

Why Social Development Matters

HOW CAN development policies and projects make sure that the marginalized and vulnerable people and socioeconomic groups are not left behind?



In this interview, Robert Dobias, Director of the Gender, Social Development and Civil Society Division of ADB's Regional and Sustainable Development Department, explains how social development can contribute to ADB's overarching goal of poverty reduction.

Q: What is social development in ADB and why does it matter for poverty reduction?

More often than not, people relate social development with the two social sectors, health and education. This is not surprising, as the 'inclusive social development' pillar of ADB's poverty reduction strategy includes both social 'sectors' and social 'development'.

However, it is important to distinguish between social 'sectors' and social 'development'. Social sectors are identifiable areas of development intervention such as health and education, while social 'development' is a cross-cutting approach applicable to all development sectors – infrastructure, agriculture and natural resources management, rural development, urban development, governance, finance and trade,

education, health and others. ADB's thematic classification defines social development as: "equitable and sustainable improvements in the physical, social and economic well being of individuals and social groups, especially those socially or economically disadvantaged".

Social development is the process through which a range of social elements such as gender, ethnicity, race, caste, age, isolation, and so forth influence people's and social groups' decision making, access to services, resources, and opportunities, and ability to cope with risks. Social development also looks at how these social variables affect rules, norms and values of societies that determine the level and nature of people's access and capability. The key social dimensions in ADB include participation of civil society, gender and development, social safeguards (which are involuntary resettlement and indigenous peoples), and management of social risks through social protection and other measures.

Social development matters to poverty reduction because it proposes ways to improve equity and inclusion, empowerment of the excluded, and the greater ability of people to manage social risks. If development programs and projects are not designed thoroughly,

without regard to social dimensions, development itself can lead to inequality and social exclusion.

ADB's poverty reduction strategy includes inclusive social development as one of the three pillars. However, social development as a cross-cutting theme is also relevant to two other pillars, which are pro-poor and sustainable economic growth and good governance.

The new Operations Manual C3 *Incorporation of Social Dimensions into ADB Operations* and the Handbook on Social Analysis clearly spell out the definition and approach of social development in ADB operations. I urge ADB staff to look into them.

Q: How has ADB contributed in achieving social equity and reducing social exclusion?

First, it is important to understand that ADB recognizes that economic growth is a prerequisite for alleviating poverty, and for addressing issues such as social equity and inclusion. Clearly, the size of the pie should be growing in a sustainable manner before equal distribution is considered. Nonetheless, the trickle-down theory of economic growth does not work unless effective systems of wealth redistribution and explicit mechanisms for inclusion of all social groups are in place. This is why we encourage our developing member countries (DMCs) to adopt well balanced policies across growth, inclusion, and governance.

It is equally important to keep in mind that failure to address social equity and inclusion directly affects the size of the pie itself. For example, a recently published report by UN ESCAP¹ estimates that the economic cost of restrictions on women's labor force participation in Asian economies is \$42-47 billion per year. The report also says that if India's female participation rate reached parity with that of the United States (86%), its GDP would increase by 4.2% a year and its growth rate by 1.08 percentage points. These are significant numbers!

ADB has been promoting social equity and inclusion in its DMCs at both policy and project levels.

At the *policy* level, we have been providing technical assistance and analytical support to governments in DMCs to help them prepare policies and strategies that promote greater inclusion, as well as recognize the special needs and constraints of socioeconomic groups that are excluded or vulnerable. Quite often, though, they have the right policies in place but have little capacity to implement them properly. Therefore, capacity development is another emphasis of ADB. Identification of such policy and capacity needs is normally done at the time of country partnership strategy formulation through diagnostic studies such as country gender assessment, country poverty analysis, governance and capacity assessment, and key sector assessments.

In Nepal, for example, TA assistance from ADB has resulted in the preparation of gender and development strategies by three major ministries that deal with infrastructure and economic development. The strategies commit the ministries to achieve gender related objectives in terms of their work plans as well as hiring practices.

At the *project* level, opportunities to promote social inclusion and equity are identified through a project social analysis during project preparation. For example, for sustainable

¹ United Nations Economic and Social Commission for Asia and the Pacific. 2007. *Economic and Social Survey of Asia and the Pacific*. New York.

and cost-effective management of an irrigation system, direct participation of male and female farmers for cost-recovery and operation and maintenance arrangements is often crucial. The design of ADB projects, therefore, often includes elements to promote participation of men and women farmers in decision making at the water user associations. For inclusive project designs, ways to reach out to landless rural poor who would not directly benefit from irrigation have been developed, such as farm or non-farm skills development, in several projects.

While in the overall scheme of things, ADB's financial contributions to the region are small, ADB's influence is expanded when it supports projects that demonstrate how vulnerable members of the community can become active participants in the local economy.

ADB has been particularly active in incorporating gender equality measures into projects it has financed. We try to address gender concerns very early in ADB operations, and ensure that our country partnership strategies have a gender and development strategy. About one-third of all ADB loans over the past decade have mainstreamed gender and development issues, and ADB has demonstrated through several projects the methods and value of promoting gender equality.

Q: What are the key challenges in achieving social equity and reducing social inclusion?

