. The social safety net tends to be focused on emergent situations caused by socio-economic crisis or natural disaster.

2. Types of Social Safety Nets

As is well known, many Asian countries rely on traditional social safety nets provided by family or community. However, the traditional, informal social safety network, so heavily relied on in the past, has gradually diminished with increased industrialization and urbanization. The informal support mechanism is especially ineffective when a number of people are similarly affected. In the shift toward modernization, the role of policy-mandated formal safety nets is increasingly important, and the commitment of long-term public policies and their administration are serious issues.

Asian countries hit by the 1997 economic crisis have social

7) APEC, "A proposal for Revitalisation of APEC Social Safety Net Activities by the Republic of Korea and Thailand", Twelfth APEC Ministerial Meeting, 2000/ANM/019, 2000

8) Ibid.

insurance schemes such as health care, vocational injury compensation, and pension. Over time, each of those countries has developed social insurance schemes of varying levels of coverage and generosity. However, it is difficult to say that social insurance in Indonesia, Malaysia, Thailand and Philippines plays a role as a social safety net due to the low ratio of insurance premium contributors to total labor force or to total population. Among these countries, Malaysia has social insurance schemes that are the most advanced, but it does not mean that these insurance schemes function as a social safety net. That is, social insurance is considered as one of the most important components of the social safety net in advanced countries, but it does not fill the same role in the Asian countries.

The social assistance system is one type of social safety net. But in the Asian countries, price control, food subsidies, or nutrition subsidies for growing children, which could protect the purchasing power of vulnerable households for essentials, are more prevalent than formal, in-cash income support systems. Also, free or low-priced textbooks, and student loans or subsidies for tertiary education are also useful policy tools contributing to basic human resource security. During a period of emergency, free shelter and meals for those temporarily affected are necessary interim relief.

Ancillary social service provisions are also included as a type of social safety nets. Those with responsibility to care for family members, most often women, still may not be able to enter the labor market. Making available childcare services and long-term care facilities at affordable prices are strategies for responding to the change in family structure--from extended to nuclear--in the modern labor market.

Social safety nets encompass job-related systems considered to be traditional labor market programs such as training programs

for job transitions and making available employment information, etc., and these are effective in coping with changes in the structure of industry. Public works play a safety net role by conferring transfer and stabilization benefits to the poor. These programs also use the labor of the poor to build infrastructure for development.

Accordingly, the ADB's definition of social protection contains five components: i) labor market policies and programs designed to facilitate labor adjustments and promote the efficient operation of labor markets, ii) social insurance programs to cushion the risks associated unemployment, disability, sickness, maternity, work injury, and old age, iii) social assistance and welfare service programs to provide a floor for those with no other means of adequate support, iv) micro and Area-Based Schemes to cushion the risk to agricultural incomes from crop failure or temporary market disruptions, and address reduction of risk and vulnerability at the community level; and v) Child Protection. Of the five components, the three first (labor markets, social insurance and social assistance) are normally included in any social protection strategy. Given that most of the Asian poor are rural and part of the informal sector, and that about 40 percent of the labor force is below 19, the ADB social protection strategy must respond to the needs of its member countries and include new approaches such as supporting children and communities. Well-designed labor market policies may serve the majority of the active population of a country. Households in the formal sector will be reached by structured social insurance, crop insurance and social assistance, including child protection. Those in the informal sector are more likely to be reached by less structured social assistance, child protection, micro-insurance, social funds and other community-based programs.

3. Current state of Social Safety Nets in APEC member economies

In the following section, we will briefly describe the social safety net arrangements in the following APEC member economies: Indonesia, Thailand, Malaysia, Vietnam and the Philippines. Included are programs in existence prior to the crisis, as well as those established in its wake. Economies were selected for evaluation relative to the extent to which they were affected by the economic crisis, or, as is the case with Vietnam, the extent to which recent economic restructuring and privatization have made heavy demands on social protection programs.

CLASSIFICATION OF APEC MEMBER ECONOMIES

	Member Economies Hit By The 1997 Economic Crisis	Other Member Economies
Donor Economies	Korea	Australia, Canada, Chinese Taipei, Hong Kong China, Japan, New Zealand, Singapore, USA
Recipient Economies	Indonesia, Malaysia, Philippines, Thailand	Brunei, Cambodia, Chile, Mexico, Peru, PNG, Russia, Vietnam

3.1. Indonesia

Prior to the 1997 economic crisis, the Indonesian poverty ratio fell drastically from 60% in 1970 to 11% in 1996 as the result of a rapid economic growth⁹). However the unprecedented

9) Sumarto Sudarno, "Indonesia's Experience with Social Safety nets: Lessons learned and Future Prospects", presented in OECD workshop April 2001, COM/DEELSA/CD(2001)7.

impact of the crisis and the increasing number of people falling into poverty has astonished policy makers and pointed to the issue of how to deal with the magnitude of the problems and how to help the poor (Puguh B. I., 2001).

Indonesia's nation-wide social safety net program consisted of divers and temporary poverty reduction programs and social insurance schemes. Besides the government of Indonesia's own resources, funding for the social safety net program also came from donor agencies including both bilateral and multilateral donors. By July 1998, Indonesia had received US\$ 2.8 billion from the Consultative Group on Indonesia.

Description of Major Social Safety Net Programs

Special Market Operations for Rice (Operasi Pasar Khusus; OPK)¹⁰⁾

The Office of Minister for Food and Horticulture and National Logistics Agency (BULOG) had implemented OPK during 1998-2000 with state budget for all provinces. OPK is a targeted subsidy program that distributes cheap rice directly to the target groups to replace a general subsidy of rice that distorted market prices.

The program first launched in the period of July 1998-March 1999 to help poor households to fulfil their basic food (20Kg of rice per household) at cheap price (Rp1,000/kg) with a certain

10) Also, *NGO Food Security Program* was initiated by an NGO called the Paramita Social Welfare Foundation (YKSP). This is one among many Indonesian NGOs distributing food aid to needy households. YKSP was formed in 1995 by a group of religious leaders and Buddhist entrepreneurs, and has delivered during September-October 1998 approximately 10,000 food parcels (consisting of 10 kg rice, 1 kg sugar and kg of mung beans) to poor communities in North Jakarta, Central Java, and East Java.

quantity and period. It covered 12.3 million families in December 1999 with approximately 45,000 distribution points nationwide. The Indonesian government fully financed the program spending of about 3.4 trillion Rp in 1999 but stopped the program at the end of 2000.¹¹⁾

Although the program was executed well in distributing cheap rice and helped bring about food price stability, the evaluation of program was not positive due to inadequate socialization and transparency which led to mistargeting, fund misallocation, corruption of the implementing agency and exclusion of non-residential poor.

National Food Security Program through Farmers Empowerment (PKPN-MPMP)

This program was implemented by Ministry of Agriculture during Jun 1998--March 1999 for all provinces with state budget. It is designed to increase national food stock to be available and affordable for all people, through improvement in food crop, poultry and fish production. The target of program is poor farmers/fishermen experiencing reduction in purchasing power due to crisis impacts.

Scholarship and School Block Grants For Primary and Secondary Education (SBG)

This program is implemented by the Ministry of National Education for 1998--2002 for all provinces with state budget and external loans (World Bank and Asian Development Bank). It is

11) Puguh Irawan, "Analysis and Recommendations on Social Safety nets: Prospects in Indonesia" presented in Regional Seminar on Strengthening policies and Programs on Social Safety Nets 1-3 May 2001, ESCAP SD/SSN/INF.4

meant to finance educational costs of primary and secondary education students from poor families in order to decrease the incidence of drop-out due to economic problems, to increase opportunity to continue to higher educational levels, and to encourage all school-aged children--particularly girls--to complete a minimum junior secondary level.

Scholarships of this program are for students from poor families (determined by the *school committee*), who are enrolled at grade 4, 5, 6 of primary schools or at all grades of junior and senior secondary schools. The amount of scholarship is as follows: primary student Rp 120,000/year; junior secondary student: Rp 240,000/year; senior secondary student: Rp 300,000/year. Block grants are for students of public and private schools that mostly need assistance (determined by the *district committee* and *sub-district committee*) amount to Rp2 million/year for primary school, Rp4 million/year for junior secondary school, Rp10 million/year for senior secondary school.

It is reported that this program is hampered by leakage of the funds and corruption. And the amount of scholarships is not enough to cover the educational needs among children from the very poor because the scholarship was only given to cover school fees and other related expenses.

Social Safety Net for Health Sector (JPS-BK)

This program has been implemented by Ministry of Health since 1998 for all provinces with state budget and external loans (ADB). It was designed to provide medical assistance to improve and to maintain health and nutrition quality of poor families. Target groups are poor households and specifically pregnant women and those women who just gave birth with criteria as follows: having meals less than twice a day, could not afford basic health services, bread-winner of the family was laid-off, at

least one family member had dropped-out due to economic problems.

Several reports have pointed out some apparent problems of the program related to mistargeting to include non-poor families, administrative problems, tendency towards late distribution of funding to community health centers and village midwives (Puguh I. 2001).

Supplementary Food for Primary School Students (PMT-AS)

This program has been implemented by Ministry of Health, Ministry of Education and Ministry of Home Affairs etc. since 1996 for all provinces with state budget. It is to improve nutritional status and health condition of primary school students, improve students capacity in educational process, increase awareness of the students and their parents on the importance of nutrition and good sanitation, increase the utilization of local products and provide incremental income for the community.

Target groups are all primary school students (both public and private; religious and secular) located at backward villages and urban poor areas, and local community for increasing awareness of health and education and provision of incremental income for supplementary food supplies. The students had supplementary food 66 times (3 times in a week) in 2000 (108 times in 1999/2000) and anti-intestinal worm medicine twice a year.

The weaknesses of the program are a low disbursement rate, poor program management, lack of innovative adjustment at the district level

Labor Intensive Program (PDKMK)

This program was implemented by Ministry of Manpower

during 1998--1999 for 215 districts in 7 provinces and 220 districts in 27 provinces with state budget. It is to provide employment that will create socially productive assets that may contribute to sustained capacity of urban and rural communities to recover from the economic crisis, empower local community organizations, create community saving, and expand the utilization of new technology. Target groups are unemployed persons due to the economic crisis and drought living in urban and rural areas.

Major activities are construction and rehabilitation of local infrastructures (irrigation, road, drainage, traditional markets, dams, water reservoir, etc.), improvement of agricultural and fisheries activities (ponds, fishing net, utilization of idle land, poultry), as well as agribusiness, improvement of local small-scale industry (ceramics, construction materials, etc.), improvement of small-scale traders (kiosk, cart, etc.), and any activities determined by local community, except construction/ rehabilitation of roads, irrigation and other infrastructures, that have the characteristics of creating new employment, providing income for local community, creating community saving, supporting investment, and expanding new technology.

This program has shown a fairly good performance in fund absorption and relatively good performance in job creation (about 59 million man working days), whereas there are weaknesses such as poor targeting, male biases and lack of transparency, socialization and sound management.

Employment Generation (PK)

This program represents one of the first social safety net schemes launched by the government of Indonesia. It is a massive labor-intensive effort initiated in various areas in Indonesia and has two main objectives: 1) to provide income support to the unemployed and the poor; and 2) to create production benefits in

the form of lasting social capital, including people's skills and enterprise. *Small and Medium Enterprises (SME) Scheme* is administered by the Ministry of Cooperatives and aims to help the SMEs in the form of credit. To date, the Government of Indonesia has allocated Rp. 20 trillion in support of SMEs, but the allocation of this program was not reflected in the budget for social safety net program. Under this scheme, SMEs are provided with technical assistance and access to credit to further develop their business and employment activities.

