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Strategies for Improved Social Protection in Asia: Social Assistance (Project and Program Issues)

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I. Social Assistance

A. Introduction

Countries in different stages of development are searching for the right mix of social policies and programs that best contribute to poverty reduction within a country. Growth gains have excluded vulnerable groups from receiving an equal distribution of benefits. Within the overarching objective of poverty reduction, different sectors are developing programmes to provide essential services, and to create income and employment opportunities in locations or among communities where poverty is disproportionately high.

Social assistance programmes that are designed to further human development through public investment in social services to the poorest and most vulnerable, and provide employment opportunities and encourage self-reliance are still needed to ensure equity for vulnerable groups and progress in growth. Social assistance programmes should be designed to provide an expansion of opportunities to enable vulnerable groups to produce their way out of poverty rather than the traditional passive receipt of transfers.

The countries within the different sub-regions have implemented a wide range of social assistance programs based on their specific political and economic circumstances. Many countries have achieved differing levels of equity and poverty reduction goals for vulnerable groups. Each country has adopted particular social assistance programmes to meet local conditions and needs of vulnerable groups. However, there are also some common themes and some useful lessons to be learned from their different experiences, both positive and negative, which can be considered by all countries in their future development of social assistance schemes and programs. There are sufficient experiences to demonstrate that social assistance schemes can support growth with equity and bring about success in poverty reduction for vulnerable groups.

1. Why Social Assistance?

Poverty reduces the productivity of vulnerable groups and lowers their capacity to save or invest. Lower productivity reduces the incomes of vulnerable groups and therefore their opportunities for future investment. The lower incomes of vulnerable groups translates into their reduced purchasing power which then limits market opportunities for other producers. Social assistance programmes, either in the form of cash transfers, subsidies or in-kind benefits, can help maintain purchasing power and, if linked to more active instruments, increase the productivity and output of vulnerable groups.

Social assistance programmes should be seen as contributing to economic well-being as well as improving livelihoods. Social assistance can help vulnerable individuals, households and communities maintain their livelihoods when they are confronted by economic, political, environmental and health shocks. Social assistance programmes should also have a longer term perspective that is aimed at reducing the likelihood of these shocks occurring. The levels of consumption and living standards of vulnerable groups can be raised through well-targeted social assistance programmes. Social assistance programmes can promote equity by ensuring vulnerable groups have access to human development opportunities that create a skilled and productive workforce and contribute to levels of social cohesion that assist in long-term economic development. Social assistance can support vulnerable groups to adapt and adjust livelihood strategies as their environment changes.

Generally, countries that have failed to redistribute social and economic opportunities to vulnerable groups have the lowest growth and continued instability. Many countries have followed the traditional response to various crises or challenges by reducing budget allocations for vulnerable groups rather than investing in the creation of opportunity.

Throughout the region, public investment in health and education has brought human development gains that have contributed to declines in poverty as well as raising productivity and extending opportunities among vulnerable groups. Countries that have emphasised labour-intensive growth have also provided more opportunities for self-reliance among vulnerable groups. Redistribution patterns within countries are critical to social and economic outcomes for vulnerable groups.

For every \$1 in wealth generated by economic growth in Brazil, the poorest 10 per cent of the population receives less than 1 cent - one-seventh of counterparts in countries such as Indonesia and Vietnam¹.

Countries without well-designed redistributive systems have to grow much faster to achieve the same income gains for the most vulnerable in their society. Countries that have emphasised redistributive rural development programs have created opportunities for vulnerable groups to take advantage of to market opportunities.

A larger proportion of vulnerable groups have been able to participate in economic growth, and to share more equitably in its benefits as a result of Improved levels of literacy and advances in public health. It also enabled them to contribute to growth through improved

1. Oxfam International Report 1997

productivity and adaptability. Social assistance programmes should be seen as an important component of growth policies.

Access to land, credit, and marketing infrastructure are essential pre-requisites for rural based vulnerable groups to become productive and invest in their own development. Employment creation programmes for urban vulnerable groups are a significant mechanism for reattachment to the labour market and their skill development.

Poor, female small-landowners have been able to become self-supporting and productive through access to land not previously available to them. They have also contributed to economic growth within their community.

2. Common Components of Social Assistance Programmes

Social assistance programmes must be developed within a coherent policy framework. They should also ensure they include some basic pre-requisites, principles and characteristics:

- (i) Self-reliance, not dependency, so that resource usage (human and other resources) can be optimised and assistance can be available in any location;
- (ii) Effective use of taxation is earmarked for social assistance programmes;
- (iii) Sufficient budget allocations for social assistance programmes must be provided for the medium-term to meet the core resource costs needed for the programmes, and administration costs, especially service delivery so that the programme is accessible to the intended vulnerable groups in various regions;.
- (iv) Private sector, community-based and NGO participation should be included in social assistance programme design. National and local governments will continue to have a facilitative role, particularly in coordinating various stakeholders and monitoring programme implementation and outcomes. NGOs and the private sector have important roles in service delivery; and
- (v) External aid for social assistance programs will be necessary for most of the countries in the region in the medium term. This aid may be restricted to technical assistance or be a more significant component, depending on the individual circumstances of the country. Both the overall amount of the aid and the areas to which it is channelled will be important for vulnerable groups.

The objective of any social assistance programme is to contribute to high growth and high equity. Some countries have succeeded in high growth levels but with corresponding high levels of inequity. The majority of South-East Asian 'tiger economies' have aptly demonstrated

this following the regional financial crisis. In South Asia, countries have relatively low levels of inequality and low growth. Post-conflict countries are most at risk of low growth levels and high inequality.

Future social assistance programmes should be designed so that they enabled vulnerable groups to participate in growth as producers and investors, rather than as passive beneficiaries of income transfers from the top down.

B. Approach to Assessing the Need for Social Assistance Programmes

1. Situational Analysis

A simple approach can be taken to determine the demands for a social assistance programme, based on several phases of analysis.

Within a country, the nature of the difficulties being faced must be identified to determine the vulnerable groups within the population and assess their characteristics. This initially involves identifying those persons or households living below the poverty line – both national and international measures of poverty. Social protection programs aim to enhance the welfare of society by directly reducing poverty. Social assistance policy development therefore occurs within a framework of government response to poverty. However, policy development usually involves many different Ministries, often operating in isolation and using incomplete and sometimes conflicting data. It also involves many local government and non-government agencies in service delivery. Countries, therefore, need an integrated perspective on social protection policy, a cohesive set of policies and an effective information database.

Policy makers then need to identify households and individuals that are already receiving assistance from either existing social assistance programmes or other social protection programmes, or those in receipt of other forms of assistance from other sectoral programs e.g. receiving a food subsidy from a social assistance program in an active labor market programme of skills training or an education allowance from the Ministry of Education. Based on these findings, the outcomes can be sorted according to common characteristics that should primarily be based on causes of vulnerability. By concentrating on causes, a more appropriate response can be developed rather than a response that addresses symptoms or characteristics. Further analysis is then required to determine the causes, circumstances, characteristics and risks faced by each vulnerable group. The extent of the information required would depend partly on the specific group, but would generally include income levels, assets, number and types of dependents, levels of expenditure, demographic, geographical and social status features.

Poverty data may or may not include information about emerging vulnerable groups within countries. The disaggregation of data may not be to the level required for developing programme responses (e.g. surveys may not differentiate between internal or international migrants, or refugees; or does not provide age data for disabled, or separate levels of rural and urban youth unemployment).

It is important to ensure accurate data is used as a basis for developing policy responses or the programme risks being ineffective, encourage programme leakage or contain errors of omission. However, it is rare that all data exists in a complete form, so policy will be based on the best available data. Trends and sample analysis methods can help to fill in data gaps and provide a more reliable basis. Living Standards Surveys and household census provide a wealth of information and should be made available to all policy makers so that a common baseline can be used to measure the effectiveness of policies implemented.

A common agreement on the poverty line to be used will be important to identify eligibility and entitlement for social assistance programs. Government must decide what are the acceptable levels of deprivation and vulnerability in society? What are the appropriate expectations of social assistance to meet minimum living standards? E.g. the poverty line drawn by the Indonesian government was extremely low: 55 U.S. cents a day for urban areas, and 40 U.S. cents a day for rural areas, so that, many people surviving on less than \$1 a day were defined as not poor.

During this phase of research and analysis, social assistance programmes may have been developed but are not accessible, or are not known to vulnerable groups. It may also be that the existing social assistance programmes have not been sufficient to address the causes of vulnerabilities.

Several key questions should be asked at this stage. These include:

- (i) What is the range of vulnerabilities that the population suffers from?
- (ii) How severe are these vulnerabilities?
- (iii) Are they frequently occurring, persistent, or preventable?
- (iv) What are the different types of difficulties those affected must face?
- (v) What is the effect of doing nothing?
- (vi) What would be the objective of a social assistance program?

This short analysis can reveal gaps in coverage and the possible requirements for developing social assistance programs. This approach generates a reasonably comprehensive list of needs, or demands, of all the identified vulnerable groups, usually quite long and large. It

may not be exhaustive however as this will depend on the data available, and there would need to be cross-validation of the vulnerable groups identified and the causes of their vulnerabilities.

2. Socio-economic Analysis

There are many types of data required in order to undertake a comprehensive analysis and the areas mentioned below are not meant to be extensive or conclusive. These areas are a minimum level of information required, reflecting the relatively fragmented types of data available in different countries in the region.

Initially socio-economic indicators for the particular country and sub-region should be gathered and considered in light of sub-regional and global trends. The prospects for growth in the short-term, medium term and long-term are needed, and may have to be estimated if they are not readily available. An assessment then needs to be made as to whether there are any impacts for the variety of vulnerable groups identified. These impacts can be positive and/or negative. Two key questions need to be asked:

- (i) Are there opportunities for vulnerable groups to receive any of the benefits of growth?
- (ii) Will the vulnerable groups be adversely affected by further declines in economic growth?

Further questions may also be necessary depending on the extent to which foreign investment affects specific vulnerable groups. (For example, foreign investment may have a strong correlation with employment opportunities for migrants, refugees, and the urban unemployed). What are the current and projected levels of investment? Are there any indicators or trends that might affect this level of investment? Are there any structural changes that will advantage or disadvantage vulnerable groups?

At the macro level, there is a need to evaluate the impact of economic growth on equity and the impact of macroeconomic policies on the effectiveness of social policies. Consideration then needs to be given to the national budget, in particular budget allocations for poverty reduction, social services, and social protection. Information is needed beyond current expenditure plans. Information on allocations for the short-term are essential, but would preferably be supplemented with medium term estimates, similar to the information provided for growth and investment. Of specific interest are budget allocations that are in sectors related to the causes of vulnerabilities. For example, are there planned increased budget allocations for the health, education or employment sectors? Are there specific programs designed to address

health services for HIV/AIDS sufferers or drug abusers? Are there specific labour market programmes targeted to unemployed youth in urban areas? Is there a land distribution programme envisaged for poor rural communities? Generally it will be necessary to consider the revenue side of the national budget to see where taxation and user-charging have been introduced, or are planned, in order to increase revenues. This could include user fees for water access, previously provided through a state enterprise and now in the hands of the private sector. Are there any protections for vulnerable groups in the form of exemptions or subsidies?

How can the social assistance programs be reformed to the new circumstances of globalisation and regional integration in a way that responds better to the demands of changing labour markets and family structures?

The analysis then needs to consider the areas and levels of external aid activities. Many programmes associated with poverty reduction will need to be assessed for their impact on identified vulnerable groups. There may be specific interventions for particular kinds of vulnerabilities, or there may be more comprehensive 'social safety net' programmes that could be accessed by certain vulnerable groups. Are there other lending programmes outside the social sector that will affect vulnerable groups, in particular areas related to the causes of their vulnerability? For example, there may be cutbacks in housing and education subsidies as part of the transition to a market economy. Are there any existing programmes for vulnerable groups that were previously funded from external aid but are no longer to be funded, and have not been included in the programmes to be continued by the government?

3. Policy and Program Analysis

The next phase involves bringing together all the information gathered to undertake a comparison of the various policies and programmes affecting vulnerable groups in the short and medium terms. A matrix could be used, similar to the example below, to present a concise summary of the situations facing each vulnerable group.

		Vulnerabilities						
		Economic, financial and Investment	Rural development	Transport Communication and Technology	Education	Health	Employment	Poverty reduction
Funding Source	National Government							
	Local Government							
	External Aid							

The causes of vulnerability could be reviewed against these headings to assess whether any of these policies are a contributing factor, or are potentially creating more difficulties for vulnerable groups. The winners and losers of these policies should have been identified when the policies were formulated, however they may not have considered the secondary affected groups. Extension of road networks to open up markets and improve access can also displace small landholders and ethnic minorities. Is there any form of compensation included as part of the policy or programme?

There may also be opportunities for vulnerable groups to become direct recipients of the benefits of these policies. There is a risk that there will be overlaps between social assistance programmes and other forms of social protection, e.g. emergency feeding, food security, or price support for agricultural producers. However, the linkage between social assistance and broader poverty reduction objectives is necessary to ensure all the needs of all vulnerable groups are met.