First, social development challenges vary from region to region, country to country, and even within countries. You cannot address these in broad strokes. What works in the hills of Nepal, for example, may not work in Southern Thailand. A major challenge, therefore, is ensuring that interventions fit the conditions of the area you are working in, and this means understanding very well the intricate social institutions, social norms, customs, and traditions present. This is no mean feat.

When projects fail in the social aspect, the problem is often traced to a lack of in-depth understanding of social institutions. To address this, ADB is attempting to further strengthen its ability to interact and cooperate with civil society organizations, which may be more familiar with local conditions.

Another issue is how laws and policies that can mitigate some of these social concerns are often absent or, if existing, are not well implemented. The challenge, then, for ADB is to carry out a policy dialogue with governments, and help identify where policies can be bolstered.

Financing of the social sectors also remains low in many countries. In one of our larger DMCs, health financing is around 3% of what it needs to be. This greatly limits much of the population's opportunity to become more involved in the development process.

Today, perhaps quite ironically, some of the biggest challenges to achieving social equity are posed by the economic dynamism of Asia and the Pacific and globalization. There is a plethora of issues that accompany this.

A major issue is the migration and displacement of people. While migration may largely be due to the need for better economic opportunities, in some cases it is caused specifically by development itself. This issue crosses national boundaries, and countries are faced with the challenge of working with one another to deal with these formal and informal movements across boundaries.

There is also the paradox of an Asia that has a large and young work force looking for, but often not finding, jobs in an economically booming region, while at the same time having the problem of an ageing population looming already for some countries such as Japan. These require attention to labor markets, social safety nets and the like.

Market liberalization has also resulted in major labor disruptions. The attention paid to the region's increasing urbanization also creates a tendency to forget that half of Asia's population will still be residing in rural areas.

One old issue that continues to be exceedingly difficult to address is that of property ownership and tenure. This will continue to be a major challenge as urbanization expands into peri-urban and rural areas.

Last, but not least, conflicts and natural disasters in the region continue to pose challenges to Asia and the Pacific countries, where systems to both prevent and cope with the impacts are limited. Social exclusion and lack of social cohesion could be a direct cause of conflict. Eroding social capital due to migration and urbanizing lifestyle in Asia would mean that we need new types of coping mechanisms that go beyond community-based mutual support.

Q: What has been the role of the NPRS and PRF in promoting inclusive social development?

Through the type of technical assistance projects that they support, the NPRS (National Poverty Reduction Strategy Fund) and PRF (Poverty Reduction Cooperation Fund) help address inclusion of the poor at the regional and national levels, and foster participation from the full range of stakeholders.

There are numerous examples of this. The two funds supported participatory poverty assessments and decentralized poverty reduction policy and planning in Cambodia, Viet Nam, Pakistan, Mongolia, People's Republic of China, Mongolia, and Pacific DMCs. These interventions effectively brought the perceptions of the poor into national and local planning as well as contributed to improving the capacity of these countries in inclusive and pro-poor policy development and implementation.

A project promoting nongovernment organization support for poverty reduction in the Greater Mekong Subregion helped to demonstrate how a subregional integration and cooperation strategy can be formulated and implemented through tripartite partnerships among governments, NGOs and ADB. In the same regions, NPRS and PRF financed a number of studies and pilot projects to identify and address cross-border social issues such as trafficking in women and children, HIV/AIDS and other communicable diseases, and inclusion of ethnic communities in regional economic integration.

A number of other projects focused on policies and projects to promote targeting, inclusion, and equity of the excluded or vulnerable socioeconomic groups. In Viet Nam, for example, a PRF project supported the development and operationalization of a Gender Equality Law, which was one of the policy conditions of the multi-donor program loan to implement the country's poverty reduction strategy.

Their real impact will be gauged by whether or not DMCs apply the lessons learned to future development programs, and it is too early to make judgments in this regard. However, the ADB staff and consultants, as well as government staff, who have been involved in these

projects will certainly carry with them the lessons learned, and I am confident that they will employ the best of these in the future.

As a case in point, the last time I was in Nepal, I sat down with engineers and economists from two departments. One department was responsible for an agriculture project and the other for a water supply project, but both designed their respective projects with very strong gender and participation elements. I asked them separately why they went through all the trouble, because achieving substantial participation certainly requires more effort, time and money. They both responded, "for sustainability". They have seen that with very strong gender and participation elements, projects have a greater chance of being continued by communities once the consultants and government staff leave. That is a ringing endorsement from experienced development specialists.

Q: How do you see or wish ADB could/should move forward sustaining inclusive social development?

The principles ADB should follow are already there. We need to listen carefully to our stakeholders, especially DMCs, and hear what they're saying. I think in many countries, we continue to hear them talk more and more about social development issues, particularly social exclusion, inequality, and widening income gaps. Certainly, if the volume of news is any indication, this is an important issue to our DMCs.

ADB should also continue its emphasis on gender equality. That is absolutely essential in everything ADB does. If our projects are benefiting only half of the population, then clearly we won't be as successful as we could be.

Partnerships are going to be very important as well. ADB won't be able to do everything, and in some cases, ADB will be able to do very little. But it will need to be aware of what is happening and these partnerships will be indispensable. These partners include not only the donor community but also civil society organizations – NGOs, think tanks, chambers of commerce, and other organizations that have good development credentials that ADB can bring in to help strengthen their projects and dialogue with DMCs.

Equally important is that ADB maintain a sufficient level of capacity internally to address social development issues. #