The above social safety net schemes were considered by the government of Indonesia as crash programs that were not comprehensively planned. Several new initiatives were then developed to avoid the earlier mistakes. Three new initiatives are now being implemented namely: Kecamatan Development Program (KDP); Urban Poverty Program (UPP); and Empowerment of Regions to Overcome the Impact of Economic Crisis (PDM-DKE).

Kecamatan Development Program (KDP)

This program has concentrated on addressing the needs of rural communities in combating poverty. It focused on providing support to both private sector economic activities as well as public infrastructure development. It was initiated before the crisis and reprogrammed to mitigate negative impacts of the crisis in rural areas.

Urban Poverty Program (UPP)

This program has an objective to empower local communities to help residents overcome poverty in urban areas. The project will provide capital to revitalize economic activities of the communities and improve infrastructures. It will initially target the poor in some 60 urban areas in Java with total population

targeted about 24 million.

Empowerment of the Regions to Overcome the Impact of the Economic Crisis (PDM-DKE)

This program was implemented by the Ministry of Home Affairs and Regional Autonomy during 1998--2000 for all provinces with state budget. It is new initiative by which funds are sent directly to the people, using a community-based approach. The scheme seeks to generate employment and income among those hardest hit by the crisis and to improve the overall functioning of social and economic infrastructure with a view to reinvigorating local economies across the entire country.

Target groups are poor people both in urban and rural areas who are unemployed and could not afford sufficient food, health, and education services. Geographically in 2000, implemented at the villages with highest population with the characteristics above, in the sub-districts where *Kecamatan* Development Program (KDP) and Urban Poverty Alleviation Program (UPP) are not operating. The funds were directly channeled to the village implementing team who implement, in general, 2 types of activities: (a) labor intensive projects in construction, operation, and maintenance of local infrastructures; and (b) economic activities to support small-scale business.

*Social Insurance*¹²⁾

Indonesia has a national pension scheme, a health insurance and a work injury insurance system, but lacks unemployment insurance. The national pension, introduced in 1951, covers

12) Social Security Administration, *Social Security Programs Throughout the World*, 1999

establishments with 10 or more employees or a payroll of Rp 1 million. Source of funds come from 2% of earnings of insured person and 3.7% of payroll of employer. Old age benefit starts at the age of 55 for those who have contributed for 66 months. As in other developing economies, it has been extended gradually to cover smaller establishments and casual and seasonal workers.

Health insurance, introduced in 1957, has been expanding as of late. Medical benefits are medical examination and treatment, hospitalization, medicines, and maternity care, dental care, eye care, family planning services and immunization. The benefits are the same for the insured workers dependents.

Monitoring Facilities

During the early stages of the crisis, it was determined that existing poverty measurements and information was inadequate. The Social Monitoring and Early Response Unit (SMERU) was established as a result. SMERU provides rapid qualitative information concerning the impact of the crisis and on the performance of social safety net programs in the economy. SMERU is a collaborative multi-donor effort led by the World Bank with contributions and technical support from AusAID, the European Union ASEM Fund, and the U.S. Agency for International Development (USAID).

Funding for the social safety net by donors and international organizations

Besides the Indonesian government's own resources, funding for the social safety net programs also came from donor agencies including both bilateral and multilateral donors. By July 1998, Indonesia had received US\$ 2.78 billion for SSN programs from overseas.

FUNDING SUPPORT BY DONORS AND INTERNATIONAL ORGANIZATIONS

Donor	Amount (in US\$)	%
APEC Member		
Japan	1,444,000,000	51.90
USA	53,000,000	1.90
Australia	10,200,000	1.36
Canada	6,710,000	0.24
New Zealand	3,642,000	0.13
Non-APEC Member		
EU	6,100,000	0.22
Germany	168,750,000	6.06
International Organizations		
World Bank	631,000,000	22.70
ADB	302,900,000	10.80
WFP	89,000,000	3.19
UNFPA	43,000,000	1.55
The Rest	24,166,168	
Total	2,782,468,168	100.00

Source: UNSFIR, 1999; Widiastuti, 1999

Apart from the government's social safety net programs, it is important to recognize a number of additional initiatives by non-government organizations, religious organizations, and community groups programs, seeking to provide relief assistance. International NGOs have mounted support programs particularly in food relief operations. These activities have also received financial support from bilateral donors (e.g. AusAID, USAID, and CIDA).

3.2. Philippines

Unlike the so-called Asian Miracles, Philippine economic development in the 1980s and 1990s was characterized by a boom-and-bust cycle. As such, the country had confronted several

crises in the last two decades, with extremely bad crises in 1984 and 1985. The severity of the crises resulted in famine and malnutrition in certain areas. This, in turn, began a discussion on providing relief for stricken communities and many safety net programs and NGOs began operations during this period. There are about 14,000 organizations that may be distinctly identified as NGOs in the Philippines that operate as non-profit, people-centered relief organizations (Bautista, Angeles, Dionisio, 2000).

In addition to the difficulties posed by the Asian Economic Crisis, the Philippines was faced with further problems by the climatic El Nino-La Nina cycle, which deeply affected the agricultural market.

Government-Initiated Social Safety Net Programs¹³⁾

Government initiated social safety net programs consist of Basic Needs Programs and Employment Generation/Livelihood. The Basic Needs Programs include Enhanced Retail Access for the Poor (ERAP) Sari-sari Rolling Store, Rice Subsidy Program, Emergency Relief Assistance Program, and Health Insurance and the Emergency Medical Assistance for Indigent Families programs. Also, the Employment Generation/Livelihood includes Philippine Employment Services Offices (PESO), Rural Works Program, and the Philippine Jobnet.

13) McGee T. G., Angeles L., Bautista C., Sity D., Hainsworth G., Scott S., Setiawan B., Suksiriserekul S., Vu Tuan Anh, *The Poor at Risk: Surviving the Economic Crisis in Southeast Asia*, APEC project 2000 mimeo.

Enhanced Retail Access for the Poor (ERAP, Sari-sari Rolling Store)

The ERAP sari-sari store is a take-off from rice rolling store originally pilot-tested in the rural areas of South and Central Mindanao in July 1988. Because the rolling store gained wide public acceptance, the National Food Authority reformatted and extended the program into the ERAP sari-sari stores which accredits existing Barangay stores to sell other basic food commodities, aside from ricelike sugar, coffee, cooking oil, milk, sardines, noodles at a lower market price.

This program aims to benefit the marginalized sectors of society that fall prey to the rising prices of commodities. Another objective of the ERAP Sari-sari Store is to develop entrepreneurial capabilities and generate employment in the depressed and/or remote areas of the country. Owners of sari-sari store are encouraged to have their businesses accredited as ERAP. As of 27 January 1999, there are already 1,231 ERAP stores nationwide. The location of the stores takes into consideration easy access of the consumers, specifically in the depressed and remote Barangays.

This program, although designed to assist the poor, is not well-targeted. Anyone can buy from the ERAP stores. There is some attempt at self-targeting by selling commodities and brands that are popular with the poor but these are also consumed by the lower middle class.

Rice Subsidy Program

This program was one of the initial steps taken by government as early as January 1998 to combat the combined effects of the economic crisis and El Nino. Beneficiaries are given rice discount cards, which are used for purchasing rice. The

main objective of the program is to provide affordable and quality rice to the families living below the food threshold. Target areas are the identified CIDSS areas that are also highly vulnerable to El Nio.

Beneficiaries are given rice discount cards, which are used for purchasing rice. The cards are non-transferable to other families and can be used only by immediate members of the family. The government subsidizes P2.50 of the rice bought by cardholders.

The eligible beneficiaries are those whose incomes are below the food threshold. In the absence of data on household income, the selection of beneficiaries is left to the program implementers.¹⁴⁾

Health Insurance

The Health Insurance program seeks to provide health care to indigent sectors of society. Beneficiaries will be provided with PHIC (Philippine Health Insurance Corp) Health Cards which provides for in-patient care including room and board, drugs and medicines, x-ray and laboratory expenses, doctors fees, operating room/surgical operations and also special programs or out-patient services for specific illnesses.

Medical Assistance and Assistance to Rural Health Units and Barangay Health Centers

This program aims to be utilized for the enrollment of additional poor in the National Health Insurance Program (NHIP)

14) Reyes Celia M., "The Role of Social Safety Nets: Trends and Prospects in the Philippines", presented OECD workshop 9th-10th April 2001 Paris, COM/DEELSA/CD(2001)15

and supports purchase of drugs, medicines and medical supplies by the hospitals under the list of the Philippine National Drug Formulary (PNDF); and the reimbursement of expenses by the recipient hospital of Lingap funds for the use of special equipment, special ambulance service, ancillary and other services not available in government hospitals.

Employment Generation

The Department of Labor and Employment, through stronger networking of their Regional Offices with Public Employment Service Offices (PESOs) based at the LGUs, the Philippine Economic Zone Authority, and other local placement entities, accommodated more active employment facilitation or placement assistance to job seekers to ease the effects of the displacement of workers. Some 342,868 job applicants had been recorded as having been placed in 1998. This placement assistance had been extended to overseas labor markets as well.

Rural Works Program

The Rural Works Program provides temporary employment for displaced workers in government infrastructure projects. The projects include rehabilitation or maintenance of farm roads, improvement of drainage systems, bridge and solar dryer construction, and the repair and repainting of public buildings.

Phil JobNet

The Phil JobNet, launched on 6 November 1998, is a computerized system which facilitates job vacancy and applicant-matching, aiming to help job seekers' search for employment. Employment information posted is either local or international. To date, Phil JobNet is being operationalized in 5

regions, 20 Employers Confederation of the Philippines groups, 3 labor federations. Accurate information regarding employment opportunities are available and can be easily accessed by employers' groups, different workers' organizations and the public.

*Social Insurance*¹⁵⁾

Philippines has a national pension scheme, health insurance and work injury insurance but lacks unemployment insurance. The national pension scheme was introduced in 1954 and covers all private employees not over 60 years old, whether permanent or provisional, house helpers earning at least 1,000 pesos a month, and all self-employed with 1,000 pesos or more in monthly income. Filipinos recruited by foreign-based employer for employment abroad are covered on a voluntary basis. Old-Age benefits are provided a person at age of 60 and who ceased to be employed or self-employed and contributed for 120 months prior to the time of retirement.

Health insurance was introduced in 1954, and its coverage is the same as for pension. Work injury insurance was introduced in 1974 and covers employed persons including house helpers and Filipinos recruited by foreign-based employers for employment abroad.

NGO-Initiated Social Safety Net Programs:

The majority of NGOs surveyed for the study indicated that they did not introduce new social safety net programs as a result of the Asian Economic Crisis. It was inferred that projects established in the wake of the crisis in 1985 were adequate. The

15) Social Security Administration, *Social Security Programs Throughout the World*, 1999

movement of the Philippines away from authoritarian rule and towards democracy focused the NGOs more heavily on issues of democratization and development. NGOs became effective distribution points for funds from outside organizations to support various projects. The sheer number of groups, 58,000, in one way or another involved in delivery of social programs in the Philippines underlines the complexity of the situation. (see Annex 1).

Recommendations

For strengthening social safety nets of the Philippines, it is recommended that the Poverty Indicator Monitoring System (PIMS), currently being pilot-tested for nation-wide implementation, should be refined, inter-government agency coordination and cooperation in the delivery of social programs should be strengthened, the convergence of local government's comprehensive Poverty Alleviation Program, NGOs and People's Organizations on the ground to provide better services to the vulnerable populations should be facilitated. To achieve the recommendations convergence should be facilitated and fostered at a higher level among networks of NGOs, government agencies and networks of LGUs, and a mapping of their efforts in different provinces and regions, and a system of identifying and monitoring the poor and vulnerable areas and peoples and the impact of various forms of crisis are essential tasks that ought to be performed.¹⁶⁾

16) McGee T. G., Angeles L., Bautista C., Sity D., Hainsworth G., Scott S., Setiawan B., Suksiriserekul S., Vu Tuan Anh, *The Poor at Risk: Surviving the Economic Crisis in Southeast Asia*, APEC project 2000 mimeo.