An analysis and prioritisation of expenditures in different fields – social protection, health, education, and housing must be undertaken before a social assistance programme is developed. The analysis needs to consider whether it is more cost-effective to include measures specifically designed for vulnerable groups within other sectors, or whether a specific social assistance program is needed.

4. Generating Options

There are three main approaches that can be followed at this point. One is to identify those causes of vulnerability, or policy changes that will adversely affect the most vulnerable, that could be included within the programme of another sector, or as part of a loan. This approach would be to 'mainstream' interventions for vulnerable groups.

The second approach is to identify activities within the poverty reduction or social protection sector that can be modified to meet the needs of vulnerable groups. As an example, this could include public works programmes developed as part of labour market programmes that could include a quota for specific vulnerable groups, such as rural unemployed youth.

The third option is to develop a specific social assistance response to the needs of vulnerable groups. This could involve a new programme or the modification of an existing programme.

When considering these approaches it can be useful to make a comparative assessment of the advantages and disadvantages of each approach and the relative costs.

	Mainstream	Poverty reduction	Social protection	Social assistance
Advantages				
Disadvantages				
Costs				
Effectiveness				

The full-costs for each option should be included wherever possible, including the direct and indirect costs of programmes. Indirect costs should include information processes to explain entitlements to vulnerable groups, operational costs, delivery mechanisms, facilities, training of human resources, and others related to specific programme design (e.g. equipment, professional services).

Based on the analysis of options at this phase, the modifications can be recommended for other programs in other sectors, or further research can be undertaken for the design of social assistance programs that meet the needs of the most vulnerable groups.

5. Developing Social Assistance Programme Responses

There are a variety of social assistance programme designs and interventions that can be used to provide support and opportunities for vulnerable groups. There are also some important principles that should be followed throughout the design and development of social assistance programmes.

Mapping different instruments to different benefit groups – some may benefit from two different forms of social assistance, while many others would benefit most from one form of social assistance – this can help policy makers to identify policy instruments that meet a broad range of vulnerabilities for different groups e.g. a comparative study in India found that, at the margin, public work programmes benefit the poorest quintile the most, while credit programmes benefit the second and third poorest quintiles the most².

Policies should be demand driven to the extent that they meet the short-term needs of the target groups. Vulnerable groups should be provided with the opportunity to participate in determining the policies and programmes required. Where possible, opportunities for participation by beneficiaries in implementation of the programme should be explored.

However, policies must also consider the long-term needs and emerging trends for different groups within the population. Policies, programs and legislation must be flexible enough so that they are capable of responding to rapidly changing scenarios and emergencies but tight enough to ensure program leakage to unintended beneficiaries is minimized.

The following matrix is designed to assist those designing or advising on a social assistance programme to identify the range of elements that need to be considered.

2. World Bank, World Development Report 2000/2001

Table 1: Social Assistance Programme Assessment Guide

Basic Minimum Needs have been assumed for all groups: (Food, Shelter, Health, Clothing, and Sanitation)

Vulnerable Groups	Needs	Existing Capacity	Gender Issues	Effectiveness of Existing Social Protection	Targeting Methods	Delivery Mechanisms	Monitoring and Evaluation Methods
Elderly: by age categories by gender single living alone severely ill by location – urban, rural or remote	Income support Suitable accommodation Accessible Health services At home care, either full or part- time Multiple vulnerabilities – elderly and ill, elderly and disabled Institutional care	Family support Community-based care Health services NGO activities and services	Life expectancy of women and men Widows -effects of earlier wars, abandoned wives, life expectancy Number of female elderly and male elderly living alone Health of female and male elderly	Social insurance coverage War affected social security coverage Health insurance coverage Public health services available Public housing State provision of institutions	Categorical targeting Non-working Widows Cash benefits for frail elderly (over 70 years of age) Cash benefits for single elderly over 60 years of age (including widowed and divorced) <i>Means testing</i> Subsidized health care Subsidized housing <i>Geographical targeting</i> Benefits and services for elderly residing in poorest regions	Local government with State government funds for payment of cash benefits, education and health services; NGOs, community and Private sectors contracted as providers of care services and housing; Independent assessment of means by social workers or community organisations, not involved in delivery of services	Number of elderly dependents by ages and needs collected as part of poverty data Local surveys of elderly views on living standards for basic minimum needs Administrative costs as percentage of total program costs Leakage to non-poor elderly Projected extension of formal social protection for future elderly and consequent future reductions in spending for social assistance

Vulnerable Groups	Needs	Existing Capacity	Gender Issues	Effectiveness of Existing Social Protection	Targeting Methods	Delivery Mechanisms	Monitoring and Evaluation Methods
Disabled: By age group Employment opportunities Category of disability Type of Injury Type of Illness Severity of disability Cause of disability (e.g. war affected civilians)	Income levels Participation in education and vocational training Participation in employment Access to services Specialised health care services Subsidised transport, education Carers Assistive devices	Education level relative to age and capacity Availability of appropriately trained teachers in primary, secondary, college and vocational training levels Appropriately trained health workers for different kind of disabilities and different age groups Social worker services for support of families to care for disabled persons;	Girls/boys in education Girls and boys in employment Types of disabilities by gender Life expectancy of disabled boys and disabled girls Employed disabled by gender Carer services provided by gender	Social insurance Coverage (disability pension and/or employment injury) War affected social security coverage Health insurance coverage Incentives for employment of disabled workers Access to credit, including micro-credit for disabled persons	Categorical targeting Severity of disability Category of disability Age of disabled (child or elderly) Means testing Income testing of disabled persons; or family of disabled person Means testing of disabled person or family of disabled person <i>Geographical targeting</i> Rural and remote areas Proxy Means testing Benefits and services for elderly residing in poorest regions Universal coverage Free provision of aids and equipment	Local government with State government funding of cash benefits, education and health services NGOs, Community organisations, and Private sector contracted as providers and/or developers of care services, aids and equipment, transport and housing Independent assessment of means by social workers or community organisations, not involved in delivery of services	Disabled data collected in poverty data Labour force surveys Education outcomes for all levels (from primary to university) Nos of disabled in institutions compared to communities Poverty levels of disabled Cost-effectiveness of providers Leakage of programs to non-disabled, or non-poor disabled Administrative costs as % of total program costs

Vulnerable Groups	NEEDS	Existing Capacity	Gender Issues	Effectiveness of Existing Social Protection	Targeting Methods	Delivery Mechanisms	Monitoring and Evaluation Methods
Poor families: -rural areas; depth of poverty by number of dependents ownership of assets including land ownership pre-harvest or temporary poverty levels of debt loss of breadwinner – illness or death	Education for children Employment opportunities Access to land Income and consumption smoothing during temporary poverty situation Debt relief Access to credit to purchase, re-purchase land	Access to credit for debt relief (avoid sale of assets) Public works programs available during temporary poverty periods	Literacy levels for boys and girls Dropout rates for boys and girls Completion by education level for boys and girls Ownership rights of assets for females Participation of females in public works programs	Poverty programs Funeral benefits Subsidised health services Subsidised education, scholarships School nutrition feeding programs Labour Market programs, including employment services	<i>Proxy Means testing</i> ³ In poorest regions: Education vouchers for attendance and completion of schooling Subsidised Health treatment linked to nutrition and health checks Self-targeting Public works programs paying subsistence wages Work for Food Program Temporary or part-time employment programs Universal coverage Free health services Family Allowances paid per child to mother for temporary periods Free childcare Categorical targeting Large families Female-headed households Landless	Local government with State government funding of cash benefits, education and health services Private sector for public works programs with minimum participation rates for poor families NGO and Community organisations providing access to debt relief Independent assessment of means by social workers or community organisations, not involved in delivery of services	School retention rates for children of poor families Health status of poor households Debt levels in poor families Assets levels of poor families Participation rates of poor families in public works programs Percentage of labour costs of public works programs (e.g. 80%) Cost-effectiveness of providers Level of leakage to non-poor Administrative costs as percentage of total program costs

3. (using available living standards and household poverty data)

Vulnerable Groups	NEEDS	Existing Capacity	Gender Issues	Effectiveness of Existing Social Protection	Targeting Methods	Delivery Mechanisms	Monitoring and Evaluation Methods
<p>Poor families: urban areas; by number of dependents levels of debt loss of breadwinner due to illness or death migration from rural areas refugees</p>	<p>Education for children Employment Adequate, permanent housing Income and consumption smoothing during temporary loss of breadwinner Debt relief Residency status</p>	<p>Access to credit to start own business Employment opportunities in businesses owned by relatives</p>	<p>Employment opportunities for females Childcare for single working mothers</p>	<p>Labour Market programs including employment services and vocational training Subsidised health services Subsidised education, scholarships Food subsidies or rations Unemployment benefits Public Housing</p>	<p>Proxy Means testing⁴ In urban slums and poorest communities: Education vouchers for attendance and completion of schooling for children of poor families Subsidised Health treatment linked to nutrition and health checks Family Allowances paid per child to mother for temporary periods Pro-poor targeting: Subsidising foods predominantly consumed by the poor Self-targeting Public works programs paying subsistence wages <i>Categorical targeting</i> Large families Female-headed households Homeless</p>	<p>Private sector food shops providing food rations and subsidised foods to poorest families Social Funds for public works programs Independent assessment of means by social workers or community organisations, not involved in delivery of services</p>	<p>School retention rates for children of poor families Health status of poor households Debt levels in poor families Percentage of labour costs of public works programs (e.g. 80%) Level of leakage to non-poor Cost-effectiveness of providers Administrative costs as percentage of total program costs</p>

4. (using available living standards and household poverty data)

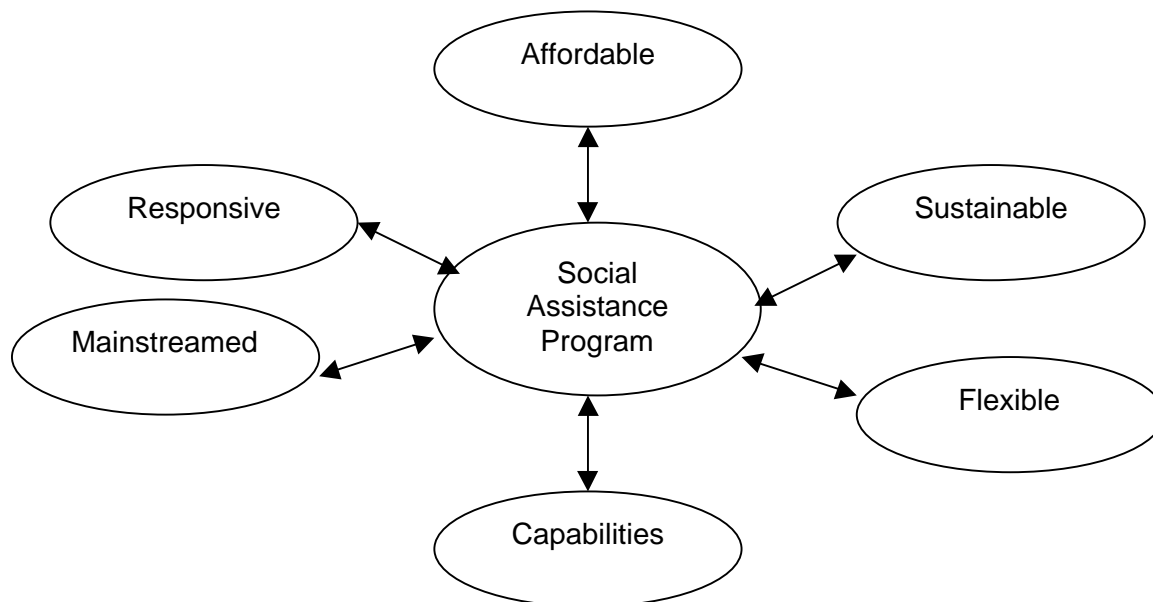
Vulnerable Groups	NEEDS	Existing Capacity	Gender Issues	Effectiveness of Existing Social Protection	Targeting Methods	Delivery Mechanisms	Monitoring and Evaluation Methods
Unemployed: Age categories – youth, older workers Long-term (over 12 months) Sole breadwinner - number of dependents Health – Illness, injury, (HIV/AIDS, Drug Users) Retrenched workers New entrants to labour force Female Rural Migrants and refugees Ethnic minorities Unemployed: (Cont)	Work programs Adequate income levels Vocational training Debt relief Credit with training for self-employment Information about labour markets	Work experience Skill levels Education level relative to age and capacity Self-employment training provision Support for small businesses Access to credit Knowledge of, and access to, a network of employers Amount of infrastructure	Number of female and male unemployed by age Number of retrenched female workers Number of female new entrants Number of long-term female unemployed Number of female working age affected by HIV/AIDS Number of female working age drug users Vocational training categories for female unemployed Skill categories of female unemployed Number of employed female ethnic minority persons Number of employed female migrants or refugees	Unemployment insurance Incentives for employment of new entrants, retrenched workers, HIV/AIDS infected, or recovered drug users (government and private sectors) Labour Market programs employment services, vocational training, self-employment and small business development Employment services for secondary breadwinner Health services and rehabilitation for HIV/AIDS and drug users	<i>Categorical targeting:</i> Government and enterprise funded support for retrenched workers Casual, temporary or part-time work in local or state government for secondary breadwinners (permanent loss of breadwinner), HIV/AIDS infected, drug users, ethnic minorities, war affected, disabled and long-term unemployed Single mothers New entrants Disabled Rural youth Mew migrants Refugees Unemployed youth, particularly rural female unemployed Self-targeting Subsistence or below minimum wages for public works programs Means testing Unemployment cash benefits Rental subsidies Energy subsidies	Local government and communities design public works programs Private sector for implementation of public works programs with compulsory skill development and minimum participation rates for most vulnerable groups NGO and Community organisations providing access to debt relief State and local governments for means –tested programs (means testing to be done by independent organisation or as a program to recruit local university under-graduates to conduct research) Employment service centres run by private sector, NGO and community organisations as well as local and state government where	Unemployment rates using trend and time-series data by work experience, education and skill level Number of long-term unemployed Poverty levels of unemployed Number of long-term unemployed participating in public works programs, skills developed, by gender Cost-effectiveness of providers to determine future contracts for delivery of means-tested employment services and vocational training Percentage of labour costs of public works programs (e.g. 80%) Administrative costs as percentage of total program costs Number of work days provided for unemployed, by gender

