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Strategies for Improved Social Protection in Asia: Labor Market Policies (Theoretical Background)

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Abstract

The paper discusses the theoretical aspects of labor market policies. Labor markets are a critical element for effective social protection in the Asian and Pacific region. This is one of the twelve background papers of the ADB's Social Protection Strategy/Framework on Social Protection. The ADB draft Framework/Strategy and background papers (i) assess theoretical approaches to building proactive social protection systems and/or restructuring existing systems in the Asian and Pacific region, and (ii) provide tools for designing operational alternatives to assist households to mitigate risks and a consequent fall into poverty.

The paper also explores Labor Market Policies (LMPs) as a fundamental mechanism to assist populations at risk. Key issues in LMPs design as well as selected labor market policies and programs should be looked into to highlight some important neglected aspects of LMPs and offer a comprehensive overview of advantages and disadvantages of the most popular LMPs. Issues related to actual project planning and implementation procedures will also be discussed to relate to practical steps to reach an informed choice of LMPs.

Alan Abrahart and Paolo Verme are Labor Market Experts/Consultants, ADB. This paper has benefited from ADB Interdepartmental comments and guidance from the ADB Interdepartmental Working Group on Social Protection. The paper is to be delivered at the “**Social Protection Workshop 1: Labor Market Policies in the Era of Global Risks**” under the *Asia and Pacific Forum on Poverty: Reforming Policies and Institutions for Poverty Reduction*, to be held at the Asian Development Bank, Manila, 5-9 February 2001.