3.3. THAILAND

Since Thailand did not have a full range of social safety net programs at the time of the crisis, most families were unable to avoid the negative social impacts following the baht devaluation. Kakwani¹⁷⁾ et al (1999) estimated that only 45.6% of the population were covered by one of the available health insurance and welfare schemes. Government mechanisms did not directly support Thai families to avoid impacts of the crisis. Issues of targeting and lack awareness of programs detracted from the effectiveness of the programs.

One accepted lesson of the crisis is that it is better to try to prevent social impacts on the poor than to try to alleviate the impact of shocks after they have occurred. As the economic recovery seems to be underway in the second half of 1999, the government is engaged in developing broader social protection programs that will reach a greater percentage of the population.

17) Kakwani, N. et al, Health and Nutrition in Thailand A Newsletter of the National Economic and Social Development Board, Vol.3, No.3 July 1999, Bangkok.

Description of Social Safety Nets

SOCIAL SAFETY NET PROJECTS OF MINISTRIES

Project	Target Group	Conditions	Budget/Fund (million baht)	Benefit
Ministry of Labor and Social Welfare				
1. Social Security Fund	Workers Self-insured person	Workers in firms with more than 10 workers contribute the 1-3% of wages to the fund, with contributions from employers & government	Contribution: 48,630 Benefits: 5030 (1997-1999)	Compensation in case of sickness, maternity, invalidity, non-work-related death, old age pension, and child allowance
2. Workmen's Compensation Fund	Employee	Insured employees for sickness & work-related causes, employers' contributions at 0.2-1% of wages.	Contribution: 5571.57 Benefits: 5020.70 (1997-1999)	Compensation in case of death, injury, sickness and loss of organs due to work-related conditions
3. Employee Welfare Fund	Employee	Over 10 employees establishment	a. 200 million baht Govem- ment subsidy in Year 2000 b. funds from fees collected from neglect to follow the Act.	Savings plus interest for voluntary leave/ death; others, based on service rate and length. 30 times daily wages for retrenched if employers' inability to pay.
4. Overseas Workers Aid Fund	Overseas job seekers	Permitted workers to work overseas through job-placement agencies independent overseas job seekers	150.90	death, disability, not-passing health exam, abandon by employers, adversities in foreign land, waiting time to start work, to be indicted

Project	Target Group	Conditions	Budget/Fund (million baht)	Benefit
5. Credit Loans for Overseas Job Seekers	Labor with external debt	Permitted job seekers to work overseas	Budget to compensate interstates difference of 3% to debtors	To receive compensation for 3% inter-states difference within 90.000(baht) credit
6. Worker's Fund	Labor with non-bank debts	Labor in work establishments	200	Loans to relieve workers' debts from outside the system
7. Construction Workers and Their Families	Employee and their families	Workers in construction sites	11.73	To help raise quality of life of employees and families.
8. Skill Development Fund	New labor force, layed off labour		370.00 (1997-1999)	Short-term loan for training and raising the skills level
9. Revolving Fund for Women	Rural women	5-person production women group with training from DPW	52.04	No-interest 15,000 baht loan per group to be repaid within 2 years
10. Social Services for Children without Families	Children	Newborn to 18 years children including families; abandoned/neglected children; adoption.	979.74 (1997-1999)	Counseling, financial and material support; child support for foster families; government institutions
11. Services for Disadvantaged Women	Women and tagged girl	Disadvantaged women	690.93 (1997-1999)	Protection/ welfare, Occupational training, Alternative to prostitution
12. Services for Older Persons	Elderly persons	Aged : poor, homeless, lack of family support or in adversaries	2502.09 (1997-1999)	Elderly homes and monthly allowances
13. Services for People with Disabilities	People with Disability	1078.20 (1997-1999)	Rehabilitation center,	monthly allowance, -job-creating/employment services
14. Services for Hill People	Hill people		924.98 (1997-1999)	occupation, education, social, public utility development
15. Families Communities services	People in distress		717.99	Temporary shelters, occupational training, fund & loans for job-creation
16. Services for Disaster Victims	Disaster victims	Disaster victims	405.95	Relief fund : cost of funeral, health care, Construction materials immediate services
17. Emergency Loan (Pawnshop)	General public		12,818.43	Assist the poor /needy
18. Services for the Destitute	Beggar	The beggars, the homeless, the destitute	278.61	To provide physical, mental & occupational rehabilitation services
19. Services for HIV-Infected Person	HIV-infected person	184.17	Vocational grant, living allowance, government homes for HIV-infected children	

Project	Target Group	Conditions	Budget/Fund (million baht)	Benefit
Ministry of Public Health				
1. Voluntary Health Card Project	General public	Voluntarily health card for the family of 5 fee of 500 baht per year gov't subsidy of 1000 baht covering husband, wife, children under 20 years/other members in household	5,800.00(for 1999, 1,200 came from ADB loan)	To receive care with out expenses from the pre-identified hospitals
2. Low Income Health Card	General public	Household with monthly income less than 2,800, single persons with monthly income less than 2,000, Elderly, Disability, Veterans, Religious leaders, HIV/AIDS patients, Children 0-12 years old	22,293.18	Card holders receive health care services with out cost for the government health care establishment
Ministry of Education				
1. Compulsory Education	Pre-elementary to high school students	Compulsory education available	78,127.03(1999-2001)	Government supports education fees and supplies
2. Loan for Education Fund	All students at all levels	Students from poor families	35,442.95	E d u c a t i o n fees/Education expenses
3. School Lunch Project	Pre-elementary school Malnutrition	Lunch for pre-school and elementary school malnutrition students	7,635.54	lunches
4. School Milk Project	Pre/elementary school (grades 1-4)	Milk for pre-school and Grades 1-4 students	8,047.00/9,412.00/8,732.00	Milk

Source: Working Group to Prepare National Report on Strengthening Policies on Social Safety Nets established by the Ministry of Labour and Social Welfare 18 October 2000.

Miyazawa plan

This is the latest economic rescue package, with financial assistance of US\$ 1.85 billion from Japan. The objective of the plan is to generate jobs, including those in small and medium enterprises (SMEs). The World Bank (1999) claims that by the end of July 1999, over 1.5 million jobs had been created.

According to Booth (1999), the employment creation projects initiated during the crisis were successful. However, the self-employment in rural area and informal sectors financially supported by the plan is deemed as a failure. Her reasoning is that the institutional capacity is inadequate to change the unemployed to the self-employed.

Urban Community Development Office (UCDO)

This was set up in April 1992. The board consists of representatives from government, squatter residents, and relevant development NGOs. Its main objectives include lending money to the poor to enhance their opportunities to earn more income, secure livelihoods, possess decent accommodation, and lead their lives in a better environment.

UCDO plays a key role in examining the crisis impacts on the poor in squatter settlements and proposing appropriate measures and responses. The agency has a good record in avoiding the usual snags due to bureaucracy and red tape.

Social Investment Project (SIP)

This project is designed to alleviate social impacts due to the economic crisis. Loans to SIP, from major international organizations, totaled close to US\$ 450 million. The project covers a wide range of activities such as job creation, social welfare, education, and health improvement. SIP can be divided

into two types according to the time frame of spending.

At the end of February 2000 it has disbursed only 28.7% of its total budget. It also reported that 3,390 projects are complete while 9,100 new projects are preparing their work plans. Vocational education is the largest sector in which SIP projects are implemented, followed by employment generation. As a result of evaluation, the project requires a transparent process of selecting, implementing, monitoring, and evaluating projects.

Chaipattana foundation

It was established in 1988 on the initiative of His Majesty the King. The objective is to promote development and quality of life of Thai people through various social and economic activities. It plays a crucial role in reducing poverty by providing means for selected poor communities to improve earnings, prospects, and through vocational training programs.

The foundation provides an excellent opportunity for rural farmers to form networks and share a cooperative. It is not bound by bureaucratic rules and regulations, and works closely with and, in support of government projects. Mongkol Chaipattana Company Limited was established in 1998 by the Chaipattana foundation in compliance with the King's suggested solution to the economic crisis. The company has collaborated with the Agriculture and Cooperative Ministry to create the Lemon Farm Pattana Cooperative, which forms a network of people in rural communities to market their products in urban areas bypassing middlemen. It is intention of the cooperative to be owned by rural farmers who can buy the cooperate share for 100 baht. The company rents Lemon Farm stores, attached to gas stations owned by Bangchak Petroleum Public Company, as a main outlet for farm products.

The Lemon Farm Pattana Cooperative provides an opportunity

for farmers to own shares in the enterprise, instead of being suppliers to middleman traders as in the past. Dividends from the shares provide an incentive for farmers to produce quality goods and higher earnings eventually lead them out of poverty. The company also cites the potential earnings on farm products as encouraging unemployed laborers to work on farms in their own hometowns.

Funding for the social safety net by donors and international organizations

Thailand has been financially supported by the Japanese government, the World Bank and ADB. The total amount of funds received since the economic crisis reached 78,120 million baht (US\$ 1,953 million) through 1999. Of the total amount, the share of World Bank, ADB and Miyazawa plan were respectively 21.9%, 10.2% and 67.8%.

FUNDING SUPPORT BY DONORS AND INTERNATIONAL ORGANIZATION

Institutions	Amount (million baht)	%
World Bank	17,120	21.92
ADB	8,000	10.24
Miyazawa plan	53,000	67.84
Total	78,120 (US\$ 1,953,000,000)	100.00

Recommendations

From the analysis of experience, the targeted poor do not have access to benefits of these projects as they should have. The obstacles are as follows: (1) the targeted poor lack information about the projects; (2) the projects involve sophisticated

bureaucracies and are irresponsible for the poor's urgent needs; and (3) the project managers in some cases do not know the appropriate means for implementing the projects

Since the latest economic crisis, a number of programs have been launched to provide basic needs, generate employment, and promote more businesses. The crisis demonstrates that existing social safety net programs and social policies for poverty alleviation are not viable when the economy collapses. They were designed for conditions of increasing economic prosperity. Moreover, they are not appropriate for Thailand in the future. This is because their implementations cannot respond to rapid and unpredictable changes in social and economic conditions. Therefore, it is recommended that Thailand move away from social safety net programs toward more resilient and cost-effective broader social policies designed to alleviate existing poverty and prevent further outbursts. An optimal social policy will emerge as a result of trading off between funds available and program affordability, the length of time for the policy accomplishment, and the degree of the policy flexibility to changing social and economic conditions. Learning from experiences that Thailand had before, during, and after the economic crisis should be sufficient to suggest and produce such a social policy.

3.4. Malaysia

Social safety nets in Malaysia are comparatively well structured but they could be strengthened. Strong economic growth, virtually full employment before the crisis and family solidarity so far provided informal assistance and security to those vulnerable. At the beginning of the crisis, the Government tried to ensure the provision of what it considered to be essential social benefits and to limit its direct financial assistance to the needs of the poor. Budget resources were redistributed for the

Development Program for the Hardcore Poor (PPRT) and micro-credit funds were set up to promote income generating activities and job opportunities were created for the low-income segments of the population, including the most vulnerable groups through public works.

A major Government concern since the beginning of the crisis, has been the preservation of the widely acknowledged gains achieved in health and education. In the health sector, the combined decline of household income and increased cost of medical supplies had a detrimental effect on the utilization of the private sector health services, particularly in urban areas. Subsidies are expected to mitigate the impact of the crisis in the primary and secondary school levels. In higher education, the Government increased the allocation for the National Higher Education Loan Fund to cater to more students, thus enabling them to access higher education in public and private institutions. Students from low-income groups will also be eligible for the maximum loan that covers tuition fees, books, subsistence and other allowances.