					Food subsidies Vocational training Universal coverage Public Employment services <i>Geographical targeting</i> Rural and remote regions Poorest areas – rural and urban	needed. Government pays private providers based on outcomes achieved e.g. permanent job placement of long-term unemployed, or on completion of vocational training qualification.	
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Vulnerable Groups	NEEDS	Existing Capacity	Gender Issues	Effectiveness of Existing Social Protection	Targeting Methods	Delivery Mechanisms	Monitoring and Evaluation Methods
Victims of Natural Disasters: Number of households affected Severity of disaster on infrastructure Expected duration of immediate effects Long-term effects	Basic Minimum needs in short term Re-establishment of livelihoods (employment) Re-establishment of basic services Relocation to safe areas Disaster-resistant housing and infrastructure	Emergency relief networks established Early warning systems Frequency of disasters	Females able to participate in public works programs (day care centres provided where needed) Female access to employment following emergency relief efforts Boys and girls able to participate in education following re-establishment of schools	Agricultural insurance Crop insurance Business insurance Disaster relief or emergency funds National and international NGOs Social Funds Local government resources and planning for responses to natural disasters Overseas Donor Aid	Geographic targeting Geographically affected families and individuals for cash support Health vouchers Work for Food programs to rebuild infrastructure, housing, schools, etc. Universal food price subsidies for all victims within geographic area Category targeting Education vouchers for Children Work programs for labour force age	Emergency assistance provided by local and state government, NGO, INGO, Community organisations and Donors – co-ordinated by government emergency relief networks. State and local government, donor aid funding for public works programs to rebuild infrastructure and recreate employment Equitable distribution of funds and opportunities through independent authority predetermined by community	Safe shelter, food, drinking water provided to majority of affected households – length of time taken, equity in distribution Sustainable infrastructure established using local labour force Greater equity, reduced poverty gap following disaster (e.g. health services and schools accessible to all, homes provided to homeless, land allocated to landless) Administrative costs as % of total program costs Capacity of community to cope with next natural disaster

Vulnerable Groups	NEEDS	Existing Capacity	Gender Issues	Effectiveness of Existing Social Protection	Targeting Methods	Delivery Mechanisms	Monitoring and Evaluation Methods
Homeless Children Orphans Street children Death of one or both parents Abandonment Abuse Unable to be supported due to poverty in family Child labour Children sold into domestic service	Safe Shelter Education Safe employment Placement with new family and support Reconciliation with family – support for families in poverty Re-integration into communities	Foster programs Adoption programs Wards of the State Institutional care Community-based care Education services outside formal education system Social work services	Number of boys and girls Number of girls fostered and adopted compared to boys Number of girls in domestic service Number of girl children in child labour by age and sector	Family Allowances paid to poorest families Social insurance survivor benefits paid to orphans Orphans entitlement to inheritance or compensation for assets of parents	<i>Category targeting</i> Fostered orphans receiving education and health vouchers for temporary period Labour market programs (including apprenticeships, traineeships) Self-targeting Self-notification to social workers, NGOs and community organisations	State and Local Government funding of private sector, NGO and community organisations for delivery of category services based on outcomes – reconciliation with family, long-term placement with new family, completion of education Social Worker services available at health, school and recreational areas Labour unions for child labour identification and prevention, access to apprenticeships and traineeships	Numbers of orphans and homeless children (reduced through prevention techniques) Number of reconciliations with families Numbers of foster and adoption placements Number of orphans, fostered children and homeless children participating in education Administrative costs as percentage of total program costs Cost-effectiveness of providers

Social Assistance Program Design Principles. Fundamental to the development of a Social Assistance Programme are key principles that maximize and ensure equity of coverage.



- (i) Responsive to the needs, realities and conditions of livelihood of those who they are intended to benefit;
- (ii) Affordable in the context of short and medium term budget planning for the public budget – and in terms of not placing unreasonable burdens on households and communities;
- (iii) Sustainable, both financially and politically – with a requirement on government to ensure that the state's role in social protection reflects an adequate level of public support for interventions to assist the poorest;
- (iv) Mainstreamed institutionally within sustainable structures of governance and implementation whether within state or civil society structures;
- (v) Built on a principle of utilising the capabilities of individuals, households and communities and avoiding creation of dependency and stigma; and
- (vi) Flexible – capable of responding to rapidly changing scenarios and emergence of new challenges (e.g. impact of HIV/AIDS), and of supporting individuals through the changing demands of the life-cycle.

6. Financing Programme Options

A critical question is whether the government is adopting a pro-poor pattern of public spending? Governments need to make commitments to fund social assistance programs adequately and over a long-term period (more than annual allocations).

Financial constraints faced by many governments usually prohibit a wide-ranging role for social assistance. Therefore a narrower sub-division of the poorest and most vulnerable is needed. This is usually done via targeting mechanisms and establishing minimum objectives such as improving the welfare of the poorest quintile, or allocating more funding to social assistance programmes for the young, rural unemployed. Program leakage is higher in programs using price subsidies and quantity rationing, modest under food stamps and lowest in programs combining food for work.

Inevitably, public spending cutbacks have undermined the quality of service provision. The burden has fallen most heavily on poor people, who are unable to finance access to private-sector providers. In the health sector, per capita spending cuts have been introduced at a time when increasing poverty, HIV-AIDS, and the emergence of more deadly strains of infectious disease are raising the demands made on a shrinking system.

Cost-recovery and increasing privatization. An increasing number of governments are attempting to generate revenues for health and education by charging for services - including, in many cases, the most basic services. Insufficient attention has been paid to the social consequences of this cost-recovery. Poor households are frequently forced into distress sales of productive assets in order to finance their health care,

C. Programme Design Issues

1. Policy Challenges

Economic integration, international labour force mobility, capital flows among countries, and areas of economic integration (ASEAN) – will make it necessary to adapt social assistance systems to circumstances that fall outside national boundaries of influence. The situation becomes particularly complex because these external pressures on convergence and harmonisation of policies coincide with efforts to reduce social costs while expanding protection. Who should pay for these costs of social reform in the context of globalisation and simultaneous domestic constraints? Should the onus for adaptation be put on the individual, the family, the community or should it be the international system, the business sector and the State?

Stakeholders. Social protection reform should aim to build partnerships between statutory systems and private sector and household- or community-based insurance and assistance mechanisms, paying as much attention to regulation and facilitation as to direct provision.

Appropriate social assistance policy advice requires that special attention be given to issues such as social inequities, social participation, social conflicts, the perceptions of the actors involved, ethics and the needs of the more affected groups.

2. Rural Development

Specific interventions have included investment in marketing infrastructure and services, the creation of rural credit and savings facilities, protection against cheap imports, and price stabilization. Access to land is one of the most basic requirements for participation in growth. Another is access to markets. Poverty is often concentrated in areas where inadequate access to rural feeder roads, and poor storage facilities restrict livelihood opportunities. In most cases, investment in marketing infrastructure is concentrated around commercial (usually irrigated) farm areas, while more marginal (usually rain-fed) areas are bypassed. The same applies to public investment in agricultural research. Access to capital can act as another constraint on production. Institutional finance is unavailable to around 80 per cent of rural households in the region. Small farms employ more people per hectare than large farms. Growth of output on these farms therefore tends to generate more employment per acre.

Case Study: In West Bengal the implementation of land ceiling laws resulted in land transfers to 1.4 million people. Another 2.1 million tenants benefited from Operation Barga, a legislative programme launched in 1978 to fix the share of the crop that could be claimed by landlords, provide security of tenure, and end arbitrary evictions. Nearly 50% of all households in West Bengal benefited from the reforms - over 40 per cent of the total number of beneficiaries in India. Effects on production have been positive. Central to the success of West Bengal's programme was popular participation in the implementation of reforms. Village *panchayats*, or councils played a vital role in supporting and administering the programme by registering claims and titles by small farmers and the landless poor.

D. Social Assistance Institutions

1. Legislation

DMCs have made international declarations and commitments to the protection of the poor and most vulnerable in their societies. They have also ratified international conventions

relating to social protection for their citizens. Based on these commitments, DMCs are required to develop legislation, policies and programs, collect and report data and allocate funding to reduce poverty and increase social development. Policy makers need to assess the level of protection offered to the weakest and most vulnerable groups of society by the legal and judiciary system? What opportunities does it offer them to improve their quality of living through claims and progress of their social and economic position?

They include the most populous countries in the region as well as least developed. However, a low priority is still often assigned to disability issues and these issues tend to be acted upon with lesser urgency. Matters concerning disabled persons are seen as the direct responsibility of the welfare ministry rather than a cross-sectoral matter, e.g. urban planning that ensures new transport mechanisms include access for people with disabilities. Many issues faced by persons with disabilities are consistent with broader issues common to all marginalized groups.

a. Social Welfare Institutions

Including social funds, ministries of social affairs, health insurances... what kind of social and political philosophy are they based on, how do they draw the line between charity, insurance and the right for assistance and to a dignified existence? How do they enact these principles through which kinds of rules and regulations concerning access and selection (sorting out the poor). What kind of control do they exert on beneficiaries?

b. Equity

Equity entails the distribution of income and wealth as well as the creation of opportunities for health, education and production. Social assistance programmes and programmes in other sectors should consider vulnerable groups as active participants as producers of wealth. Investment in the creation of opportunity for vulnerable groups has produced individual human development gains and served as a launch pad for their economic success, releasing their productive potential.

c. Evaluation of Existing Programs

What are the administrative costs as a percentage of total program costs? This is especially relevant for targeting mechanisms that can become complex and difficult to administer. There are several key questions to be asked in each of the administrative areas.

Are the delivery modes effective in reaching all or most of the intended beneficiaries? What are the most cost-effective modes used? Has there been any leakage of program benefits to non-target groups? What is the unit cost of the intervention? For example, what are the administrative costs to transfer the benefit amount of social assistance to one household, or one target group?

d. Programme Evaluation

A critical area to evaluate is the extent of policy integration and implementation at the micro level. Crucial aspects to consider are the institutional capacity for program coordination and carrying out of social programs, the alternatives for more effective and efficient program delivery, the coordination modalities with local non-government organisations and the private for profit sector, and the alternatives for civil society participation in the policy process.

The most urgent evaluation need from the supply side is the assessment of policy coordination at the central government level and the development of capacity for policy execution and integration at the local level. From the demand side, an evaluation priority at the micro level is to assess the performance of policies at the individual, family, household and community level by focusing on the participation and satisfaction levels of users.

2. Program Opportunities

There is an opportunity for social assistance programmes to take a longer-term perspective and take advantage of the opportunities available to directly link equity and growth. Housing policies integrated with appropriate community formation and family support strategies that provide child care facilities to allow parents, and especially a single parent, to work will be increasingly important. Home-based or domiciliary services will assist many older persons to remain alone in their homes and thus reduce the cost burden of institutional care. Targeted human development programmes for poor households with children transfer income in cash or in kind on the basis of such observable criteria as children's age, attendance in school, or participation in a health care program. They therefore serve the dual objectives of poverty reduction and human development. They can also prevent the long-term damage to children that occurs when households, unable to adequately manage risk, respond to shocks by underfeeding their children or pulling them out of school to work.

a. Unemployed

Unemployment insurance, the traditional means of mitigating the risk of job loss, is not appropriate for most developing countries because of their low administrative capacity and large informal sectors. Better options for assisting the unemployed are means-tested social assistance and public works programs (workfare). Public work programs are a useful countercyclical instrument for reaching poor unemployed workers. They can easily be self-targeting by paying wages below market rates. Providing households with income following a crisis helps them avoid costly and damaging strategies (selling assets, reducing food intake). A longer term programme may be needed to train and provide other forms of skill development for the unemployed in preparation for future labour shortages. The rural youth that are unemployed, unemployed migrants, refugees and ethnic minorities provide an opportunity to develop skills and provide services in rural and remote areas for vulnerable groups. There is already a shortage in many countries for caregivers, teachers, health workers and other social services in rural areas. Home attendants and care givers, providing basic care for the most disadvantaged, can be more easily trained for relatively little cost.

