



SPA policy-research and network-building programme

Social Protection in Asia: Experiences, Lessons, and Barriers to Extension Policy Conference 2009

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*This report briefly summarises the conference presentations and discussions – for more detail please see the full programme and presentations available on the SPA website at www.socialprotectionasia.org The policy conference was followed by a research workshop on the 3rd and 4th of June 2009, which reviewed the programme research project’s progress – see separate report for details.

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Introduction

Social Protection (SP) refers to a range of public actions which enable poor and vulnerable people to protect themselves against risks or shocks to their livelihoods, to manage or cope with such events when they occur; and to build sustainable and secure livelihoods. SP interventions now feature centrally in the agendas of most national governments and international agencies.

An evolution in thinking about social protection has occurred from its inception in efforts to offset the costs of structural adjustment through ‘compensatory’ social safety nets, to its present incarnation as a ‘spring board’ out of poverty. The financial crisis of the 1990s (particularly in East Asia and South-east Asia) dramatically exposed the vulnerability of populations across the region, throwing many people into poverty and exacerbating the insecurity of the already poor. It is now more widely accepted that SP interventions can play a ‘promotional’ role in contributing to sustainable routes out of poverty in addition to their ‘protective’ function. This protective function has acquired even greater significance and relevance in the context of the present global financial crisis which provides an acid test of the lessons learnt from earlier crises.

Social Protection in Asia (SPA) as a Research, Advocacy and Network Building programme aims:

- to identify approaches and ways to overcome barriers to the extension of social protection to poor and marginalized groups in Asia; and
- to identify and promote innovative forms of social protection which contribute to sustainable poverty reduction and development

The SPA policy and research conference brought together policy makers and researchers for one and a half days to share understanding, experiences, lessons, and barriers to the extension of social protection policies across the globe - from Latin America and Southern Africa through the diverse regions of Asia. Inevitably the context of the discussions was the global economic crisis and the implications for poverty, vulnerability and the future direction of social protection policies.

Introducing the conference, Dr. Sarah Cook, programme director of SPA, emphasised that the premise on which the SPA policy research programme hinges on is that well designed social protection policies have the potential to reduce poverty, enhance livelihood security and human

development, and to strengthen voice and citizenship rights. It is in this context that social protection policies have to be viewed as ‘developmental’, as against current thinking of SP as ‘residual’ (to meet shocks and vulnerabilities), even while acknowledging that the historical evolution of SP in Asia has been in response to economic crises. The policy conference was thus aimed to appreciate the potential of policy responses to the current economic crisis to contribute towards the extension of developmental social protection.

Social Protection in Vietnam

Formally inaugurating the conference, Mr Nguyen Trong Dam, Vice Minister of the Government of Vietnam (MOLISA), gave an overview of social protection strategies in Vietnam, outlining key programmes and policies. Recounting the fact that Vietnam has been able to reduce poverty dramatically (see table below), the Minister emphasised that there are still some gaps in the extension of social protection for all. Highlighting the need for devising policies in the context of global crisis, the Minister informed us that the government is aware of the concerns and is devising plans to tackle the down-turn of the global economy and its impact on employment and exports in Vietnam.

Poverty Reduction in Vietnam

Year	Poverty levels (%)
1976	75
1986	53
1998	37
2002	29
2006	19
2008	13.8
2010 (target)	10

The other key note speaker, Mr Tran Dac Loi, Vice President of the Vietnam Union of Friendship Organizations (VUFO), argued for a fundamental rethink of the concepts and models of development in this time of financial crisis. He described the ‘so-called liberalisation of the market’, the attention given to GDP and consumer levels over the real lives of people, the privatisation of resources concentrated in ever few hands, and the conditions under which everyone is forced to compete in the ‘race to the bottom’, all as incongruent to the objectives of human development. In his view, it is the profit driven motive of development that is the cause of the crisis, which produces economic, ecological and social contradictions. In his opinion, a substantial solution is required – social protection strategies will not be enough if there is ‘a cancer in the social body’. Although Vietnam, since a severe crisis in the mid 80s, is in a transitional period with a mixture of socialist and non-socialist policies, for them the important thing is consistent effort and focus on objectives – to achieve human centred development in socialism.