The Government has also given high priority to ensuring continued supply of skilled labor to meet the rising level of skills demanded by knowledge-based and high technology industries, despite the effects of the crisis. To this end, measures were adopted to improve the skills-delivery system. Institutional and other reforms were initiated to enhance the efficiency of the skills-delivery program and increase labor market flexibility. These measures include improved labor market regulations and information systems.

Description of Major Social Safety Net programs

Development Program for the Poorest (PPRT)

This program was introduced in 1989 to deal specifically

with hardcore poor households and to meet the varying needs of different subgroups among the hardcore poor. The program also provided direct welfare assistance. In the rural sector, poverty reduction programs through the implementation of PPRT focused on the commercial production of cash crops, livestock and fish rearing, some of which were carried out in cooperation with the private sector. To improve the quality of life of the rural poor, the state provided and rehabilitated houses of the hardcore poor with special attention to the design, size and features of the houses. The 2000 Budget has allocated RM492 million for low cost housing to achieve the target of building 58,600 units of low cost houses.

Vision Village Movement (GDW)

Beginning in 1991 a nation-wide Vision Village Movement (GDW) has been directed towards a second transformation of the rural sector. The movement emphasized the participation of villagers in the planning and implementation of rural development programs. The objective of this GDW is to involve 3000 villages by the year 2000, with 642 villages participating each year including the poorest villages. The main objectives of GDW are to develop independence, active participation, empowerment and skills among the people. GDW is also aimed at paradigm shift from the common perception of the traditional pattern of land ownership to an integrated management of the corporate rural economic activities.

Micro-credit Facilities (quasi-governmental organizations)

This micro-credit fund is meant for the lower income group in urban areas who may suffer a loss or reduction of real income as a result of retrenchment. The state together with semi-governmental organizations like PNB, MARA and PERNAS

have taken measures to tackle urban poverty through micro-credit facilities made available to the urban poor to assist petty traders and hawkers. RM100 million were allocated for the "Small-Scale Entrepreneur Fund" and another RM150 million to "Economic Business Group Fund" to assist petty traders, hawkers and small entrepreneurs, including women entrepreneurs, in urban areas.

Micro-credit facilities are available for various business activities such as manufacturing, services, transportation and constructions and loans granted are up to RM1,000,000.

Micro-credit facilities (NGOs)

Amanah Ikhtiar Malaysia (AIM), formerly known as Projek Ikhtiar formed in 1986, is the first NGO aimed at poverty alleviation in the country. The establishment of AIM was for the sole purpose of assisting very poor households to lift themselves out of poverty primarily by means of micro-credit to be used for financing income-generating activities. AIM is one of the agencies that compliments the government's target of having only 0.5 percent hardcore poor by the year 2000 in both rural and urban areas. AIM programs include micro-credit financing, human potential development, mobilization of funds, equity investment and economic activities.

The Ikhtiar Loan Scheme (SPI) is specialized credit delivery system focused exclusively on the poor, whereby credit is literally brought to their doorsteps. This approach ensures that credit is delivered to the target beneficiaries who in turn will be empowered to improve their living conditions. The beneficiaries are poor households, regardless of gender, race or political affiliation, whose monthly incomes do not exceed RM310 or RM67 per capita, while in the case of Sabah and Sarawak, the monthly income not exceeding RM422 or RM86 per capita and RM362 or RM75 per capita respectively.

Female Single Parents Financing Scheme

Female Single Parents Financing Scheme (SKIT) is a financing scheme for the benefit of female single parents living in town areas. This scheme is introduced in view of economic and social problems faced by single parents due to divorce or death of the breadwinner. The purpose is to ensure that the living standard of female single parents does not decline dramatically following these incidents. The maximum amount the first loan is RM10,000 and the maximum amount of second and subsequent loans is RM20,000

Fishermen Financing Scheme

Fishermen Financing Scheme (SPIN) is a financing scheme targeted at coastal fishermen of Malaysia. This scheme is introduced to help small fishermen increase their livelihood as well as prepare them for the commercialized fishing industry. It also aims at increasingly fish-based food production. The maximum amount the first loan is RM10,000 and the maximum amount of second and subsequent loans is RM20,000.

Educational Loan

Borrowers who have completed the first loan in SPI 1 could apply for Educational Loan whose maximum amount is RM1,000 and to be repaid within 50 weeks. The purpose of the loan is to cover school expenses of their children.

Housing Loan

Borrowers who have completed the third loan in SPI 1 entitled to get Housing Loan whose maximum amount is RM 5,000 for house renovation, land purchase and enlarging business premises. The repayment period for this scheme is between 50 to 100 weeks.

Social Security Programs

The Employees' Provident Fund (EPF) was established on the 1st of October 1951. The main objective of EPF as a statutory body is to provide certain benefits for the aged, upon retirement. This fund was created prior to the establishment of Employees' fund groups, which was mainly for miners and plantation workers. The members of EPF comprise of private and non-pensionable public sector employees. Which means to say that an employee who is not covered by the pension scheme is subsequently made to contribute to the EPF. The EPF does not only cover the employers and employees but also other contributors and provides its services to the nation as a whole in capital formation for government investments.

The EPF provides the main source of retirement income and covers around half the workforce. Those not covered include agricultural workers (around one third of the work force), and casual workers. In addition, retirement benefits provided by the EPF seem relatively modest.

Employees' Social Security Organisation better known as SOCSO was born in 1971. SOCSO's main aim is to provide benefits to employees in the case of invalidity and employment injury that includes occupational diseases. Also it acts as a compensative organisation whereby in the event of a mishap SOCSO provides monetary security for the beneficiaries and the employees. However, SOCSO covers certain employers and employees only. The Social Security Act of 1969 states that all industries employing five or more employees are to make mandatory contribution to SOCSO. Therefore, employees in the earning capacity of RM 2,000 and below are covered by this Act. But, SOCSO makes it clear whereby once covered the employee remains covered even though the employee has reached the bracket income of more than RM 2,000.¹⁸⁾

One major drawback of SOCSO lies in the procedure of claim administered. Until the claim is finalised, a worker receives nothing from his/her employer or the insurance company, and the delay following the accident often lasts a very long time. By the time the process is clear, a big percentage of the money is absorbed by the cost of administration.

Workmen's Compensation Ordinance of 1952 is an employer's liability scheme. Employers are required to insure their workers with private insurance and the contingencies covered are for employment injury and occupational diseases. The scheme is applicable to private sector manual workers irrespective of earnings and for non-manual workers, the wage limit is RM500 per month. There is a wage ceiling of RM400 per month for public sector employees. Workers who are covered by the Employee's Social Security Act 1969 are automatically excluded.¹⁹⁾

Employment Ordinance, 1955 is a non-contributory scheme that requires employers to pay sick leave and maternity allowance and grant maternity leave. The ordinance does not provide for medical care. The scheme excludes employees of government, statutory bodies, and local authorities, domestic servants, and seamen.

Government Pension Ordinance, 1951 is a non-contributory scheme applicable to employees of the government, semi-government agencies, local authorities and statutory bodies. By providing such a scheme the government induces its employees to remain in the government service. The pension scheme provides financial security after the age of retirement, and

18) Mansor, Norma; Awang, Dr. Halimah. The Role of Social Safety Nets in Malaysia: Trends and Prospects. 2001, Workshop organised jointly by DEELSA, CCNM and the Development Center OECD.

19) Ibid.

as well as for the dependants of those who die in service and after retirement. This benefit also provides compensation to officers who are to retire or dies due to injuries or sickness while performing their official duties. An employee can be pensionable or non-pensionable but is automatically placed on pensionable establishment after completing 10 years of service. Until then an employee has to contribute to the EPF. Contribution to EPF both by the employer and employee cease on being placed on pensionable service. A permanent officer who is appointed on or after 12 April 1991 can opt for the Employee Provident Fund Scheme before he/she is confirmed in his/her appointment.²⁰⁾

Medical care is provided through national health services at the government hospitals, health centres and clinics. However, the long waiting period before one gets medical treatment could discourage patients from going to government hospitals. Also, the recent proposal to privatise health care raises some concern about its viability. Social assistance and support (material and financial) for the disadvantaged group including the hardcore poor, disabled persons, the elderly is the responsibility of the Department of Social Welfare, Ministry of Unity and National Development. Whereby the elderly, aged 60 years and above, do not have permanent income either living alone or living with families are assisted by the Social Welfare with a financial aid of RM 70.00 per month. This is done to create a caring society which practices a caring culture embodied in the Vision 2020.²¹⁾

20) Mansor, Norma; Awang, Dr. Halimah. The Role of Social Safety Nets in Malaysia: Trends and Prospects. 2001, Workshop organised jointly by DEELSA, CCNM and the Development Center OECD

21) Ibid.

Recommendation

Although fiscal policy interventions in the third phase of responses to the crisis provide an important stimulus, the favorable turnaround in the last quarter of 1999 has been largely attributed to strong fundamentals built over the last three decades. The various poverty-alleviation programs adopted after the crisis proved to have been successful in reducing the incidence of poverty among the worst impacted groups in both rural and urban areas. In fact, some of these programs have been there since the 1970s and therefore, it is not surprising at all for Malaysia to recover so fast.

Nevertheless, recommendations to cushion the impact of future economic crisis of the kind that emerged in 1997 should go beyond government and NGOs-based SSN programs like AIM. Efforts should be taken to establish a more integrated framework so that the interests of the hardcore poor will be placed at the center of contemporary Malaysian economic development planning. Given the divergence in interests and outcomes facing the nation-building agenda, greater participation of the low-income groups in the country's economic activities can accelerate the achievement of Vision

3.5. Viet Nam

The economy and social systems of Vietnam have been shifting in the last decade. State subsidies for welfare have been reduced in the move from a centrally planned economy to a market economy. The government of Vietnam considers social justice and welfare as the most important purposes of development, and the share of government budget spent for social purposes is high for a low-income country.

As with other regional economies, the rural poor are at the

greatest risk to fall into poverty. One of the primary challenges facing Vietnam is the dislocation of labor as a result of the reform of state owned enterprises (SOEs). These workers are particularly vulnerable as they may find it difficult to be reabsorbed into the economy and may find themselves without social insurance previously provided by the SOEs.

Description of Major Social Safety Net Programs

Vietnam has the following programs supporting the chronic poor: (1) Social Guarantee Fund for Veterans and War Invalids and (2) Social Guarantee Fund for Regular Relief.

The Social Guarantee Fund for Veterans and War Invalids

This is a set of programs that provide assistance for handicapped war veterans, resistance fighters and others who aided the war effort, and help to the families of fallen soldiers. The number of beneficiaries from these programs is approximately 3 million. The beneficiaries receive cash transfers on a monthly basis.

The Social Guarantee Fund for Regular Relief

It aims at helping orphans, the disabled, the insane, and the elderly without family support. A monthly stipend of VND 24,000, often given in the form of rice (10-12kg), is stipulated for the first group, while placement into specialized provincial care centers and a monthly allowance of VND 96,000 is available for the others.

Contingence Fund for Pre-harvest Starvation and Natural Disasters

It is a program supporting the temporary poor. It is small

fund and not meant to fully cover needs but rather to provide a reserve that allows the provinces to move quickly in an emergency.

National Program for Hunger Eradication and Poverty Reduction

This program was introduced in the early 1990s, aims to eliminate chronic hunger and to reduce the percentage of poor households in the whole country to 10% by the year 2000. The most active and successful activities of the program seem to be provision of credit for the poor households. Up to now, the credit funds collected for this purpose are estimated as 3000 billion VND and more than 2 million poor households has been getting loans from these funds. The sources of the credit funds are from the Bank for the Poor (1900 billion VND to 1.2 million poor households), Local budget (224 billions VND), Central budget (300 billion VND), Mass organizations (380 billion VND), and International aid (107 billion VND).