Nurses and teachers require more specialised education. A scholarship program, paid for by the national government encouraging unemployed persons to attend specific education for vocational skills and qualifications could be considered. The costs of education could be recovered from the wages of the qualified student, or could be repaid by the student through their placement in a rural or remote community for a 2 year period to provide the services needed.

b. Micro-finance

Non-government agencies have become extensively involved in credit provision. Perhaps the best known example is that of the Grameen Bank in Bangladesh, which provides credit to 2 million people, most of them women who would otherwise be excluded. At the other end of the scale are a wide range of small-scale initiatives. Small revolving credit funds with between ten and fourteen female members, have been successful in enabling women farmers to borrow at subsidized interest rates to purchase seeds, tools and other necessities. Repayment rates have been high, suggesting that the credit has been turned into productive investment. These credit funds have been particularly effective in areas where there are many households living in poverty, and where formal credit is largely absent. Expanding the client base to poorer households remains a challenge. The very poorest may well be more effectively helped with targeted cash transfers. Program effectiveness would be increased by combining micro-credit with savings and insurance products so that clients would not have to take out loans to cope with

illness or death. Bank Rakyat Indonesia and SafeSave in Bangladesh demonstrate the potential of combining micro-credit with savings. Other micro-finance programs have successfully introduced life insurance, at low rates and with limited benefits (burial costs and repayments of debts)⁵.

c. Elderly

Programmes can provide assistance to families that care for live-in elderly. Retraining and workfare programmes adapted to older workers can make it easier for them to continue working. Social assistance or social pensions should cover the poorest and the very old (categories that frequently overlap) and those without family support. Widows will often make up a large part of this group. When developing programs for vulnerable elderly there are several trends to consider. In the future, Elderly people are less likely to be in Institutional than in Home Care. However, if housing conditions are poor, rehabilitation will not be effective. Elderly patients will shuffle between the hospital and their home because their conditions deteriorate during their stay at home. National and local governments may consider the opportunity to stimulate the housing construction industry by programmes for constructing or renovating housing for the elderly.

Greater independence by the Elderly is encouraged. Many elder care programs, as well as other welfare programs were created from a supply side perspective; where relevant Ministries, local governments; and welfare agencies decided to whom, how much, how long, and in what way, services should be provided. The requirements on the demand side should be respected more in return for payment for services. Decision-making by the elderly themselves should be emphasized. Decentralization of government has meant more local governments are taking more responsibility for health and welfare services for the elderly living in their communities. Increased Privatisation in Elder Care can reduce costs, offer greater choice to participants and create employment opportunities by selling goods and services that promote the health and welfare of the elderly, such as wheelchairs, lifts, special beds for nursing care, home care services, and retirement homes. However, for those who are unable to afford private service delivery government assistance is necessary. The unit of service is changing from a Household basis to an Individual basis meaning that eligibility for receiving services or payments is based on individual needs, income and assets, rather than households to support a citizen's

5. World Bank, World Development Report 2000/2001

right to government protection. This may be a longer-term proposition for some DMCs but is the emerging trend in Japan, Singapore and Korea.

d. Subsidies

Changes are needed to financial institutions so that the most vulnerable are able to access credit through existing financial mechanisms. Credit should not be subsidized – banks and other lending institutions should charge market interest rates and then provide adequate outreach and savings facilities for the poor. More sources of credit need to be made available.

Energy, Housing, Health and Education should be subsidized. Insufficient financial resources are provided to improve the services and opportunities provided to vulnerable groups. This does not have to be an additional cost if government invests the subsidy now used for credit into these other sectors – equipment, new or upgraded facilities, additional training for health workers and teachers.

e. Disability

As of December 1997, over half of the 35 signatories to the *Proclamation on the Full Participation and Equality of People with Disabilities in the Asian and Pacific Region* had formed national coordination bodies on disability. Preventative programs that keep simple diseases from becoming chronic disabilities are especially important for children. War and civil conflict have also caused many disabilities. Land mine accidents have increased sharply over the past 15 years. Most people with disabilities depend on their families for support and cannot increase their labor supply in response to income crises. One study found that 61-87 percent of land mine victims went into debt to pay their medical bills, and 12 – 60 percent had to sell assets. Prevention and better health care hold the key to reducing disabilities in the future. Those who are already disabled need community-based rehabilitation programs and public transfers to the families that provide care⁶. Services for the rural disabled can be achieved by providing funding support for community mobilization, in-service teacher training, resource support and removing physical barriers. Special consideration should be given to the education of women and girls with disabilities, especially in the rural areas. More cross-disability organizations and programs should be encouraged to develop program options for funding by local government. There has been a greater focus in the region on providing programs and resources to disabled persons with physical impairments. There may need to be an external stimulus to educate stakeholders of

6. World Bank, World Development Report 2000/2001

non-physical disabilities through external funding of specific programme that includes appropriate screening, therapy and training for service deliverers.

There are two major approaches to employment promotion used by countries in this region, whose people with disabilities are predominantly rural-based. One approach emphasizes their inclusion in poverty alleviation projects for the rural poor. The other approach targets government loans directly for the rehabilitation and poverty alleviation of persons with disabilities.

In the inclusive approach, the policy measures specify that rural persons with disabilities must be the beneficiaries of a fixed percentage of funding resources and benefits in major schemes for skills development, revolving loan assistance on group and individual bases, wage employment and housing. Voluntary rural development organizations have also begun to provide skills training and related support services to disabled persons who would otherwise have been excluded from rural poverty alleviation programs.

f. Housing

Adequate housing is especially important to self-employed women and home-workers as a place of business as well as shelter. It is also critical for many refugee and migrant families living in urban slums. Housing that includes nearby access to community services, including health and education, day-care centres, nursing homes, can support local full or part-time employment for many unemployed females otherwise unable to participate in the labour market. Adult literacy programs can be delivered within the community, as well as skills training.

g. Micro-finance

Vulnerable groups need access to micro-finance, not just micro-credit. Financial institutions that operate in local and national markets can mobilize local savings and provide credit through arrangements adapted to meet the needs of the poor. Operationally and financially sustainable micro-finance institutions are needed so that they can cover all operating costs, and the costs of capital. One route to sustainability is to become a more formal institution. When a micro-finance institution becomes licensed, it can borrow from the larger capital market and be authorized to offer savings accounts to mobilize more funds for loans or to seek its own equity financing. Licensing is being used by a micro-credit scheme in Mongolia, Microstart.

In Indonesia the Bank Rakyat Indonesia (BRI), a state owned commercial bank began operations in rural areas during the 1970s where little attention was paid to the mobilization of savings, which restricted the funds available for lending. Most loans went to the local select few,

who were considered low risk, while the vast majority of the rural poor borrowed on informal markets at far higher interest rates. Arrears and losses were high, bringing the BRI to the verge of collapse by the early 1980s. From 1983, the focus shifted from credit delivery to financial intermediation. New savings programmes were developed to provide services to small savers who required a combination of security and easy access. In 1998 BRI had 13 million deposit accounts holding \$2.4bn. Over half of these savers have deposit accounts of less than \$12, underlining the success of the BRI in providing services relevant to the poor. By successfully tapping these rural savings, BRI has been able to increase its lending operations, although loans account for less than one-fifth of savings deposits - a fact which underlines the importance of savings outlets for the poor. Interest rates are far lower than those charged on informal markets but linked to market rates. Once again, most loans to individuals are small and for short terms of 10-12 weeks. Over one-third of the BRI's borrowers have incomes below the poverty lines. In addition to individual loans, the BRI also capitalizes 5000 village-level banks.

h. Public Works

Public works programs for vulnerable groups can effectively target rural unemployed, migrants, refugees, elderly, female headed poor households, and people with mild disabilities. The Labour-Based Rural Infrastructure Rehabilitation and Maintenance Project in Cambodia, started in 1992 and is supported by UNDP and the International Labour Organization. It has generated more than 3 million work-days, mostly for the socially and economically disadvantaged in rural areas. Its new focus is on female heads of household and the disabled. The project employs people to upgrade, construct and maintain rural roads and irrigation works - providing temporary jobs, improving people's access to markets and social services and expanding the coverage of irrigation to restore agricultural livelihoods. This project could become a social assistance program in other regions, as a cost-effective way to address both rural poverty and infrastructure development.

Workfare programmes can improve their effectiveness by adhering to several principles:

- (i) The wage rate should be determined by the local market wage for unskilled labor, not by the programme's budget. If resources are insufficient to meet demand, the program should target areas with a high concentration of poor people. Using additional eligibility criteria should be avoided;

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- (ii) Wage schedules should be gender neutral. Women can be encouraged to participate through suitable project selection, decentralized work sites, and the provision of child care;
 - (iii) Labor intensity should be higher than the local norm for similar projects;
 - (iv) Communities should be involved in project selection to maximize the capture by the poor of indirect benefits of the infrastructure created; and
 - (v) To get the most risk mitigation, the programme should be available at all times, expanding automatically during crises as the demand increases.

i. Ethnic Minorities

The displacement of small farmers to make way for development projects, the violation of the land rights of indigenous groups and ethnic minorities in the interests of domestic and foreign investors, and relocations of urban squatter settlements have accompanied the push for growth. The result has often been that vulnerable communities have been evicted from their land. Communities have suffered from forced displacement, the loss of land and loss of access to communal resources in forests. This is occurring in Cambodia through contracts given to foreign logging companies.

Ethnic minorities need support from many sectors, including education that enables them to learn in their own culture and language, as well as learn sufficient communication skills to participate more fully in the national language and services.

Increasing energy demands created by rapid industrialization pose a additional threats. In China, the dam system on the Yangtze River will flood 140 towns and thousands of villages, displacing large populations and destroying a vast area of fertile agricultural land. It is unclear what compensation displaced communities will receive and whether they will be provided with alternative sources of livelihood.

E. Financing Mechanisms

The financial resources required to meet the objectives of social assistance programs for vulnerable groups usually include:

- (i) direct transfers from public budgets and funded by the tax system;
- (ii) direct transfers from the private sector;
- (iii) external aid via grants or soft loans as part of programme loans for other sectors (e.g. energy, education, health); and

- (iv) earmarked funds from government revenues (e.g. additional income from unexpected increases in petroleum prices for oil producing countries, increased prices for exports products).

Some key issues that underpin these principles are the political and administrative capacity for expanding tax collection and fiscal resources. What groups would be most likely to be affected and what type of compromise may be required to implement tax reforms? Specific taxes can be developed to mobilize funds for social assistance programs. For example, South Korea levies a small tax on interest and dividends to finance part of government spending on education.

Before resources are shifted between or within programs as a means to reallocate resources among vulnerable groups, the potential negative impacts on programs and groups from which resources are reallocated must be assessed. When a new social assistance policy or program is required, the potential impact of restructuring financial incentives and the potential role for the private sector in financing social services should be considered. What are the financial payoffs of reforming and privatising social assistance programs? Can privatisation expansion include delivering services with fiscal funds? Is it more appropriate to encourage participation of the private sector if it implies greater effectiveness? Promoting efficiency in social assistance programs should also consider what impact efficiencies have on program effectiveness. Service to remote and isolated areas for a relative few vulnerable groups should not be disbanded because they are not efficient. They may be made more efficient by delivering more combined services and training local remote communities to deliver some of the services. It is necessary to consider under what circumstances and to what extent greater efficiency is conducive to achieving the best policy results?

Incentives in the financing of social assistance programs may bring to bear more efficient behaviour on both sides of the market, the suppliers and users of services. An example is the delivery mechanism for public cash transfers to the working poor and employable people on social assistance, tied directly to incentives, training and work effort. These types of mechanisms may avoid reinforcing dependence on social assistance as a welfare program by facilitating access to new work opportunities.

Greater emphasis should also be placed on social assistance programs taking a preventative rather than simply an ameliorative or remedial approach. The financing of social assistance policies should contribute to the sustainability of social service delivery by creating

more responsibilities for beneficiaries, mutual obligations and active rather than passive program participation.

Financial devolution can create inequalities where poorer regions are less able to be self-funding. Ad hoc funds from external organisations can offer short-term interventions for vulnerable groups such as emergency relief following natural disasters, but are rarely suitable for social assistance programs designed to support the most vulnerable in societies.

II. Programme Operational Issues

A. Governance

Governance encompasses the responsibility of increasing public awareness of the costs of social assistance schemes and programs, the costs of emerging vulnerable groups, the costs of poverty and insecurity, and the costs of reductions in opportunities for young people.

Government must also ensure the legal rights of its citizens are protected, that the laws are equal and observed consistently. Legal systems must not create obstacles for vulnerable groups. Vulnerable groups must be able to appeal to the State where instances of corruption, lawlessness, discrimination or other offences have prevented them from accessing their entitlements. Vulnerable groups therefore must understand their entitlements and be provided with legal services. Financial probity is needed at local levels. Safeguards must be developed, and the necessity for them explained. Transparency must be modelled by government so that there are no surprise audits, just a fair and clear set of guidelines and rules that apply to everyone.