Global Economic Crisis and Implications for Social Protection

The challenges for social protection in Asia (and in other regions) emanates not only from economic crisis, but also from historical circumstances and the development paradigm of the past several decades. The sharing of the benefits of growth appears to be skewed and rising inequality is an issue in several countries across the globe (through Asia, Africa and Latin

America). A comprehensive conceptualisation of social protection is needed, but it should not be seen as a band-aid to cover more fundamental problems. This broad perspective came through the observations of the key note speakers and panellists during the session entitled 'Global Economic Crisis and Implications for Social Protection'.

Chairing the session, Mr. John Samuel, International Director of ActionAid, observed that social protection needs to be located within the overall human rights and human dignity framework, and the transformative potential of social protection policies have to be acknowledged and developed. He observed that neo-liberal and market-based policies have resulted in greater misery and the irony is that the discourse on social protection is also being led by those who have perpetrated the neo-liberal agenda. Pointing out that economic citizenship is part of the human rights discourse, he wondered whether social protection is entitlement or charity, and what are the politics behind social protection debates? The importance of a human development centric growth path is advocated as the limits of markets have been exposed through the current economic crisis and even the previous crises (the Asian crisis of 1998 and prior to that the Oil Shocks of 1970s) in this region as well as elsewhere.

Presenting the situation of Vietnam, Dr Valerie Kozel (PREM team, The World Bank, Vietnam) pointed out that the country has been able to demonstrate dramatic reductions in poverty, however there are also limits to the effectiveness of social protection policies. The agenda is not complete - though education and health are universal, their access and utilisation is yet to be at the desirable levels. Rapid assessments of the impact of economic crisis in Vietnam found job losses in certain export-oriented sectors, migration and impact on micro and small enterprises. The need is to address the quality of employment in terms of skills, mobility, etc. The current coping mechanisms included informal networks and increasing numbers of urban workers moving back into rural areas, but what comprehensive social insurance mechanisms are needed.

Presenting the situation in Latin America, Dr. Leonardo Gasparini of CEDLAS - Universidad Nacional de La Plata, Argentina, pointed out that countries of the region have responded differently to the crisis, and the existing SP policies appear to have acted as a cushion in the short run. Human capital accumulation and targeted approaches have been the experiences of Latin America, especially through CCTs. There are possibilities of learning lessons from such experiences. Pointing out that there are indeed weak social protection systems in the countries of the region, structured around formal employment, efforts are towards improving and expanding the coverage to informal sector workers. Most poor workers in Latin America do not have right to pensions, unemployment insurance, health insurance or any kind of income support, and in such contexts CCTs work in a limited way (the coverage is low). Latin American experience also demonstrates the need to consider fiscal capacities as pre-requisite in designing social protection. The competing priorities of investment and social protection expenditures have to be accommodated in public policy, especially in the long run.

According to Dr. Boitshepo Giyose, Food and Nutrition Security Advisor, New Partnership for Africa Development South Africa, experiences in Southern Africa show that SP policies are not well developed in many countries and the initial impact of crisis appears to be on employment and job losses. Narrating the diversities in the cases of Zimbabwe, Botswana and South Africa, Dr. Giyose pointed out that governance and institutions appear to be key factors in determining the nature and scope of responses to the crisis.

Initiating the plenary discussion, the chair Mr. John Samuel, pointed out that three key issues emerge in the context of SP policies: investments, entitlements and path dependencies. The

crisis is an opportunity to build more comprehensive social security systems and this needs to be reinforced at all levels of policy fora. The broader context is to push more universal policies.

The plenary discussion highlighted the need to address structural imbalances within and across countries, and also to ensure that social protection programmes are not perceived to be a replacement for the crucial role of social policy. It was also pointed out that a capabilities framework for social protection would enable people to cushion against vulnerabilities.

Extending Social Protection in Asia: Rights, Citizenship and Development

In his presentation, Prof. Ashwani Saith observed that 'Universalism' or the 'universalisation of socio-economic security' as aspirational and desirable forms of development needs to be accommodated in the policy discourse. Pointing out the limitations of poverty line centric targeting as well as path-dependencies, he advocated for a conceptualisation of SP as a holistic and inclusive policy perspective.