Other national development programs related to poverty alleviation are:

The Program for job creation (Program 120)'s resources have gone to "credit for employment creation" with local People's Committees and mass organizations in charge of dispensing loans. In 1995, 80 percent of the program's funds went to providing subsidized credit.

The Program for socioeconomic development in communes faced with extreme difficulties (Program 135) is a focus program aimed for poverty alleviation in 1000 pre-selected communes in mountainous areas, out of total 1715 poorest communes this program aims.

The Program for reforestation of 5 million hectares supports HEPR by generation of productive employment for poor

people and communities in mountainous and remote areas.

The Program for land reclamation and social welfare in river bank and coastal areas is aimed to reclaim arable land and to construct commune social welfare facilities in the areas.

The Program for education and vocational training is aimed to eliminate illiteracy, to support education in mountainous areas, to upgrade schools and to extend primary education for all over 6 aged children.

The Program for prevention and treatment of dangerous epidemics and diseases is designed to eliminate diseases such as malaria, goiter, leprosy, tuberculosis; and constructing and upgrading health care facilities in poor and remote communes.

4. SSN projects initiated by international organizations

4.1. World Bank

Given its global presence, vast resources and strong commitment for poverty reduction, the World Bank has been a pioneering leader in both studies on poverty and lending to social protection in general and SSN in particular. Though the magnitude of its financial assistance to SSN projects is very hard to quantify due to the nature of SSN which encompasses a wide range of activities, it is estimated that about 60% of its annual commitment goes to the projects with SSN as the main project component.

While virtually all projects financed by the World Bank Group have varying degree of poverty components, the number of its poverty-focused adjustment operations has been increasing significantly in recent years from 49% of its total lending in 1992 to 82% of its total lending in 1999. The shift of lending focus has been much more pronounced in the case of IDA

countries where the share of poverty-focused adjustment operations has increased to 82% of the total IDA lending in 1999 compared to 54% of such lending in 1992.

In addition to the poverty-focused adjustment operations, the World Bank has been tracking lending with an expected direct impact through the Program of Targeted Interventions (PTIs). To be classified as part of PTIs, an investment operation must meet the following criteria: (a) the project has a specific mechanism for targeting the poor; and (b) the proportion of the poor among project beneficiaries is significantly larger than their proportion in the overall population. The number of PTI projects increased from 31% of the total in fiscal 1992 to 51% in fiscal 1999. Similarly, the amount lent for PTI projects increased from 15% in fiscal 1992 to 50% in fiscal 1999, respectively. The percentage share of PTI projects in the IDA countries were much more pronounced with 59% of total number of projects and 64% of the lending in fiscal 1999.

Much of the enhanced focus on social safety nets has emerged after 1997 as countries began to deal with the effects of the crisis, reflecting in part, the increased emphasis being taken to ensure that an appropriate social protection policy is in place alongside continuing economic growth. Before the crisis, however, under the rubric of 'human development', Country Assistance Strategies (CAS) tended to focus on continuing to improve education and health outcomes in the region, even though there were significant differences in terms of the outcomes that had been achieved.

The recent growth of the lending portfolio for social protection reflects the increasing demand by governments to help respond to the social impact of the crisis. The total number of operations in the social protection sector is small, but growing. Thirty-nine ongoing projects can be classified as social protection,

although this classification tends to differ. For example, of these 39 projects, only 11 are considered social protection projects by the HNDSP anchor either because they are coded as SP and/or two-thirds of the loan amount can be identified for social protection activities. These 11 loans/credits comprise: five social investment funds; three safety net operations; two labor/employment support loans; and one pension loan. In addition to these, another 24 projects have a sub-sector classification of labor market/employment, including the six recent adjustment loans. Two more projects are sub-classified as social fund/assistance and one loan in China supports labor market reform (including workforce reduction) at the enterprise level. Lastly, an FY95 project in China contains a cross-cutting social protection component, also at the enterprise level, to strengthen social security (in pensions, housing, unemployment and health insurance). The total value of the loan portfolio as of 7/1/99 is \$12.2 billion, of which \$9.3 billion is structural adjustment lending (including the \$0.6 billion Social Safety Net Adjustment Loan to Indonesia). Pre-crisis investment lending (i.e. prior to 8/97) was just over \$1 billion, indicating a doubling in just two years.

In terms of key social protection areas, lending in the past has tended to be concentrated in the area of labor markets, training and employment creation. Social Investment Funds are not widespread in the region but have been developed in Cambodia, the Philippines, Thailand, Indonesia and Lao PDR. Support for pension reform is only in nascent stages, with a recently approved LIL in China. As noted in the next paragraph, the bulk of recent lending has been to support safety nets, including maintaining of social expenditures in the wake of the crisis.

Since the onset of the crisis, the major vehicle of Bank support has been through adjustment loans and over half of these

(or 80% in value terms) included a social protection or poverty reduction component. In Korea, Thailand, Indonesia and Malaysia structural adjustment lending assisted in reconstituting and even expanding budgets in the social sectors to protect expenditures for social services targeted to the poor. The series of adjustment loans to Korea is held up as a good example of an integrated approach to social policy reform, including elements of pension reform, unemployment, health insurance and safety nets. And, in April 1999 a \$600 million Social Safety Net Adjustment Loan was approved for Indonesia which supported policy reforms in safeguarding key safety net programs (i.e. monitoring and independent verification of delivery of program benefits) and improving program design.

As of January 1, 1999, Social Protection was placed within the regional HD Sector Unit to take advantage of synergies in health and education; this setup reflects the HD network structure. Activities (both analytical and lending) in the Social Protection area, however, are spread widely across almost all sectoral units, in headquarters and the field, as well as in the HD and other networks. Sharing information, integrating the analysis and optimizing the design of social protection work has been made difficult given this fragmentation and/or shared responsibility across units. This notwithstanding, the Korea structural adjustment loan series, managed by EASPR with substantial involvement from EASHD and the country unit in the field, is often held up as best practice in integrating the three core areas of social protection. As the Social Protection sector matures within the EAP Region, coordination of the social protection agenda should be improved to take advantage of the skills and knowledge that are lodged across organizational units.

World Bank Program Description taken from Towards and East Asian Social Protection Strategy, Human Development Unit,

East Asia and Pacific Region, September, 1999, Armstrong, Viossat et al.

4.2. ADB

Though the ADB has been a leading development financing institution in the Asia and Pacific Region for more than 30 years, its lending operations have been widely spread over many sectors to meet increasing demand for agriculture, infrastructure and industrial development of its developing member countries until 1997 when the financial crisis hit most of its major borrowers. After the crisis, ADB had embarked on a series of policy reorientation to focus its operations to poverty eradication so as to mitigate the adverse impacts of financial crisis. In both 1999 and 2000, it reported that some 40% of ADB's total annual lending of \$5 billion were directed to projects and programs with primary focus on poverty reduction.

For the past two years, there have been several landmark policy shifts taken by ADB to put its vision on poverty eradication into action: a new Poverty Reduction Strategy was formulated in 1999 and ADB initiated in 2000 to implement this Strategy with its three conceptual pillars of pro-poor sustainable economic growth, social development and good governance.

Under the first pillar of pro-poor sustainable growth, ADB started to formulate country-specific Poverty Analyses in full consultation with governments, other donor agencies and wide range of stakeholders with an aim to deepen understanding of the causes and manifestations of poverty in its member countries. Such Poverty Analyses provided the basis for discussions at a high-level forum in each member which lead to Country Strategies and Programs, as well as Partnership Agreement for Poverty Reduction. These Partnership Agreements, signed with three countries of Bangladesh, Indonesia and Mongolia in 2000,

represented a concerted commitment to attain specific poverty reduction targets, and identify assistance levels and operational priorities. ADB intends to sign the Partnership Agreement with the rest of its member countries in 2001.

As to the second pillar of social protection, ADB is finalizing its Social Protection Strategic Framework following an extensive consultation process involving governments, international development agencies NGOs and civil society. Social protection, as an integral part of social development, emphasizes investment in human capital, particularly women in development, increasing productivity, and reducing human vulnerability to risks, as a means of addressing poverty and enhancing the quality of economic growth. The provision of essential social services such as basic education, health care, safe drinking water and sanitation, as well as the availability of adequate social safety nets is critical to social development. ADB's forthcoming Social Protection Strategy Framework will strengthen its social development interventions.

The Medium-term Agenda and Action Plan for Promoting Good Governance was adopted by ADB in early 2001 which articulated its action plan details under the third pillar of ADB's Poverty Reduction Strategy. Good governance benefits all, particularly the poor who are the least capable of coping with the consequences of bad governance. In all ADB's efforts to support and promote good governance, the following four elements are addressed: accountability, participation, predictability and transparency.

Another noteworthy development undertaken by ADB in 2000 was the establishment of the Japan Fund for Poverty Reduction (JFPR) with an initial contribution from the Government of Japan of 10 billion yen (\$92.6 million) to support, on a grant basis, ADB-financed projects with innovative poverty reduction and

related social development activities in line with ADB's poverty reduction strategy. Five projects and programs totaling \$7.5 million were approved under JFPR financing in 2000.

III. Review of APEC Social Safety Net activities

This section reviews and describes all of the collective APEC activities related to social safety nets. Emphasis shall be placed on APEC's response to the Asian economic crisis. The section also tries to identify useful complementary as well as overlapping areas in which those activities have been undertaken in various fora. Some areas of activity to be considered are as follows: i) APEC's ECOTECH SSN-related activities; ii) The Economic Committee's SSN Studies; iii) The SSN initiatives arising from the Finance Ministers' Meetings; iv) The APEC Framework of Principles for Building Initiatives on Emergency Preparedness; v) The Virtual SSN Task Force; vi) Thailand's Proposal to establish APEC Social Infrastructure Facility; vii) Australia's three-year Social Protection Facility (SPF) assistance program;

1. Ecotech SSN Activities

The APEC's ECOTECH goals are to attain sustainable growth and equitable development in the Asia-Pacific region; reduce economic disparities among APEC economies; improve the economic and social well-being of the people; and deepen the

sprit of community in the Asia-Pacific. In 1990, ECOTECH established the Human Resources Development Working Group (HRDWG) to cover a broad range of human resource development issues from basic education to industrial training to leadership and management for Small and Medium Enterprises (SMEs). Human Resources Development (HRD) is one of the ECOTECH priorities of APEC and the HRDWG has a special role in furthering the issue. The HRDWG's three networks are Capacity Building Network, Education Network, and Labor and Social Protection Network. Among them, Labor and Social Protection Network (LSP) fosters human capacity building and social integration through the development of strong and flexible labor markets; the development of useful labor market information and policy; improved workplace conditions and practices; and strong social safety nets. The Human Resource Development Working Group (HRD) is undertaking projects on social safety nets, corporate and non-profit governance, and labor market adjustment. It organized a seminar in May 1999 on human resource management strategies to minimize the effects of job retrenchments. Some of programs flowed from the work of the group's Task Force on the human Resource and Social Impacts of the Financial Crisis, which recommended new or expanded projects in key areas of crisis as well as longer-term policies on vocational training to cope with globalization.

2. Economic Committee SSN Activities

The Economic Committee (EC), has been active addressing social impact of the crisis. The work program for 1999-2000 has a strong analytical component dealing with the crisis, including a two-year research project APEC Economies Beyond the Asian Crisis..