B. Accountability

The use of public funds is crucial to social assistance efforts. Social protection success depends on effective administration and good implementation of adequately designed programs. Common operational problems among government agencies include corruption, cronyism and favoritism; inadequate information processing, storage and retrieval systems; and organizational cultures that are hostile to customer service. Where implementing organizations already have these kinds of problems, the development of an organizational reform strategy will be just as important as the development of a program reform strategy. In some instances, the best approach may be to delegate operational responsibility to NGOs or other private sector institutions. Governments that delegate operational responsibility must maintain sufficient

internal capacity to be able to regulate private for profit enterprises and/or supervise NGOs and other contractors effectively.

In the Philippines, a Comprehensive Agrarian Reform Programme law (CARP) was passed ten years ago. Its express purpose was to enhance smallholder access to land. This is an imperative for poverty reduction in the Philippines, where 36 per cent of land is controlled by 2 per cent of producers. Yet ten years on, less than one-third of the land earmarked for redistribution has been transferred, pointing to a failure of political will.

C. Decentralisation

There is a new and increasing role for local government in the development and delivery of social assistance programmes, as well as the role of information and communication to all participants, including vulnerable groups, non-government organisation and the private sector. The local level is where policies and programmes come together and where their interactions and outcomes can be measured.

Inadequate preparation or resources at the local government level can have significant consequences for social assistance programs, and negative impacts for vulnerable groups.

In 1998 the World Bank provided a \$300 million social investment project to fund job creation for the poor and unemployed through existing labor-intensive government programs. The Thai social fund was meant to create jobs, but most investment projects did not meet the criteria. Paibul Wattanasiritham, president of the Government Savings Bank, said that only 12 out of 836 projects had passed the first round of applications in September 1998. He said that many communities wanted to use the loans as operational funds but were prevented from doing so.

D. Corruption

Accountability in the use of public funds is crucial to social assistance efforts. Vulnerable groups pay a high price for corruption. Programmes that target resources for social assistance programs are less likely to be bankrupted by the administrative costs of identifying and reaching the poor than by the diversion of a large amount of these resources into other hands.

E. Administration

An effective social assistance programme, including a system of cash and in-kind benefits, subsidies and targeting mechanisms requires a capable and accountable administrative system of considerable complexity. These systems are primarily associated with high and

middle-income countries (particularly economies in transition), and are very rare in the low income countries⁷.

The government, and therefore public administration, must be involved as it is the State that is responsible for the welfare of all its citizens. It cannot avoid these responsibilities by outsourcing social assistance for vulnerable groups to the private sector, local government or non-government organisations. A social assistance policy framework is the responsibility of the State as are efficient, accountable and responsive social assistance programs. The State is also responsible for the redistribution of resources within society to benefit the most vulnerable.

The state can also establish decentralised apparatus that ensure broad participation by local government and communities in determining priority needs of vulnerable groups. Decentralisation works well where it has been designed to improve the responsiveness of government to beneficiaries, enables them to participate in the development process and is accountable to them at the local level. Local knowledge offers the opportunity for programs to respond to local needs, priorities within these needs and be more cost-efficient. The delivery mechanisms for the social assistance programs should encompass a range of opportunities for the private sector, community-based and non-government organisations to be involved based on their efficiency and effectiveness. The State is still accountable for the programs being delivered to the intended beneficiaries and therefore must monitor and evaluate the performance of the program, the outcomes achieved and the effectiveness of the delivery strategy to provide access and opportunity to all vulnerable groups.

Government can introduce consistent and transparent criteria to evaluate the effectiveness of different delivery modes - private sector, non-government organisations local government and communities. Codes of conduct for all delivery agents can be developed with the participation of beneficiaries in determining standards to be achieved and ethics to be maintained. Government can introduce benchmarks, such as not more than 5% of total funding can be spent on administration, that all delivery agents must meet. Government can review performance on an annual and program basis, where programs are longer term. Agencies can bid for the delivery tasks of different social assistance programs for a fixed period, for example between 3-5 years. Government can establish a set fee for statistical reporting by all agencies involved in program delivery, so that a consistent and coherent set of data can be collected and used by government to monitor the impact of these programs.

7. The World Bank estimates that the cash social assistance programmes which operate in a few Asian countries account for no more than 1% of GDP: in Latin America and Asia such transfers are "negligible": Subbarao et al 1997.

This does not mean that only government funded social assistance programs can be delivered. Local government and non-government organisations can always provide their own funding to offer more opportunities for vulnerable groups to improve their livelihoods and living standards. Communities can raise their own funding to create services and income support opportunities for the most vulnerable within their community. International non-government organisations may receive their finances directly from western governments providing aid and relief to developing countries. More Western Governments provide aid through NGOs because it is often cheaper, more efficient -- and more at arm's length -- than direct official aid.

Government is not well-designed to deal with individuals. However, it can help to create support-groups comprised of vulnerable individuals, that can perform some of the evaluation and monitoring roles of government, as well as suggest improvements to current programs , or advise of any discrepancies or inconsistencies in affects for different vulnerable groups. These actions help the most vulnerable in societies to have a voice in the form and system they want support provided.

Social assistance in the form of subsidies towards or exemptions from fees for state services may be more common channels of social assistance in low-income countries, as are programmes which target cash or in-kind benefits to children in school (e.g. the Bangladesh Food-For-Education).

The effective application of exemption from user fees on the basis of poverty criteria is, like other forms of social assistance, a major administrative challenge – and the experience in the health field in poor countries is not encouraging.

Central government provides funds and sets the eligibility criteria, ostensibly guaranteeing equal treatment across the country. But local needs may vary across the country, and benefits may leak to ineligible households in varying degrees. In an effort to improve targeting, an increasing number of programmes rely on communities to determine eligibility rules and identify beneficiaries. The success of this approach depends, in part, of the degree of social cohesion in the community and whether the community can be effectively mobilized in a consultative process to allocate benefits.

Advantages and disadvantages of allowing communities to allocate benefits

Advantages	Disadvantages
Better information is available on needy households	Program may be used to serve interests of the elite
Allocation criteria are adapted to local needs	Participation of community leaders may have opportunity cost
Decentralized administration is more efficient	Allocation rules may cause increased divisiveness in

Community mobilization may build social capital

the community

Externalities across communities may not be taken into account

III. Implications for ADB Programmes For social assistance

The types of social protection activities and expertise ADB is able to offer its DMCs should be based on the needs and priorities of DMCs. The ADB Poverty Reduction Strategy has adopted a mainstreaming approach, to include core poor, poor and pro-poor strategies in all sectors of the ADB. Social protection programmes in general, and social assistance in particular, deals with the poorest and most vulnerable within societies. The poverty reduction strategy may assist some of these vulnerable groups, however ideally specific social assistance guidelines and indicators should also be developed to ensure the needs and opportunities of the most vulnerable are incorporated into every ADB project and lending modality. This may prove to be impractical.

Likewise, attaching different social assistance interventions to employment, health and education sectoral programmes may be expedient and encourage governments to provide these services to the most vulnerable, while external funding is provided. However, they are often unsustainable following the expiration of a soft loan or project funding as they either cover a minority of the total population, are expensive, the target groups are less organised and vocal (e.g. refugees, migrants, young unemployed, disabled children, frail and alone elderly,), and there are new priorities competing for scarce resources.

Specific programs for social assistance may be needed to ensure that the most vulnerable are not forgotten, put aside, excluded or rejected in considering the increasing demands of the poor.

<i>Policy instrument</i>	<i>Most suited to</i>	<i>Advantages</i>	<i>Disadvantages</i>	<i>Typical Financing</i>	<i>Typical Institutional Structure</i>	<i>Targeting Mechanisms</i>	<i>Risks (supply and demand side)</i>	<i>Good Partnerships</i>
Food Subsidies	Female members of poorest households; Poor rural households in pre-harvest period; Most vulnerable groups including widows, elderly, disabled, orphans and street children, refugees; Landless rural families. Communities affected by natural disasters	Prevents malnutrition; Can be used to purchase food produced in poorest local areas, thereby redistributing income from government to poor communities.	Can reduce the incomes of local food producers unable to receive a suitable price for the food stuffs; Can lower food prices through government bulk purchases; Availability of food from other regions can create further income disparities between regions;	Government funding – central and local Overseas Aid for those affected by natural disasters. Aid may be in-kind-provision of food staples.	Government co-ordination through various Ministries including Ministries of Social Welfare, Health, Agriculture and local governments for distribution of food. Non-government organisations may be involved in selecting eligible beneficiaries and food distribution.	Self-targeting through subsidies of basic foodstuffs only Proxy means-testing for most vulnerable groups – residing in poorest regions and category Geographical targeting for communities affected by natural disasters and rural workers in pre-harvest season	Leakage to non-poor Food subsidies used for non-basic food staples.	Provide food staples through schools (to encourage education of children from poor families) Provide food staples through health clinics (especially for pregnant and lactating mothers) to encourage overall nutrition in poorest families; Include food subsidies as part of public works programs
Public Housing	Urban poor families; squatters; internal migrants; international migrants; Refugees. Rural landless Unemployed Orphans Street children Women suffering from domestic violence Abused children Single mothers without employment	Basic standards of shelter provided. Reduces risk of ever-increasing slums and unsafe housing. Can be provided on a temporary basis for short-term and emergency needs Provide incentives for improving employment by offering opportunities for ownership when able to make repayments through	Targeting to poorest difficult as non-poor perceive new housing to be more attractive than their current living conditions. Corruption problems with quality of materials used and construction according to specifications. Availability of land. High demand and low supply On-going	Government funding –local Central government funding may be provide as rental subsidies for specific vulnerable groups (for example single mothers suffering from domestic violence) Opportunity for long-term cost-recovery through rents. Repayment from beneficiaries over fixed time periods	Local government co-ordination through associations of poor households or selected representative non-government organisations. Central government may be involved through Ministry of Housing	Categorical- family sizes; refugees Higher priority for disabled, elderly, single-mothers. Means testing – number of employed in family and dependency ratios, income levels, Means-testing for ability to make repayments for ownership of public housing.	Poor families unable to meet rent repayments due to persistent unemployment or sudden crises. Opportunity for corruption by local governments allocating opportunity for purchase of public housing to non-poor or otherwise ineligible families. Poor families initially allocated housing but forced into	Co-operation between central and local government. Upgrading of slum areas including proper infrastructure and services, including sanitation, water, electricity Provision of ownership of housing to slum-dwellers – property rights when in employment through subsidised loan Combine with public works program to

<i>Policy instrument</i>	<i>Most suited to</i>	<i>Advantages</i>	<i>Disadvantages</i>	<i>Typical Financing</i>	<i>Typical Institutional Structure</i>	<i>Targeting Mechanisms</i>	<i>Risks (supply and demand side)</i>	<i>Good Partnerships</i>
		employment	maintenance costs	(e.g. 5 –10 years) depending on employment prospects.			slums via illegal or corrupt officials	unemployed slum dwellers to build housing and offer employment for public services- such as rubbish removal and maintenance on buildings. Provide skill training to unemployed and unskilled slum dwellers. Develop low-cost public housing using private contractors that must employ a percentage of intended beneficiaries to develop skills and earn an income. Include safe play areas; close to schools and health centres.

<i>Policy instrument</i>	<i>Most suited to</i>	<i>Advantages</i>	<i>Disadvantages</i>	<i>Typical Financing</i>	<i>Typical Institutional Structure</i>	<i>Targeting Mechanisms</i>	<i>Risks (supply and demand side)</i>	<i>Good Partnerships</i>
Health Subsidies or fee exemptions	Chronically Ill; Disabled; Elderly; Children; Poorest families Unemployed Pregnant and lactating mothers Ethnic minorities	Can help prevent malnutrition through early diagnosis. Encourages earlier treatment of health conditions, or more regular health treatments, so as to prevent more chronic illnesses. Reduce incidence of infant mortality, women dying in childbirth. Immunisation programs to prevent outbreaks of disease	Most costly group for health treatments; Health services not necessarily nearby to identified target group Subsidised Health care not accepted by health centre located in poor communities as unable to meet costs	Central government funding from Ministry of Health Central government funding through reimbursement of claims by medical providers – usually public hospitals Micro-insurance unsustainable – needs wider pooling of risks Micro-insurance may be possible if combined with access to credit and savings (must have health insurance as part of qualification for loans)	Ministry of Health determines high risk groups, incidences of contagious or critical diseases, Ministry of Social welfare determines eligible groups based on poverty data Usually receive low-income health care cards issued by local government according to defined eligibility criteria. Medical services provided through public hospitals, health clinics and nurses delivering the services	Geographical for most 'at risk' groups – areas of high incidence of disease, poorest households. Categorical for different vulnerable groups Proxy Means-testing for income poor families	Increasing costs of medical treatments, equipment and services Over-usage by beneficiaries Over-servicing and/or over-charging by doctors and hospitals for basic services Creating a dual health system- poor only receive medical services from public hospitals. Inadequate health centres, trained staff, equipment or medicines in rural and remote areas; Reduced use of traditional medicines	Increase health insurance for families and informal sector labour force. Central government to provide adequate funding for rural and remote health centres; Provide community based trained health care workers – trained in needs of the community; Train other community members in health care in local language Mobile School health clinics and community nurses
Public Works programs	Rural unemployed during pre-harvest period; Poorest households without a breadwinner Unemployed Youth; Migrants Refugees Communities affected by natural disasters or	Subsistence income provided; Builds sustainable rural infrastructure that provides benefits to poor communities (roads providing access to markets, schools, health centres; irrigation channels, weirs)	Temporary option to long-term rural unemployment; Often excludes women; Leakage -can attract members of households that are not among the poorest.	Social Funds Central government partial funding with local government contribution. Special levies or taxes from urban communities to support road infrastructure to improve delivery times of goods and	Local government and communities determining priority of infrastructure Central government in response to crises or affects of natural disasters	Self-targeting by participants Geographical targeting of public works programs located in areas of high unemployment, large pockets of poverty, areas needing infrastructure. Geographical	Maintenance of infrastructure not considered, declining value of program and declining returns to community Opportunities for corruption where proportion of non-labour costs exceed pre-determined	Subsistence wages combined with food staples encourages self-targeting; Provide childcare facilities so women can participate; Include skills training for workers. Contract to private sector with quotas for proportion of