Prof. Ashwani Saith presented three propositions for building socio-economic security for all. They are universalism (addressing issues around citizenship and its limitations), capability (referring to the powerlessness of people and the need to go beyond the focus on basic needs) and inclusivity (challenging the ideas of group-based and inherited identity-based exclusions such as caste, race, disability, and also challenging the idea of the state and the individual and nothing in between). He argued that finance is not the problem; it is the political and social commitment necessary for ensuring social protection spending and its effective management that is the issue. Prof. Saith also pointed out that the politics of social protection is coming to the centre stage of discourse in democracies like India and Indonesia, and even in countries like Pakistan and Thailand, which is a positive development.

Commenting on the presentation Prof. Naila Kabeer observed that by defining it as instrumentality SP appears to be detached from broader development objectives. It should not be a part of narrow minority coverage and should be seen as part of nation building process.

Tracing the historical evolution of social policies, Prof Huck-Ju Kwon (University of Seoul) observed that social policy was not seen as an instrument but as a trade off for economic development in the early phases of development. Now this has changed to a perspective of social investment over the past few decades. Social protection is now perceived as important for development, but it is not necessarily inclusive. For example, East Asia and Latin America are selective, and Nordic countries are inclusive, but they all use social policy as instruments for economic development. One conclusive piece of evidence is that that social policy is a useful way to overcome economic crisis. Dwelling on the context of late industrialisation of certain nations, Prof. Kwon observed that the state has played an important role in economic development as well as in social policy and its relevance is all the more important in the current context of global economic crisis.

The discussion in this session raised the concern that we need to know more about what universalism and inclusion imply – there are many dimensions and demands seem high. Social Protection must consider the wider context of society, including the political constituency, the role of civil society and the role of institutions, the issue of redistribution, and complex forms of social exclusion.

Social Protection in South Asia and South East Asia: Progress and Barriers to Extension

During the remaining sessions, country papers on 'Social Protection: Progress and Barriers to Extension' were presented. Countries covered included Indonesia, Vietnam, Bangladesh, India, Pakistan, South Korea, Nepal and Thailand. Each of these presentations outlined the country context, the evolution of social protection policies and barriers to the extension of the same for large sections of population.

Country experiences demonstrate the varying contexts in which the evolution of SP took place in different countries. In general there is low coverage but numerous schemes and programmes have been implemented by governments across the region, which vary in perspective, approach and context. For example, one can find isolated, fragmented policies in the case of Bangladesh and a right to work (entitlements based) approach in India. In several countries, governance and institutional capacities appear to be major constraints to the design, implementation and extension of social protection policies. Decentralisation is found to be one of the key conditions for the successful design and implementation of SP – however one has to study limitations of decentralised governance, which is dependent on initial conditions and cultural contexts. Financing is an issue in several countries where fiscal capacities are limited. Another interesting observation from the presentations is that political consolidation around social policies is visible across the countries, which in a way demonstrates the perspective that 'development' would lead to political power and not merely charismatic leadership or promises. Such 'developmental politics' appear to be rooted in the local contexts and cultural contexts as well.

Several operational issues such as leakages, negative elite perception, and bureaucratic indifference, are also abundant across the countries of the region. There appears to be success in cases where mobilisation and community led approaches are followed (self help groups and micro finance in India and Bangladesh, community-based slum development programmes in Thailand, etc). It is also found to be important to acknowledge and recognise the fragility of state institutions in the implementation of social protection policies as they are contingent upon going beyond the 'interests' of elite and powerful groups.

Thinking Through the Regional Agenda for Social Protection

The final session of the day brought out perspectives on regional cooperation. Speakers pointed out that there is scope for learning across the countries on policies that work and in what contexts and how they can be adapted. Further research and networking collaboration is advocated in this direction through SPA and other institutional forms. Panellists suggested further work towards a broader social protection agenda that accommodates a 'basic social floor' in terms of employment, rights and entitlements. It is also felt important for countries to address protective as well as promotional social protection depending on the country contexts and stage of development.