3. Finance Ministers' Meetings

At the Finance Minister Meeting held in Langkawi, Malaysia on 15-16 May 1999, Finance Minister expressed their concerns about the social impact of the crisis. In this context, Finance Ministers have endorsed a work program for the Finance Ministers' process²²⁾ to form a working group, including the World Bank, the ADB and the IMF. Finance Deputies generally meet twice a year (once just prior to the Finance Ministerial), and the Finance Technical Working Group generally meets twice a year. The next Finance Ministerial will be held in September 2001. One of the priorities for the coming year is examining social safety nets

4. APEC Framework of Principles for Building Initiatives on Emergency Preparedness

A consensus was formed among the member economies at the Vancouver Leaders' Meeting in November 1997 that joint actions to be prevent and counter emergency situations such as the forest destruction in Indonesia and damage caused by smoke. At SOM I in Penang in February 1998, it was agreed that joint actions and work should be reviewed and proceed in cooperation with international organizations.

At the Ministerial Meeting in 1998, Canada tabled the APEC Framework of Principles for Building Initiatives on Emergency

22) The mandate of Finance Ministers' Process is to assist in promoting strong, resilient financial sectors, and to serve as an economic dialogue forum based on shared prosperity, transparency, regional economic integration, and support for the rules-based global trading system.

Preparedness, in which the elements of cooperation such as assessment of effects of disasters and building emergency-coping capability through economic and technical cooperation has been addressed. The Framework approved by Ministers also addressed ways to promote trade of the emergency provisions and services and to strengthen cooperation between the private and the government sectors.

The scope of the framework is to cooperate in areas of mutual benefit and interest to promote improved emergency preparedness in the APEC region in relation to natural disasters: including floods, droughts, earthquakes, bush or forest fires, tidal waves, cyclones, tornados, and emerging infectious diseases.

The activities and programs include the following; projects to improve capacity building in emergency preparedness through training courses and exchange of personnel; seminars and trade exhibitions; improved access to emergency preparedness information through development of an Internet website to facilitate information exchange; sharing of best practice information on advance monitoring systems and legislative frameworks; ongoing dialogue with relevant international, regional and sub-regional organizations to maximize use of existing activities and avoid duplication of effort, engaging with local communities, including volunteer emergency response organizations, scientific research institutions, and businesses involved in emergency preparedness services, technology and equipment

5. Virtual SSN Task Force

The U.S. and Thailand took the lead in the establishment of the Task Force on Social Safety Net and collected policy

experiences of the member economies in the four areas related to the Social Safety Net such as food stamp distribution, health care, vocational training and employment.

6. Thailand's Proposal of the establishment of APEC Social Infrastructure Facility

At SOM III held in August and the Ministerial Meeting held in September last year, Thailand proposed the establishment of the APEC Social Infrastructure Facility under the World Bank.

7. Australia Announcement to Provide a Three-year Social Protection Facility of 5 Million Australian dollars

To support APEC's response to the crisis, the Australian government commissioned a study on the impacts of the crisis on children and associated issues in social safety nets in selected Asian APEC economies, namely, Indonesia, Thailand and the Philippines. To address some of the issues highlighted in the study, the Prime Minister announced at the APEC Economic Leaders Meeting in Auckland in 1999 a three-year, \$5-million Social Protection Facility for East Asia. The facility, which will be implemented between 2000-2002, will assist developing economies in East to improve social policy and programs.

Australia's Responses to the Social and Economic Impacts of the Asia Crisis

Australia considers the return of strong and sustainable growth to East Asia as arguably one of the most important priorities facing the international development community. While the macroeconomic situation has improved in East Asia since mid 1998, the region is still faced with a precarious external environment, significant reform challenges, and persisting social impacts. Returning to sustainable pre-crisis levels of economic growth and output is likely to be a slow and difficult process. In addition, the process of recovery throughout the region remains an uneven one. For these reasons, the Australian Government continues to accord a high priority to efforts to promote sustained recovery in the region.

Since the onset of the Asia Crisis, Australia has been at the forefront of international efforts to assist affected countries address the economic and social impacts of the crisis. Australia was one of only two donors to participate in all three International Monetary Fund support packages for Thailand, Indonesia and the Republic of Korea. Australia has also taken a prominent role in efforts aimed at reforming the international financial architecture, particularly through the Australian Prime Minister's Task Force on International Financial Reform. These broad efforts have been complemented by a significant number of bilateral and regional Australian initiatives.

Efforts to promote regional recovery and at the same time deal with persisting impacts, continued to expand in 1999-2000. Australia's total aid flows to East Asia are expected to be A\$421.4 million in 1999-2000, a 2 percent rise on the level of aid in 1998-99, and 11 percent higher than the 1997-98 level.

Australia's crisis-related assistance balances the need to enhance economic governance and financial sector reform with

efforts to mitigate the social impacts of the crisis. Responses to social impacts from 1997-2001 total around A\$100 million, while assistance in the area of economic governance totals well in excess of A\$50 million.

Bilateral Responses

Country program assistance to Indonesia has risen by A\$6 million for 1999-2000, and total aid flows are projected to be A\$121 million. During his visit to Indonesia in early July 1998, Australia's minister for foreign affairs Alexander Downer announced a major new program of activities worth up to A\$70 million over three years to promote economic management capacity and reform. This includes a Technical Assistance Management Facility to mobilise responsive capacity building assistance. Approximately A\$5.5 million in economic governance assistance will be provided from 1999-2001 through this facility.

Australia's response to the social impacts of the crisis in Indonesia has been substantial. Humanitarian assistance to Indonesia alone now totals more than A\$60 million, the core element of which is a commitment of around A\$30 million in food aid commodities and other assistance through the World Food Program.

In Thailand, aid flows will be around A\$26 million in 1999-2000, which is 6 percent more than last year. Australia is implementing a program of economic governance assistance focusing on fiscal management and public sector reform, economic data collection and analysis and banking reform. For example, A\$460,000 is being provided for a two-year project which aims to build prudential supervision capacity within Thailand's Central Bank, in order to strengthen its supervision and regulation of the banking and financial sector.

In the Philippines, Australia is establishing a A\$30 million

Vulnerable Groups Facility over a five-year period to provide targeted support to essential Philippine Government programs for those groups most seriously affected by the crisis, structural reform and the El Nino/La Nina weather patterns.

Australia's aid program is also responding to the broader regional challenges brought about by the crisis in other countries in East Asia and the Pacific.

Regional Response

Australia has implemented a number of important regional initiatives in response to the crisis. In 1998, Australia announced a three-year, A\$50 million Economic and Financial Management Initiative to assist Asia-Pacific Economic Cooperation (APEC) developing economies to overcome the economic impacts of the crisis. The initiative targets priority economic governance needs with the aim of restoring sustained growth in the region. Implementation of the initiative is now well underway, with over A\$40 million of activities completed or in progress by September 1999.

In addition, Australia's Asia Crisis Fund, established in 1998, allows for flexible and prompt responses to key technical and capacity building needs in both economic governance and social areas. In recognition of its effectiveness, the Fund was doubled to A\$12 million for 1999-2000.

In 1999, Australia is giving effect to an APEC Leaders' decision, highlighted at their 1998 meeting, to increase APEC's attention to social safety net issues. As part of this initiative, Australia commissioned a team of experts to undertake a survey on the impact of the Asia Crisis on children and its implications, for the design and implementation of social safety nets. The final report: *Impact of the Asia Crisis on Children: Issues for Social Safety Nets* examines the impact that the crisis has had on

children in Indonesia, Thailand and the Philippines. It provides a stock take of responses to the social impacts of the crisis undertaken in each country and identifies areas where further work would be most beneficial. The report was presented at the APEC meetings held 7-13 September 1999 in Auckland.

To address the major issues identified in the report, Australia announced a three-year, A\$5 million Social Protection Facility for East Asia. The facility will assist APEC developing economies in East Asia to cope with the crisis by providing a flexible mechanism to assist in the development of social policy and delivery programs.

At the July 1999 Association of Southeast Asian Nations (ASEAN) Post-Ministerial Conference, Australia announced funding of A\$500,000 for two projects under the ASEAN Action Plan on Social Safety Nets to improve analysis of social impacts of economic shocks and the design of safety net programs.

Australia has also actively promoted an enhanced and coordinated international response to the crisis. In March 1999, Australia hosted the Meeting on Development Cooperation: Responding to the Asia Crisis involving ministers and senior officials from 27 countries and senior representatives from nine major international institutions. Medium to longer-term measures to address the economic and social impacts of the crisis were discussed, and the meeting confirmed the strong commitment from governments in crisis-affected countries to continue the implementation of reforms, and from donors to assist them in this process.

The key outcome of the Meeting was the endorsement of the Australian proposal to establish the Asia Recovery Information Center (ARIC). As these measures demonstrate, Australia has and will continue to take a leading role in efforts to address the serious and ongoing social and economic impacts of the Asia

Crisis. Further information on Australia's overseas aid program is available on the Australian Agency for International Development (AusAID) web site, located at: <http://www.ausaid.gov.au/>

8. Review of Activities of private companies and foundations in the region

Private enterprises in the region are quite active in donations and contributions to assist the social safety nets activities of the region. Corporations like Microsoft of the USA and Softbank of Japan are good examples. Regional coordination of these activities would enhance the efficiency and overall performance. ⇒ We need more detailed information on these coordinated efforts.

9. International Financial Institutions (IFI)

Since eruption of the financial crisis in the IFIs have also provided loans and assistance to several economies in the region for the development of social safety nets programs and strategies. The initiatives include among other food availability, training, employment, deregulation and so forth.

IV. Possible Areas of Improvement for the Implementation of APEC's Social Safety Net Programs

This section describes the findings of stocktaking efforts undertaken to evaluate opportunities where APEC might contribute to the strengthening of social safety net activities in the APEC region. For the successful operation of social safety net systems, certain conditions are prerequisite, that is, optimal budget size and administrative infrastructure for targeting and delivery, and capacity for monitoring and system management are required; also, social safety net programs should be in place before a crisis occurs. However, member economies hit by economic crisis that had experienced extended, positive economic performance tended not to have prepared well-designed formal social safety net programs for the vulnerable prior to the crisis.

1. General Deficit of Social Safety Nets

The five economies in this research had social safety net programs at the time of the onset of the crisis, however, the

severity of the crisis and its impact on the social sector was profound and rapidly overwhelmed the resources and capabilities of the majority of existing programs. The quick onset of the crisis outstripped the ability of governments, NGOs and others in the region to respond effectively. This inability to respond effectively was further complicated by difficulties in gathering important data detailing crisis impacts on different communities. For the most part, new programs could not be established quickly enough to respond to the impacts of the crisis, which were felt so soon after its onset. In many instances, lack of current, accurate poverty data at the beginning of the crisis hampered the expansion of existing projects and the establishment of new programs. Omissions in data made accurate targeting of programs challenging as well. Payments to the social sector often did not reach their intended beneficiaries. Programs were frequently designed with no explicit guarantee that the effectiveness of the program would be evaluated through the use of output indicators. Some programs were often without specific goals, such as number of persons served, degree of poverty alleviation or level of employment creation.

It is the case of more advanced countries that well-established and funded social insurance systems act as safety nets during economic downturn or crisis. The member economies hit by economic crisis introduced national pension schemes in the 1950s, with Indonesia and Malaysia introducing work injury compensation before this. Thailand introduced a social insurance system most recently in 1990s, although it was 1998 before some of the main programs were actually implemented.²³⁾ However, the

23) Whiteford Peter and Frster Michael, "The Definition and Development of Social Safety nets: What Forms of Social protection?" presented at OECD workshop 9th-10th April 2001 Paris, CON/DEELSA/CD(2001)16

social insurance systems of the economies are serving only a portion of the formal sector, including more stable socio-economic classes such as civil servants.²⁴⁾ Of social insurance schemes, unemployment insurance is the most effective to respond to the impact of economic crisis. Those economies did not introduce unemployment insurance. However it is not wise to rapidly establish unemployment insurance because it takes time for the plan to be operational and coverage must be narrow due to the low percentage of contributors, who are often people working in the formal sector.