	economic or social crises			produce from rural to urban areas. External Aid as part of social safety net programs during crises periods, post-conflict and suffering from natural disasters		targeting for pre-harvest areas in rural regions Categorical targeting of unemployed youth for skills training Categorical targeting of migrants and refugees for income support and resettlement of communities Categorical targeting to poorest households	limits, use of inferior materials resulting in sub-standard quality of infrastructure, Participation by non-poor or otherwise ineligible such as employed construction contractors	total funding for wages and quotas for employment of vulnerable groups. Maintenance components included in projects to be implemented by local communities using unemployed and vulnerable groups
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<i>Policy instrument</i>	<i>Most suited to</i>	<i>Advantages</i>	<i>Disadvantages</i>	<i>Typical Financing</i>	<i>Typical Institutional Structure</i>	<i>Targeting Mechanisms</i>	<i>Risks (supply and demand side)</i>	<i>Good Partnerships</i>
Universal benefits - Cash allowances	Persons unable to participate in labour market including Elderly; disabled; widows Children of poorest families. Long-term unemployed Institutionalised vulnerable groups. Community Carers for most vulnerable in society	Provides a regular source of income sufficient to meet basic needs Increases living standards within poorest households. Supports retention of children in school Maintains purchasing power during periods of temporary setbacks or sudden crises Maintains access to health treatments when needed	Long-term cost to government budget; Does not include active approach to self-reliance Leakage to non-poor	Government revenue from state budget	Allowances paid by local government according to national guidelines Ministries of social welfare, employment service centres (for unemployed).	Means testing of income and assets Categorical targeting of vulnerable groups Proxy means-testing of poor households according to number of employed persons and assets (land) Payment amounts set according to poverty lines and number of dependents Paid to institutions providing care for vulnerable groups. Paid to carers in communities	Creates disincentives to participate in labour market or otherwise take-up opportunities for self-reliance More stringent targeting adds to administrative costs of delivery	Increase social insurance options for larger proportion of labour force. Linked to job search activities and skills training options to increase living standards Encourage community care for most vulnerable groups able then able to maintain contacts with family and society. Includes incentives for part-time, temporary or casual work Review entitlements on regular basis

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Micro-credit	Poor households with land and/or assets; and basic education; Migrants; Refugees; Women; Unemployed with opportunities for self-employment – rural youth. Poor farmers during pre-harvest period	Provides credit for small landholders and businesses to increase income through expansion of operations. NGOs actively offering micro-credit for poor families Increase opportunities for income generation from non-farm activities Provide funding for investment in farm productivity	Can create debt spiral of continuing to borrow to repay interest on loans Unsustainable in long-term as no link to normal credit institutions Loan amount usually small; No insurance against business failures Poorest and most vulnerable not able to access funding.	Subsidised loans from government revenues or social funds; Community funding Partial funding from community and partial from local government International donor programs Non-government organisations	Community based non-government organisation Local government and community administering social funds Government banks (for example Bank for the Poor in Vietnam) delivering funding and assessing eligibility	Geographical targeting of poorest areas, rural areas, high number of vulnerable groups Categorical targeting of particular vulnerable groups for example disabled, or unemployed women. Means –testing of poorest households – lack of assets, low income and high number of dependents.	Administration of micro-credit schemes difficult requiring training and monitoring of financial sustainability Lack of understanding by beneficiaries of loan requirements Similar employment or income generation programs created in the same geographical area, reducing the return expected by loan beneficiaries	Provide credit through existing financial institutions using successful participation in micro-credit scheme as collateral Proportion of loan used to buy agricultural, health and some form of life insurance, provides security for lender and protection for borrower and family. Assessment of service, production and manufacturing needs within the local community completed prior to loans being dispersed. Business skills training provided with loan.

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In-home nursing care services	Elderly Disabled Chronically ill Disabled children	Access to treatments; Regular treatments provided; Reduces the burden on main carer within the family. Reduced demand for institutionalised care	Irregular visits if under-funded; Unable to provide full range of treatment immediately. Costly to provide range of health services needed by different categories of illness	Central government funding from health budget funded from general revenue Partial funding from richer communities or local governments Local government providing funding for training Non-government organisations providing funding for self-employment opportunity in service provision	Ministry of health for training of health staff Local government identification of eligible recipients Community groups in designing services	Categorical targeting of vulnerable suffering from persistent and chronic health problems (e.g. stroke victims) Means-testing of poorest families unable to pay for health treatments	Poor quality of care and neglect due to infrequent visits or poor standards of training Additional burden for poorest families to provide housing in the family home for elderly, disabled and chronically ill dependents Leakage to non-poor families able to afford to pay for health treatments Over-servicing by health providers Over-usage by beneficiaries	Train local unemployed to provide home-care services including physiotherapy, massage, first aid, basic health checks, Opportunity for private sector health service providers Training of home carers in some basic treatments- for example massage Local production of assistive devices for disabled and elderly living in the local area
Mobile health and education services	Remote communities Ethnic minorities, tribes or castes	Reduces social exclusion Access to services; More regular treatments provided; Opportunity to educate community about nutrition and disease prevention Improve communication through literacy in national language	Difficult to provide services in ethnic minority language Irregular visits if under-funded; Unable to provide full range of treatment immediately. Difficult to provide access for remotest communities to education opportunities.	Central government funding from general revenue, redistribution to remote areas External aid from donors funding specific programs for ethnic minorities, tribes or castes	Ministry of health and education Ministries for ethnic minorities, tribes and castes Ministries of social protection Local government for service delivery and identification of recipients	Geographical targeting for remote areas Categorical targeting for ethnic minorities, tribes and castes Categorical targeting for children, especially female children, to improve literacy rates and education	Lower quality services delivered Increased costs for services	Opportunity for private sector health and education providers to deliver services according to predetermined government standards and within set costs Train ethnic minority and remote community members in basic

<i>Policy instrument</i>	<i>Most suited to</i>	<i>Advantages</i>	<i>Disadvantages</i>	<i>Typical Financing</i>	<i>Typical Institutional Structure</i>	<i>Targeting Mechanisms</i>	<i>Risks (supply and demand side)</i>	<i>Good Partnerships</i>
		Enable greater participation by children in schools Continue cultural learning of community, tribe or caste Increase health status of ethnic minorities, castes and tribes Opportunities for grater integration into national society	Salaries of health and education workers, Mobile equipment, Travel to vulnerable			levels.		health care services. Train ethic minority and remote community members in nutrition feeding and monitoring of health status of infants, elderly etc. Train ethic minority and remote community members in literacy

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Community care grants	Refugee Returnees Released Prisoners Drug and substance abusers completing rehabilitation programs Families experiencing sudden and exceptional stress or pressures	Provides temporary support to re-establish individuals or families in communities One-off payments for initial expenses for returnees to communities to encourage easier and faster integration Can be paid to carer where individual unable to be responsible for own financial management (especially drug and alcohol abusers) or to encourage care of offenders at home	Temporary and short-term relief arrangements Priority groups differ from village to village or district to district, seasonal variations (such as extremes of winter or drought) Variety of needs for different groups Local government funding reduced where there are greater demands for services and support Community rejection of returnees, problems of social stigma with receipt of social assistance grant	Local government Charity organisations	Non-government organisations for service delivery Local government for administration	Categorical targeting of vulnerable groups Means –testing of individuals and families unable to provide support Categorical targeting of families facing sudden difficulties, stresses or pressures – funerals, sudden illness or death,	Requires trained staff with experience in dealing with recovery of drug addicts and violent ex-prisoners	Linked with employment opportunities, skills training and counselling services Link with re-integration into society and reconciliation with families – where possible

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Domestic Shelters	<p>Women suffering from domestic violence Street children</p> <p>Drug and substance abusers</p> <p>Children suffering from abuse-emotional, sexual, physical</p>	<p>Provides temporary shelter and safety for vulnerable groups</p> <p>Enables vulnerable groups to have an alternative to continued suffering and abuse</p>	<p>Funding can be limited due to cultural differences and discrimination of women and children</p> <p>Lack of legal support for access to property by women in domestic violence – lose all rights to assets if leave the home</p>	<p>Local government</p> <p>Non-government organisation</p> <p>Charity organisations</p> <p>Women's associations</p>	<p>Local government for provision of infrastructure – dwellings</p> <p>Non-government organisation</p> <p>Charity groups</p> <p>Mass organisations</p>	<p>Categorical according to vulnerabilities</p> <p>Referral by other groups</p> <p>Self-targeting through public awareness</p>	<p>Demand is greater than services available – should have separate not combined shelters to ensure privacy and protection</p> <p>Community rejection of shelters due to cultural or social discrimination</p>	<p>Linked with employment opportunities, skills training and counselling services</p> <p>Operating with support of police and judicial systems to assist the victims</p> <p>Prevent the incarceration of homeless children and addicts</p>

F. Strategies for Each Sub-region

1. Common Challenges

The objective throughout the region in the short to medium-term should be to prevent the erosion of economic gains and social progress achieved by the poor and the vulnerable groups in recent decades. The options in countries currently facing economic declines, as well as most of the countries of South Asia and the transitional economies, should focus on at least sustaining economic growth and social sector support to these groups. Post-conflict societies rely on external funds to rebuild their societies and need to re-establish basic social services for all citizens, as well as income support, health services and employment opportunities for the most vulnerable groups.

The two major issues across all sub-regions are unemployment and inequalities between rural and urban areas. These are the two main causes of vulnerabilities for the majority of vulnerable groups in the region.

Natural Disasters are another common cause of vulnerability in the region and common crisis faced by most countries in the regions every year. Public and private support programmes that provide subsidized basic goods and services, and adequate shelter are applied on a universal basis to all those households affected by the calamity. Following this immediate disaster response, redevelopment programs must address the needs of vulnerable groups, provide continued support where necessary as well as opportunities for vulnerable groups to rebuild their community. In disaster prone areas, it is helpful to establish a capacity to fund employment schemes for building infrastructure which can be trimmed down to operate at a base level during normal times, providing relief to the chronic poor, while building assets with reasonably high economic returns. During difficult times, the scheme can be rapidly expanded, and reduced when there are less demands for social assistance support for employment generation. DMCs need to adequately resource sustainable shelters, health and water provisions, and disaster recovery plans so that they are able to respond quickly in an emergency. This is clearly an area where preventative social assistance programs can help to reduce costs in the longer-term. Cyclone and flood resistant housing can be built, including storage areas for grain and other food stocks and safe water. Boats that can be used to rescue stranded communities are an investment for the next disaster that occurs annually. There may be possibilities to collaborate with neighbouring countries that suffer from similar natural calamities.

2. Urban and Rural Gaps

Poverty assessments have shown a consistent widening gap between growth rates, income and asset levels, access to social services, and most human development indicators in rural and urban areas. In Vietnam, one-third of aggregate economic growth has occurred in Ho Chi Minh city alone. At a provincial level, 14 out of 53 provinces, containing almost one-fifth of the population, experienced negative per capita income growth. The health, education and income gap between the wealthier provinces and the poorest regions, including the central highlands and remote provinces, is widening rapidly. Minority groups in particular are being left behind. In Thailand rapid economic growth has been centred almost entirely on Bangkok, where the manufacturing industry and the focus of growth is heavily concentrated. Average per capita incomes in Bangkok are now twice the national average and 15 times the level in the north-east of the country, where poverty is most concentrated. While the benefits of growth have been overwhelmingly urban, the majority of the population, and an even bigger majority of the poor, are rural.

3. Difficulties in Programme Design and Implementation

Other common difficulties encountered in all sub-regions include the lack of time for programme design and preparation, compounded by incomplete and inaccurate data on which to base the programme development and to use for targeting vulnerable groups. Countries have similarly experienced inadequate preparation for implementation, failing to accurately estimate resource costs for service delivery and public education of programmes, (such as explaining 'active' social assistance concepts to communities). Programs should be assessed for their preventative, coping and mitigation objectives for targeted vulnerable groups.

Better quality information are helping some governments and research institutes to develop better policies, and enhance public understanding of the constraints and trade-offs to be made between sectors, policies and programs, particularly within the context of growth and employment and vulnerable groups. This information can help to create social consensus on national priorities and performance expectations for social assistance programmes.