Efforts for strengthening APEC social safety net programs would be better concentrated on the areas of social assistance and temporary protection systems for the poor and the unemployed in the short-term and should be enlarged to social insurance schemes in the long-term. In the process of reviewing the social safety net programs of member economies, some problems have repeatedly appeared. Those are shown below, but it is difficult to rank them because one might be the cause of another.

- Corruption, lack of transparency, leakage of funds
- Mistargeting, exclusion of the poor
- Lack of poverty monitoring system, lack of poverty related data
- Defect of governance, low capacity of management, insufficient

24) In Indonesia, while contributors to pension schemes are only 7% of the working age population, recipients are 39% of the population over 60. This may reflect the fact that pension contributors and recipients are among the relatively privileged groups in society, who are more likely to survive to old ages. In the Philippines, there are actually more pensioners than there are people over 60, presumably reflecting higher life expectancies and effective retirement before the age of 60 years. The proportion of the total population who are pensioners is 6.2% in the Philippines and under 3% in Indonesia

- preparedness, delayed disbursement
- Lack of public spending prioritization, fund misallocation
- Lack of program evaluation system
- Insufficient funding
- Insufficient infrastructure for social safety net, ineffective welfare delivery system

Corruption, lack of transparency and leakage of funds are core problems that stand in the way to fair and equitable delivery of social safety net programs. These issues are often deeply ingrained and inter-related in an economy and difficult to address. Transparency in implementation of social safety net programs is critical and often results in some leakage of budget. These problems are not limited only to the economies mentioned, but are particularly damaging where the effects of economic crisis are already being felt. However, it is estimated that Malaysia, Thailand and Vietnam are in a better situation with regards to transparency and anti-corruption, but all five economies have similar problems with leakage of funds. The leakage of funds does not necessarily originate with lack of transparency or presence of corruption; it can be a result of mis-targeting, low capacity of management, insufficient preparedness and misled public spending priorities. The most efficient way to address these complicated problems would be to develop a participatory role for civil society to act as a watchdog for the entire of decision-making process for social safety net design and delivery. To these ends, the civil society should be trained in current best practices and problem-solving experiences through practical capacity building, such as hands-on exercises.

For targeting populations with low income, it is necessary to have national criteria for eligibility established by a nation-wide survey of the minimum living cost and a measure to identify

individual or household income. The concerned five economies have their own poverty lines, however, surveying individual or household income from self-employment is difficult. The self-employed and those working in the informal sector often underreport their income, and their portion to total population is relatively high in the economies. To ensure cost-effectiveness and sustainability, social safety net programs have to undergo improvements in targeting,²⁵⁾ however, means-tested targeting presents major difficulty and is not often adequate. In this case, other approaches can be utilized such as, categorical and geographic targeting, community-based targeting²⁶⁾ and proxy means testing targeting.²⁷⁾²⁸⁾ Also, some other possible

25) Reyes Celia M., "The Role of Social Safety Nets: Trends and Prospects in the Philippines", presented OECD workshop 9th-10th April 2001 Paris, COM/DEELSA/CD(2001)15

26) Categorical and geographic targeting are made on the basis of readily observable socioeconomic and demographic characteristics that are correlated with poverty, such as age, number of children, unemployed status, and geographic location to identify population groups that are likely to be poor. Categorical and geographic targeting are associated with relatively low administrative and economic costs, but tend to include the non-poor. In order to minimize the portion of the non-poor, community-based targeting can be combined. Benefits are allocated by a local authority or committee that is empowered to make decisions about who should receive program benefits. Often, existing decision-making structures are used, such as joint committees of parents and officials in Indonesia to decide which children should receive school scholarships. There is little evidence on how well community-based targeting works. There are hypotheses that local structures are likely to lead to more accurate and flexible targeting, but such community involvement may overburden the capacity of those charged with the new task, generate conflict over control of resources, or result in resource capture by local elites.

27) Proxy means testing targeting provided benefits to households based on multiple indicators at the household level that correlate with welfare and can serve as a proxy for income. These indicators are used to construct a

alternatively defined target groups are the elderly, the disabled, children, and women. The problems of mis-targeting and exclusion of the poor which are closely related to low capacity of management and lack of poverty related data are mitigated through more investment in capacity building of civil servants in charge of social safety net programs.

In order to better design and implement safety net programs, reliable data is needed on who the poor are and where they are. In addition, information should be collected on whether they are part of an identifiable vulnerable group and, in the event of a crisis, the main characteristics of the impact (e.g. falling wages, sharp increases in the unemployed, price rises etc). In the five economies, such information remains insufficient on several aspects both at the national level and at the decentralized level, which is especially important given the complexity and heterogeneity of the phenomenon.²⁹⁾ While there are regular and frequent data on economic output, prices and international reserves, the data on poverty incidence, school dropouts and malnutrition prevalence are not as readily available. The absence of an adequate social monitoring system makes it difficult to assess the impact of macroeconomic policies and shocks to the social sector. This also hampers the design and implementation of targeted interventions to alleviate the adverse impacts of the

score that determines whether a household should receive support. The method can be less expensive than means testing and less subject to underreporting, but the effectiveness of the overall mechanism depends on a strong correlation between easily observed household and individual characteristics with income.

- 28) Blomquist John, "Social Safety Nets in response to Crisis: Lessons and Guidelines from Asia and Latin America" submitted to the APEC Finance Ministers February 2001.
- 29) World Bank, "Towards an East Asian Social Protection Strategy," 1999, Human Development Unit, World Bank.

policies and crises on the households (Reyes, 2001). The availability of timely and reliable information on poor and vulnerable groups is critical for the design and implementation of social safety net programs (Blomquist, 2001). One key element of effective action is a crisis response system built on timely and diverse types of information. There is an exceptional case among the five economies. Indonesia's SMERU (Social Monitoring and Early Response Unit) is an example of a crisis response information system. SMERU is a collaborative multi-donor effort led by the World Bank with contributions and technical support from AusAID, the European Unit ASEM Fund, and the U.S. Agency for International Development. SMERU's objective is to provide rapid real-time qualitative information to donors and the Government of Indonesia on crisis-related conditions and on the operations of social safety net programs in urban and rural areas. SMERU is designed to create a network capable of channeling and filtering information useful to policymakers, especially the local knowledge generated by the activities of local and international NGOs in the course of their regular field operations. This network creates a capacity for community monitoring by facilitating a two-way flow of information with local groups about donor and government safety net activities.

At the implementing levels, the impact of social safety nets of the economies is reduced by governance defects such as inadequate budgets and wasteful, inefficient and unresponsive administrations. It is the poor who suffer most due to poorer access, reduced bargaining power and limited influence on local officialdom and service providers.³⁰⁾ The use of diverse executing

30) Ortiz Isabel, "Reforming Social Protection Systems in Asia and the Pacific: A Perspective from the ADB" presented in OECD workshop, 9th-10th April 2001, COM/DEELSA/CD(2001)20, Paris

agencies has been seen by some as a means of enhancing the efficiency of service delivery through generating competition for state funds and through bypassing existing ineffective state bureaucracy. Others have seen it, however, as amounting to a first step in the disavowal of traditional social responsibilities by the state. That recent social safety nets have faced opposition from the bureaucracy of existing social ministries is a partial testament to this fear. In response, it has been argued that enabling "participation" by local organizations is the surest way to ensure that resources are used effectively, efficiently, equitably and in keeping with local needs. It has been argued further that enabling NGOs to demand and execute projects helps to "build" their capacities to deliver services, and to heighten their propensity to make other demands from the state on behalf of their constituents (especially it is hoped, the poor). Where social safety nets do not rely upon beneficiaries' participation, it is argued further, social safety net activity may fail to reach the poor, or even actually undermine organizations of the poor that already operate.³¹⁾

In order to help inform policy makers on programmatic tradeoffs, as well as to improve the design and implementation of individual schemes, safety net programs should be systematically and rigorously evaluated in terms of targeting efficiency, cost-effectiveness and coverage. Periodic evaluation of the effectiveness of social safety net programs in meeting program goals should be given high priority. Evaluation results can help to identify where and how social safety net programs should be modified. These analyses can also feed into the pre-crisis planning process discussed above. Many APEC member economies have

31) Reddy, Sanjay, "Social Funds in Developing Countries: Recent Experiences and Lessons", 1998, UNICEF Staff Working Papers, Evaluation, Policy and Planning Series, Number EPP-EVL-98-002 UNICEF, 1998

carried out some form of program monitoring and evaluation, but these efforts have not always been timely or sufficiently comprehensive. The Thai government utilized an independent private evaluator to assess the programs operated under the Miyazawa Initiative, and the same firm will evaluate the Social Investment Fund. Mexico's PROGRESA program is also undergoing a formal impact evaluation with external evaluators. Dissemination of the results of impact evaluations could help raise awareness of the cost-effectiveness of the social safety net and to increase the accountability and political support for successful programs (Blomquist, John 2001).

*Best Practices: Building Effective and Accountable Local Institutions:
Kecamatan Development Program (KDP), Indonesia*

The Kecamatan Development Project (KDP) encourages villagers to voice their needs and to take control of local development decisions. Kecamatans (subdistricts) that participate receive block grants from the national treasury, which they allocate among proposals presented by their member villages. Proposals for public goods are eligible for grants, and proposals for economic projects qualify for loans. Any village group may apply for grants. Each village may submit a maximum of two proposals each year; but if there are two, the second proposal must come from a women's group. A kecamatan council of village representatives makes funding decisions. Nobody above the kecamatan has any say in deciding which proposals get funded.

The KDPs main objective is to reduce poverty and to help communities plan and manage their own development activities. The project emphasizes transparency and broad-based community monitoring by actively disseminating information through signboards, posters, radio programs, and free-ranging independent journalists who write stories on the project for regional and national newspapers. Local, private-sector facilitators trained by KDP disseminate information on the project's principles and activities throughout the community by working with informal leaders and traditional institutions, in addition to local governments. By giving communities the time and resources to do their own planning, by working through people's own institutions, and by channeling resources directly to the communities, KDP helps vulnerable groups and individuals identify their needs, plan, write proposals, and participate in the decision-making process.

Under KDP, three types of investments are made. The first involves increasing and building the capacity of community organizations to plan, demand services, implement and monitor small scale infrastructure program, and manage resources. The second involves investing in procedures and systems, which enable development of more transparent and accountable government and local-level institutions. The third involves developing more options for brokerage, intermediation, and facilitation to support community-level efforts through civil society and private sector. The creation of community-level capacity and more responsive and accountable institutions is expected to lead to an efficient, effective, and sustainable environment for decentralization and local-level governance.

Source: *Fostering Inclusion and Social Cohesion, Working Paper*, Social Development, Ashraf Ghani, Parmesh Shah, et al., August 1999.

2. Possible Areas of Improvement

The stocktaking involved in completing this study suggests that the five member economies have similar problems that are adverse to the implementation of social safety nets programs. Possible measures to improve the implementation of social safety net programs can be concentrated on building capacity for managing social safety nets. Similar recommendation can be found in the recently released study of McGee (2000) and others. McGee suggests that governments should establish some form of social safety net policy unit which would be charged with (a) developing better systems of quick data collection on the social impact of the crisis on the poor (b) developing quick response programs for alleviating social impact on the poor (c) developing systems of more effectively targeting the most severely impacted groups (d) developing the most effective methods of implementation, and (e) developing systems of effective monitoring of the programs. Ideally, such social safety net policy units should be interdepartmental and include representatives from the NGO and private sector. Also, Puguh (2001) pointed out that improvement in the capacity of local planners and executors in handling social safety net program administration should begin with planning, implementation and monitoring-evaluation and studying how poverty is measured. These skills are increasingly important, as the resulting statistics are a prerequisite of policy formulation for attacking poverty.