The use of indicators needs to be focused more on revealing the roles and impacts of other actors in addition to the government, so that a more complete assessment can be made of the range of social assistance programs and project available, and their relative cost-effectiveness in achieving outcomes for vulnerable groups. At the local level, analysis needs to focus on the important influences, (both positive and negative) that households, communities,

private sector, civil society and government have on the lives of vulnerable groups. Gender specific indicators are needed to assess whether women who might benefit disproportionately from some programmes, (such as food distribution systems), are not excluded from others, (such as public works schemes). Differences in the way projects affect men and women should be taken into account in designing project components (such as incorporating day care for the children of women employed in infrastructure projects) or in emphasizing advocacy and participatory roles (such as supporting disabled women's organizations to make sure that women's interests are represented)

There continue to be problems of corruption, collusion and nepotism in the region. Governments have been quick to handover social assistance programmes to non-government organisations and civil societies as part of the 'restructuring' of social assistance programs in order to address, or perhaps avoid, some of these problems.

A general weakness of social assistance programmes in the region is their lack of integration. Part of the problem is that they are seen primarily as a set of targeted interventions - a series of small-scale projects not integrated with national policies. This often occurs because of the habit of thinking sectorally about policies and programmes, resulting in a narrow definition of the problem and policy response. Government departments are also organised along sectoral lines, with sectoral budget allocations. Vulnerability is often a multi-sectoral problem that does not fit neatly into any one department or ministry. These government systems compound difficulties in trying to arrange cross—sectoral programme responses. A typical reaction has been to establish inter-Ministry and departmental committees that delay decisions and argue over priorities and small budgets. Social assistance programme strategies containing concrete content, such as public works or subsidies, need to be well integrated so as to avoid disincentives or reduce outcomes in either other sectors or programmes. A promising development, resulting from improved multisectoral collaboration between two ministries and NGOs, has been programme links between the training of persons with disabilities in income-generation skills, and training and support aimed at social mobilization and local group formation. Such synergy in programme support will greatly enhance prospects for equalizing the training and employment of rural persons with disabilities

Another part of the problem is the artificial divide between economic and social policies. Programmes that focus on making growth more pro-poor, target inequality and emphasize support for vulnerable groups are needed. Economic policies are not made pro-poor, while social services are assigned the burden of directly addressing poverty. This has been a legacy

of old-style structural adjustment programmes that only addressed vulnerability, negative impacts and poverty after the fact or as a residual social issue.

Changes need to be made to financial institutions so that the most vulnerable are able to access credit through existing financial mechanisms. Credit should not be subsidized. Banks and other lending institutions should charge market interest rates and then provide adequate outreach and savings facilities for the poor. More sources of credit need to be made available, not more subsidised credit. Health and education services should be subsidized – not enough financial resources are allocated to improve the services provided to vulnerable groups. This does not have to be an additional cost if government invests the subsidy now used for credit into health and education to provide new equipment, upgraded facilities, additional training for health workers and teachers. Government can use incentives to encourage health workers and teachers to work in remote areas or to recruit and train local populations to become health workers and teachers in their communities.

4. Sub-regional Issues

a. South Asia

Countries in South Asia suffer from high proportions of the population living below the poverty line. They also have high levels of illiteracy and poor public health, with large gender disparities. The majority of vulnerable groups are excluded from growth. Most social sector programs are biased towards urban development over rural provision.

The differences between China and India are conspicuous:

1. Life expectancy in India today is 12 years shorter than in China - and five years shorter than it was in China three decades ago
2. Around half of India's population is illiterate (rising to 70 per cent for women in some states)
3. China's infant mortality rate is one-third of India's. In India, one-half of children suffer chronic malnutrition, which is five times the incidence in China.

High levels of military spending in some countries appear alongside low social indicators. India spends more on military capacity than it does on health - and Pakistan spends more in this area than on health and education *combined*. In Pakistan, the ratio of military personnel to doctors is 9:1. In India the ratio is lower, but still over 4:1.

Many countries in the South Asia region have large numbers of economic and political refugees continuing to flow into their countries. For example, Tibetan refugees in India and Afghan refugees in Pakistan. This places an increased burden on governments to provide basic social services and prevent outbreaks of disease in refugee camps. Social assistance programmes in the sub-region, have largely been financed by local government and non-government organisations, with national governments concentrating on food security and providing emergency assistance following natural calamities such as drought and flooding. International Donors including UN Agencies, WB, international non-government organisations and bilateral donors have concentrated on funding basic social services in rural areas, with support for improving rural livelihoods and employment generation, and some limited programs for cash transfers for the destitute. Many non-government organisations are providing innovative social assistance programs on a fragmented basis, offering an opportunity for extension of successful programmes nationally. (e.g. providing day care centres at worksites that allow breast-feeding mothers to continue working and provide necessary care for their children).

b. South-east Asia

Unemployment and inflation continue to be the major concerns for countries in this region following the effects of the regional economic crisis. In Indonesia the growing numbers of the unemployed, coupled with the continued arrival of migrants, caused significant social unrest. The number of jobless rose in Jakarta and more people from other cities and islands migrated to Jakarta in search of a livelihood. The crime rate increased by 10 percent in 1998. Many millions of people, who were already quite poor before the crisis, had to cope with significant falls in their living standards.

In Thailand the economic caused an increase in the number of street children aged 3-15 nationwide at 20,000, with 4,000 in Bangkok. NGOs reported an increase in child labour, child prostitution, and child beggars. About 150,000 of a total of a million students had dropped out of school in 1998. Nearly 5,000 people (a doubling in the number of suicides) killed themselves in 1998.

More recently, there is evidence of a skills shortage acting as a constraint on growth in both Indonesia and Thailand. This points to a wider problem for the region. As economies move up the technological ladder, school leavers and adults with only a basic education will have reduced prospects of finding work in faster-growing and higher-wage sectors, with the wages of

the unskilled falling further behind those of the skilled. These problems are already evident in Thailand.

Multilateral, regional, and sub-regional bodies, as well as the governments concerned, have all acted in response to the crisis. The international community has provided considerable funding including large amounts of bilateral aid from Japan. The international lending agencies supported a range of in-kind and cash assistance programs to prevent school drop-out rates, promote public works, and provide price subsidies to alleviate hardships faced by poor families. For example, in Malaysia many poor families were faced rising prices of food, as much of their food content is imported, so price subsidies for items such as cooking oil were introduced. Rice was subsidised in many countries in the region, as well as being provided directly by bilateral donors. The IMF programme in Indonesia included minimizing price increases for kerosene and certain fuels, cuts in import tariffs for food, and continuing the government's monopoly on rice marketing to ensure cheap rice. In Thailand, the World Bank provided funding support for the implementation of employment generating programmes in the rural areas where it was expected that many jobless would return.

5. Transition Economies

The existing social assistance systems in transitional economies, many run through state enterprises rather than government, were not designed to cope with poverty and unemployment resulting from the transition to the market. State government resource allocations to social assistance programmes are severely under-budgeted, with local governments expected to meet any shortfalls, including meeting delivery costs of programmes. As a result, the number of vulnerable persons actually receiving some form of social assistance is only a small percentage of those entitled to receive social assistance. This has created enormous demands by traditional vulnerable groups that had expected continued state support, as well as increasing needs for social assistance from new vulnerable groups. The structural adjustment programs have mainly focussed on the needs of pensioners and excluded other important groups, particularly those not covered by social security, most notably excluded are ethnic minorities. The cessation of state subsidies and the introduction of user-pay principles as part of the transition processes, have had significant impacts on vulnerable groups.

For example, China's rural co-operative health system covered about 85 per cent of the population, with a clinic in almost every village. There were about 1.6 million 'barefoot doctors' in place, or one to every 400 rural inhabitants, a ratio comparable with many developed countries.

The availability of basic medical care, immunization, and a strong emphasis on preventative practice, contributed significantly to improvements in public health for vulnerable groups. Services were variable in quality and often unresponsive to public need, especially the needs of women. However, the co-operative health system was disbanded along with many co-operatives as part of transitional reforms in China.

In Vietnam, cost-recovery has been introduced for government clinics, which are being financed increasingly by patient contributions and drugs charges. One result is over-prescription, as clinics seek to maximize revenue; another is the exclusion of poor people, who are facing difficulties in meeting costs. There is an added danger that the gradual shift towards more market-oriented systems of social sector financing will erode the access of poor people to basic services, leading to a widening health and education gap.

Decentralisation of government programmes has further exacerbated regional disparities and rural-urban gaps as poorer regions with larger numbers of vulnerable groups have less resources to fund social assistance programmes. More responsibility is being given to local government to identify the most vulnerable that can receive the capped allocations of social assistance. Mass organisations, enterprises and communities are being encouraged to find ways for self-provision. Non-government organisations are encouraged to take an active role in providing social assistance.

Mongolia has now established a 'National Program for Households Livelihood Capacity Support' for the period 2000 – 2005, as a follow-up to its National Programme for Poverty Alleviation that operated from 1994-2000. This new programme includes access to health, education and employment for the poor, elderly, disabled and children. It also includes water safety and micro-credit schemes. Its objectives are to reduce the number of households below the poverty line by 20% at the end of 2003, and a further 20% reduction by the end of 2005. It is unclear as to the level of financial support guaranteed by the State for this programme, but very clear that Mongolia is requesting internal resource support from non-government organisations, charity and religious organisations, enterprises, individual citizens and communities. Mongolia is also requesting the assistance of the international donor community and access to soft loans⁸.

In Uzbekistan the Mahalla social assistance scheme comprises cash benefits provided for 3 months and targeted to families most in need. Local community groups administer the program using guidelines developed by the Ministry of Labour that identify poverty indicators

8. Resolution 93 of the Mongolian Government, 21 June 2000.

based on the labour status, income and assets and access to agricultural land of each household. Households can either apply or be recommended for assistance by the Chairman of the local 'Mahalla'. Low welfare households are between 7 and 8 times more likely to receive assistance than high-welfare households. The main recipients of the program have been children, female headed households and the unemployed.

Many vulnerable groups were cared for in state institutions that are struggling to maintain basic care for existing residents. The quality of urban services are far superior to those in rural areas.

The Government of Vietnam has sought to reduce poverty and maintain livelihoods during this period of economic change through a series of social protection programs under its Hunger Eradication and Poverty Reduction Program (HEPR) that has operated since 1992. The HEPR program encompasses access to credit and low-interest loans through the Bank for the Poor (established in 1996); free health insurance cards; and school fee exemptions or reductions for poor students.

In Mongolia, with one of the lowest population densities in the world, the Asia-Pacific Development Information Programme established a citizen information service centre in remote provincial towns, including in the Gobi Desert, to supply residents with news, connect them to the central government and offer basic training in computing.

Transitional economies have yet to resolve the problem of spreading opportunities more widely to marginalised areas. Regional planning, redistributive public spending policies to favour poorer regions, increased investment in health, education and marketing infrastructure, and incentives for investors to create employment opportunities away from current growth zones are among the options available. However, most governments have been unable to achieve any significant advances.

External agencies have concentrated on structural adjustment programs, with some lending agencies also supporting poverty alleviation programmes in rural areas, mainly through non-farm employment generation projects and micro-credit schemes.

6. Post-conflict Societies

Due to the nature of the shocks and the breakdown of society during periods of conflict, the need for basic social services and provision of in-kind and cash payments of social assistance and health schemes would seem to be the priority initially for the short-term. The

population needs are for social stability and well-being, essential food, shelter, clothing and water. In the longer term countries can introduce more comprehensive social security systems.

Social assistance programs are primarily designed for risk-coping as vulnerable groups are helped to deal with a range of risks that have occurred. A broader range of social protection programs would generally be implemented with the purpose of risk-reduction followed by risk-prevention strategies. Private transfers and family support mechanisms collapse due to the effects of conflict that force large numbers of households into destitution.

Countries recovering from the effects of conflicts face a multitude of competing, inter-related issues where the majority of the population can be classified as a vulnerable group. The immediate affects are a dramatic shrinkage of the national economy (over 70% in Tajikistan) and a dramatic reduction in the number of employed workers (a 33% decrease in Tajikistan). Government revenues decrease drastically and its ability to provide basic social services becomes severely constrained. It is easy, then, to understand the pressures that are placed upon the State's abilities to provide adequate social protection for all persons who require it. Any benefits that were previously available are severely eroded by inflation. Hundreds of thousands of people can be the displaced from their homes and sources of livelihoods. Many children will have lost one or both parents. The number of disability related injuries as a result of conflicts rises dramatically.

Most countries in this situation needed external funding to rebuild the basic social service infrastructure, rebuild factories and employment, repair roads and other transport systems, re-establish communication systems, and try to attract necessary qualified staff to work in the social sector fields. Social assistance programmes can at best be minimal in these circumstances in as much as the average benefit for vulnerable households is insufficient to cover minimum household expenses. The resources devoted to in-kind support or compensation are spread thinly and the financial support provided is insufficient.

Tajikistan has undergone poverty shocks as both a low-income transition economy and a country subjected to a series of external and internal conflict crises since gaining its independence in 1991. Due to the civil war, the estimated poverty rate in Tajikistan is 80percentage⁹ and the existing social safety nets remains inadequate and poorly targeted. Data is weak and unreliable but should improve following a household poverty survey that was

9. ADB Country Economic review – April 2000.

undertaken in August 1999 that should provide the basis for a more comprehensive reform of the existing social safety net.