Based on the demonstrated need to strengthen the social safety nets of economies in the region, one option might be to establish a physical center in APEC charged with improving the capacity of planners and executors in handling social safety net program administration through advances in measurement, targeting, estimation and program design and execution. In fact,

most problems which adversely affect social safety net activities in the concerned economies can be addressed by providing the opportunity of capacity-building to social safety net experts from the across region to share best practices and strategies for improving planning and delivery of social safety net programs. For this purpose, it is necessary to have a hub of activity for building capacity of concerned economies' social safety net managers through mainly workshop and classes. Drawing on technical resources from international organizations and the member economies themselves, the multilateral center will be a resource for countries just beginning to establish social protection strategies and those with maturing social programs.

To address established deficiencies in existing social safety net programs, the center could focus on efforts in the following areas that would contribute to increasing the effectiveness of social safety net programs in the following areas: poverty monitoring, targeting, program evaluation, and pre-planning. In addition to the established need for improving capacity in targeting, measurement, infrastructure/coordination, local empowerment and preparedness, the center could act as point of dissemination for best practices and research on social safety net development and delivery.

The recommendation for a capacity building center comes at an important time. The concerned economies are in the process of assessing the effectiveness of social safety net plans formulated in response to the economic crisis, and the areas of these schemes that most need improvement could serve as the basis for training and information sharing in the center. Furthermore, as international donor organizations call for more effective expenditure of funds donated for social protection purposes, it becomes necessary to address the issues that determine the eventual effectiveness of these programs. The international

organizations and advanced countries of the world provide substantial for economies in the region; US\$ 2.8 billion for Indonesia and about US\$ 2 billion for Thailand. Also, ODA has been provided to those economies; in 1999, US\$ 2.2 billion for Indonesia, US\$ 143 million for Malaysia, US\$ 690 for the Philippines, US\$ 1 billion for Thailand, US\$ 1.4 billion for Vietnam (see Annex 2). ODA is not provided only for social safety net programs but about over the half of the fund is destined for the social sector including education and health, etc. Key findings are that more effective implementation of social safety nets programs should have priority over fund raising.

After a crisis passes, it is necessary to manage the transition to longer-term development. There are two longer-run issues. First, the most effective way to minimize the costs of shocks is to develop in good times policies and institutions that confer greater resilience on a society, including measures that *automatically* help offset potential losses when shocks occur. Second, after a crisis passes, it is possible to identify key reforms and program changes that the problems exposed in the crisis have shown to be necessary, and shifts in perceptions of priorities and of the roles of different institutions have made feasible.

V. Strategic Options for Strengthening APEC Social Safety Net Programs

This section provides a menu of strategic options that can be pursued by APEC to strengthen its existing activities on strengthening social safety nets in order to make a genuine contribution to strengthening social safety nets of APEC economies. These options aim to strengthen the conceptual and theoretical basis of social safety nets in APEC as well as offer a broad range of options for concrete action to individual economies, APEC as a whole, and APEC fora.

In particular it should be kept in mind that the APEC Ad Hoc task Force on Strengthening Social Safety Net Activities is not an operational body and has only a temporary life-span. It is therefore necessary to put in place institutional arrangements in the APEC process that will sustain social safety net activities on a permanent basis.

The need for APEC to strengthen its social safety net activities was underscored by the Asian financial crisis, which exposed the essential insufficiency of social safety nets in many APEC economies. Furthermore, the crises caught the crisis-hit economies and their policy-makers unprepared and off guard and demonstrated shortcomings such as limited fiscal resources, lack of know-how, and weak institutional capacities.

The financial crisis exposed millions of people in the crisis-hit economies to unprecedented and unsustainable economic and social hardships that threatened to unravel the social and political fabric of their societies. Governments were forced to design often ill-advised policies that were based on insufficient data and created in haste.

It is the finding of this research that there is clear need to enhance the effectiveness of Social Safety Net Activities through advances in measurement, targeting, estimation and program design and execution.

In order to do so the following strategic options should be considered in consultations with APEC fora. However, these options should be considered as points for discussion. They primarily serve to stimulate and facilitate ideas and discussions, and should not be considered as recommendations for final adoption. Proposals for other options are therefore most welcome.

1. Establishment of APEC Social Safety Net Capacity Building Center

The demonstrated need to improve the effectiveness of social safety nets in the region requires that attention be given to factors involving the planning, delivery and evaluation of social safety net processes. In fact, most problems which adversely affect social safety net activities in the concerned economies can be addressed by providing capacity-building opportunities to social safety net experts from the across the region. For these purposes, one proposal would be to establish a center to provide study in social safety net best practices to safety net managers through workshops and classes. It is therefore necessary to put in place institutional arrangements in the APEC process that will sustain

social safety net activities and considerations on a permanent, regularized basis. One of the main activities of the center may be to play a role of focal point for the scattered activities related to social safety nets in APEC by coordinating and monitoring all related activities in the region.

2. Pension and Social Insurance Study

Key elements of the social safety nets are pensions and insurance. The Finance Ministers and the Economic Committee should undertake an in-depth study on designing and managing a viable and effective pension system.

3. Social Safety Nets and Labor Mobility

The Finance Ministers, Economic Committee, the HRD Working Group, the SME Working Group and the e-APEC Task Force may conduct a study on the socio-economic significance and benefits of social safety nets on labor mobility, entrepreneurship, and SMEs. Such a study may be useful in addressing the issue of the rising number of independent and self-employed specialists and knowledge-workers in the New Economy. A preliminary research proposal may be submitted to the Second Finance Technical Working Group, the 24th HRD Working Group and the EC (intersessionally).

4. Social Safety Net Issues and Gender

The AGGI could be tasked to highlight the social safety net

dimension in its work project on sex-disaggregated data and collection of best practices.

5. Establishment of a Social Safety Net Policy Network

The Virtual Network which existed briefly in 1999 should be revitalized and expanded into a website for exchanging know-how, data, best practices and for conducting policy dialogues. A key mission of this Network should be to engage all APEC fora in social safety net activities by sponsoring virtual seminars. Korea would be willing to maintain and manage this work and organize the first kick-off seminar.

6. Social and Welfare Indicators

Social and welfare indicators and data could be included in the APEC Economic Outlook beginning with the 2002 Outlook.

7. A Catalogue of Social Safety Net Funds and Facilities

The Ad Hoc Task Force will establish an inventory of funds and facilities that deal with assisting capacity building efforts on social safety nets such as Thailand's APEC Social Infrastructure Facility and Australia's three-year Social Protection Facility. Other APEC economies are encouraged to establish similar funds and facilities modeled after them. A catalogue of existing and planned funds and facilities, including application procedures will be

submitted to the Shanghai AELM.

In consultations with APEC the recommendations should be further refined and reported to the APEC Ministers at their next meeting in October in Shanghai. Over more than ten years of existence, APEC has accumulated know-how and experiences, and built useful instruments on cooperating on a broad range of issues. The overall aim of these strategic options is to effectively harness APEC's know-how and experiences and all APEC fora to strengthen APEC's work on social safety net issues.

As mentioned, these seven options are neither final nor exhaustive, but serve as catalysts for generating discussions on what recommendations the Task Force could arrive at for presentation this year.

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*Annex 1: LIST OF SAMPLE NGO-INITIATED PROGRAMS
REFLECTING RANGE OF SOCIAL SAFETY NETS
IN THE PHILIPPINES*

PROJECT TITLE/DESCRIPTION	TYPE OF SOCIAL SAFETY NET	PROJECT IMPLEMENTATION AGENCY
Sustainable Agriculture Program for Household Food Security-food security for poor rural households using environment-friendly technology	Food	Assisi Development Foundation
Soup Kitchen and Relief food for indigent families in crisis/disasters	Food	Catholic Charities; church-based organizations;
Project Bahay-funding window for People's Organization for housing related initiatives and capacity building for urban poor partner organizations	Shelter	Partnership of Philippine Support Services Agency (PHILSSA)
Ecoshelter on container vans as viable housing model	Shelter	HASIK
Alternative Community Development Planning as viable low cost housing for the poor	Shelter	Alternative Planning Initiatives (Alterplan)
Assistance to poor families for proper and adequate relocation and resettlement when displaced	Shelter	Kristong Hari Foundation
Community-based Health programs; mobilizes health missions for organized groups in poor communities	Health	Council For Health and Development-Philippines
John Paul Program for Children in difficult circumstances	Children's needs	Assisi Development Foundation
Treatment and Rehabilitation of children in Crisis Situations	Children's needs	Child Rehabilitation Center
Relief and Rehabilitation for Street Children	Children's Needs	Stairway Foundation
Relief and Rehabilitation in Disaster Areas	Disaster Response	Citizen's Disaster Response Network
Relief and Rehabilitation Coordination of Corporate Response	Disaster Response	Corporate Network for Disaster Response

PROJECT TITLE/DESCRIPTION	TYPE OF SOCIAL SAFETY NET	PROJECT IMPLEMENTATION AGENCY
Bulawen Resettlement Project	Disaster Response	Philippine Peasant Institute
NORFOOD	Disaster Response	Production of ready-to-eat recipes for disaster communities
Sauge River Watershed Land and Resources Development	Livelihood	Panay Rural Development Center
Bicol National Park Rattan Project	Livelihood	Bicol Upland Resources Development Foundation
FIRMED Program in Surigao del Sur; integrated coastal resource management with livelihood for poor	Livelihood	Center for Empowerment and Resource Development
Integrated Crop and Livestock Project Community Seedbanks-people-oriented science and technology	Livelihood	Sibol Para sa Agham at Lipunan
Livelihood Enterprises; Sustainable Agriculture and Fisheries	Livelihood	PAKISAMA
Integrated support to families of overseas workers (includes support to those displaced from employment)	Various Support	KAKAMMPI (organization for families of migrant workers)
Microfinance and Enterprise Development Project Operation Sugarland Project	Credit for poor households	Merciphil Development Foundation
Social Development Fund for networks of NGOs and partner people's organizations	Credit for development projects including short-term SSNs	Philippine Development of Human Resources in Rural Areas (PhilDDRA)
Fisherfold Initiative for Self-Help (FISH))	Assists in conceptualizing and sourcing funds for projects	Tambuyog Development Center
Integrated Peasant Credit Cooperative Program	Credit for poor farmers	Development Agency of Tribes in the Cordilleras
Integrated Area Development Project-includes Grameen bank replication, off-farm jobs for landless	Livelihood and short-term social safety net	Antique Integrated Area Development

Source: McGee T. G., Angeles L., Bautista C., Sity D., Hainsworth G., Scott S., Setiawan B., Suksiriserekul S., Vu Tuan Anh, *The Poor at Risk: Surviving the Economic Crisis in Southeast Asia*, APEC project 2000 mimeo.

Annex 2: ODA

Countries	Net Receipts	1997	1998	1999
Indonesia	ODA(US\$ million)	825	1258	2206
	Bilateral share(%)	96	99	98
	ODA/GNP(%)	0.4	1.5	1.7
Malaysia	ODA(US\$ million)	-246	202	143
	Bilateral share(%)	99	98	98
	ODA/GNP(%)	-0.3	0.3	0.2
Philippines	ODA(US\$ million)	681	607	690
	Bilateral share(%)	83	87	89
	ODA/GNP(%)	0.8	0.9	0.9
Thailand	ODA(US\$ million)	618	690	1003
	Bilateral share(%)	97	98	99
	ODA/GNP(%)	0.4	0.6	0.8
Viet Nam	ODA(US\$ million)	987	1163	1421
	Bilateral share(%)	59	61	72
	ODA/GNP(%)	3.7	4.3	5.0

Source: OECD, World Bank

Annexes

Each lead economy can volunteer useful examples of particular SSN activities that are relevant for the discussion of the Task Force. This includes examples of successful projects and lessons learned from such endeavors undertaken in other regions.