Vulnerable groups include unemployed from inactive state-owned enterprises with underemployment high also in rural areas. Unemployment includes repatriation of refugees from Afghanistan and demobilization of opposition fighters. Some estimates are that unemployment is around 30 percent of the labour force. As a consequence of the civil war vulnerable groups include 700,000 refugees and 55,000 children as orphans. All are facing drastic deteriorations in living standards. A comprehensive social protection programme is needed including social assistance programmes that are designed to help vulnerable groups cope with the post conflict crisis conditions.

7. Some Best-Practice Examples

There are many examples of different types of social assistance programs implemented within the region. The examples below are illustrative only and do not represent a comprehensive review of the variety of programs to be found. However, the examples included been operating for longer periods, (greater than 5 years) indicating a greater likelihood of sustainability, and have reached a large number of vulnerable groups indicating their effectiveness.

The South Asia Poverty Alleviation Programme (SAPAP) began in 1996 in Bangladesh, India, Maldives, Nepal, Pakistan and Sri Lanka. It has a budget of \$31 million for its seven year operation. The programme uses community groups as the primary means to focus activities on the needs and priorities of poorer community members, especially poor women. The initial steps involve building the community's financial capital by encouraging regular saving, and training villagers in vital skills, particularly leadership skills necessary for their community's activities. It has a consistent emphasis on participatory decision-making throughout all stages of development projects. SAPAP projects provide seed capital to start community credit schemes and promote community links with government line ministries and financial institutions. Once villagers are well organized, they are more able to secure access to public services and formal financing. Members of the community credit groups often prefer to provide larger loans to fund more significant economic activities for a few poor households rather than split up the available credit into many small loans. In India 4,000 self-help groups have been established, 94% comprise women only. All self-help groups are meeting their operating costs from the interest on loans to members. The programme ensures the poorest of the poor have access to knowledge, skills and technology as well as providing credit. The SAPAP example demonstrates that

effective social assistance programs can be supported and sustained. A similar programme for South East Asia may be appropriate for vulnerable groups such as migrants, refugees, poor women, rural unemployed youth and ethnic minorities.

Case Study: The Self-Employed Women's Association of India

Established in 1972, the Self-Employed Women's Association (SEWA) is a registered trade union for women in India's informal sector. SEWA's 220,000 members are hawkers, vendors, home-based workers, and laborers). In addition to its conventional labor union functions (ensuring minimum wages and work security), SEWA provides legal aid and operates a bank and social security scheme. The bank offers savings accounts and loans to members. The social security scheme, which insures about 14 percent of SEWA members, covers health, life, and asset insurance. Slightly more than half the cost of the insurance program is covered by premiums. The rest is financed by SEWA and a public subsidy. SEWA views this arrangement as a first step toward increased contributions by members and self-sustainability. The combination of banking, insurance, and union services has helped increase SEWA's membership and raise the incomes of its members. SEWA now plans to expand health benefits and add a pension component.

Well established micro-credit programs can also be effective following the impact of natural disasters. For example, the Grameen Bank provided relief services, emergency loans, rescheduled loans and allowed withdrawal of savings after disastrous flooding in 1998 in Bangladesh. It was also used to channel funds and international aid from donors, relief agencies and the government. The Association of Cambodian Local Economic Development Agencies (ACLEDA), supported by UNDP, reached financial self-sufficiency in five years and now serves more than 62,000 poor clients with a portfolio of a little over \$10 million.

Some innovative approaches have combined service demands and delivery needs with unemployment problems. For example, Bangladesh created a pool of paramedics by training local young people and also reduced youth unemployment in rural areas.

Food for Education programs have more recently been implemented in Indonesia and Thailand in response to the effects of the Economic Crisis with the assistance of donor funds and soft loans. Consideration can be given to using food for education as part of an on-going program within the education budget based on country specific indicators for rural areas. The targeting mechanisms do not have to be complex and some form of self-targeting will occur. This approach may have greater benefits where there are lower proportions of girls to boys attending school. The Food for Education Programmes (FFEP) was implemented in Bangladesh in 1993. Enrolled children are required to attend 85 per cent of the total classes every month and

receive an amount of wheat, depending on the number of school-age children in their household. The targeting criteria used are broad enough to enable most poor households to participate. For example, landless or less than 0.5 acres; female headed household; low-income professions, and not covered by other food programs. The results have shown significant increases in school attendance; 63% in 1993 to 77.6% in 1994, and declines in dropout rates, from 18.5% to 10.9% respectively. Dropout rates for girls declined by 9%, compared to boys at 6%. All beneficiaries were among the poor, with some leakage of wheat to the non-poor estimated at 6.5%.

Employment guarantee schemes have been introduced to provide employment in public works programmes for targeted categories or segments of the unemployed and vulnerable groups, especially those in rural areas. The Maharashtra Employment Guarantee Scheme (MEGS) in India has been relatively successful in reaching the rural poor, particularly when the wage rate was less than the minimum wage. This program is flexible in that a wider program is offered during the agricultural pre-harvest, or 'slack' season. More than 70% of the person-days used have been used by the poor, and more than half are used by the landless and socially deprived communities (castes and tribes). The severity of poverty has fallen from 5.0% to 3.2%. The annual wage income of EGS households was higher than non-EGS households. Rural unemployment was reduced by between 10 and 35% in different areas.

Longer-term programme opportunities. In Japan the Ministry of Health and Welfare is planning to introduce a new social insurance system for elder care, "public insurance for elder care." Both central and local governments will fund half of the system. The premium of those over 65 will automatically be deducted from their pension, and those aged between 40 and 64 will have the premium deducted from their salary, together with the premium for health care insurance. The recipients will pay 10% of the cost of services they receive. The employers' association is strongly against the proposed system, because employers have to be responsible for a half of the premiums of their employees, which will be an additional burden in this financially difficult time. This premium is in addition to the premiums they currently pay for pensions, and penalties they have to pay if they do not hire a certain percentage of elderly workers (over 55) and disabled workers. However, the concept behind elder care insurance may be attractive in other countries that do not have expensive social insurance schemes, and meet their needs for providing elderly care with increased self-reliance.

8. Summary of Social Assistance Sub-Regional Needs

Economic reforms involving large-scale unemployment and joblessness, low or declining economic performance, high inflation, and budgetary constraints, strongly suggest the need for social assistance programmes that ensure vulnerable groups are able to access limited labour market opportunities.

There is a need for social assistance programmes to be developed to meet the immediate short-term survival needs of the most vulnerable groups, as well as provide access to opportunities. More information about newly emerging vulnerable groups is needed, as well as an analysis of programmes in other sectors that may be contributing to causes of vulnerabilities. In addition, social assistance programmes are needed for the medium term to develop skill levels of vulnerable groups that will be needed in the labour market, and programmes that provide incentives for self-reliance. In the longer-term social assistance programmes that prevent vulnerabilities are needed.

Social assistance programs that offer secondary incomes for vulnerable households, for example through public works programs or the creation of part-time, casual and temporary employment, may be more effective in the longer-term in removing the causes of vulnerability. The creation of part-time and casual jobs in service provision, such as home care for elderly and disabled and childcare, can directly provide services to those unable to participate in the labour market and provide employment opportunities for vulnerable groups able to participate in the labour market.

G. International Lending Institutions

The World Bank is increasingly influential in the development of social protection approaches with lending in social protection activities growing rapidly during the 1990s (increasing to \$3bn, or 13% of total lending, in 1998). The Social Protection Sector was established in 1996, linking social protection policies with an over-arching emphasis on poverty reduction. Social assistance activities have been limited to short-term projects or soft loans to meet emergency situations, rather than developing a comprehensive social assistance country programme for vulnerable groups.

The World Bank has established short-term and long-term social protection strategies and programs for the region. The short-term objectives are to combat hunger, malnutrition, disease, and school dropout rates using targeted interventions such as public work programs, cash and in-kind transfers; and price subsidies. The World Bank increasingly seeks participatory processes involving community participation and NGO-partnerships for social assistance

interventions. These interventions include public work programs, Social Investment Funds (SIFs) with substantial public work components, in-kind and cash transfers, and selected price subsidies. Concurrently, the World Bank has sectoral policies and programs designed to improve labor market conditions; provide increased coverage through unemployment insurance and other forms of social insurance, pension reforms; and expanded social safety nets. Program and policy reforms are also seeking to improve governance, increase transparency and reduce opportunities for corruption.

The WHO is supporting the establishment or reform of health insurance schemes in numerous countries, while primarily concentrating on preventative mechanisms, including education for young people about HIV/AIDS and drug abuse.

The ILO has been involved in a number of social security projects that primarily concentrate on social insurance but may have some social assistance interventions. ILO has a labour focus mainly connected with LMPs and employment generation through public works for established vulnerable groups including the poor, rural and urban unemployed, disabled, and women.

The EU, through its PHARE and TACIS programmes, has developed expertise in social protection reform issues particularly in relation to transitional economies (for example Mongolia) but has limited experience with other forms of social assistance in this region. UNICEF has specific interests and expertise in relation to vulnerable children and is involved in programmes on the Convention on the Rights of the Child, including some forms of social assistance in related sectors of education and health sectors.

The World Bank and Government of Japan established the Japan Social Development Fund (JSDF) in 1997. It is financed by a Japanese Government contribution of approximately US\$95 million and administered by the World Bank. JSDF provides grants in eligible countries to support activities that directly respond to the needs of the poor and vulnerable groups, enhance their capacities and strengthen their empowerment and participation in the development process. The JSDF favors community-driven approaches to social development; 'demand driven' proposals that have included consultation with community groups; and partnerships with local/international non-governmental organizations. The Japanese Government established a similar program at the Asian Development Bank. Many countries with the region have received assistance from the ASEM Trust Fund to provide a range of social protection programs and projects. These include: Indonesia: Preparation, management and monitoring of the distribution of the scholarship funds, the establishment of a labor network to increase women's employment

opportunities. China: retraining of labor for service sectors, and for the creation of micro and small enterprises. Korea: enhanced income support for the elderly; and improved transparency and efficiency of pension fund management. Thailand: assistance with the development and implementation of policies and programs to mitigate the social impact of the crisis on the most vulnerable segments of the population; identification of family strategies of coping with the costs of education; and the design of intervention strategies, Vietnam: (a) analysis of labor market impact of economic slowdown and state owned enterprise reform; (b) design of severance packages and training for retrenchment; (c) mobilizing of donor funding for social safety net.

The International Red Cross (IRC) has specific interests in vulnerable groups caused by natural disasters, conflicts and disease, as well as impoverished families. It has many grassroots programmes operating in most countries in the region that provide services and assistance for vulnerable groups. As the IRC operates with local Red Cross or Red Crescent societies, it has a national network in which to implement programmes and monitor programme outcomes. Within the region, the IRC may be a possible partner for ADB to consider in developing and implementing social assistance programmes.

There are a multitude of international and national non-government organisations, civil societies, charities and community groups providing a range of social assistance interventions that have varying degrees of success in reaching vulnerable groups and in improving their living standards.

IV. Practical Options for Programmes and Projects

There are several key areas where technical assistance is required to improve the current levels of expertise available in countries in relation to the design and development of social assistance programmes. There are also opportunities for funding specific pilot projects for vulnerable groups that are designed to increase equity and promote growth. Integrated and comprehensive social assistance programme development is needed, requiring a combination of technical assistance and soft loan that would in the long-term become internally sustainable.

A set of objectives are suggested for any social assistance activities implemented by ADB:

- (i) To improve the capacity of public institutions to effectively identify vulnerable groups and their needs;

- (ii) To design service delivery mechanisms that effectively deliver assistance to vulnerable groups and that involve the private sector, NGO and community organisations in this delivery where it is most cost-effective to do so;
- (iii) To improve processes and opportunities that enable vulnerable groups to participate in identifying their needs and design responses to those needs;
- (iv) To increase institutional administrative capacities and transparency in the public sector so that social assistance transfers fully reach the intended vulnerable groups; and
- (v) To provide mechanisms to support cross-sectoral approaches that provide effective and efficient forms of assistance to vulnerable groups.

A. Capacity Building Projects

The capacity of governments, institutions and organisations to develop and implement social assistance programs has expanded recently through the need to cope with the effects of the regional economic crisis, economic transitions and the emphasis on poverty reduction by international organisations. Social Assistance programme development translates into the existence of a specialised body of professionals (public servants or otherwise) who are in charge of deciding who is entitled to a specific support, to follow up on implementation of regulation and commitments, to forward monetary or in-kind transfers and report on outcomes. Technical assistance from development agencies needs to be related to an improved capacity of policy developers to analyse social protection within a holistic treatment of issues of economic growth, governance and public policy.

Policy development should start from the needs, realities and priorities of the groups intended to benefit from social assistance. There are many factors that contribute to the creation of policy and programme systems responsive to the needs of vulnerable groups. Critical to these are issues of governance, transparency and information. Project needs in relation to capacity building include:

- (i) establishing an information base on issues of poverty and deprivation of vulnerable groups, including qualitative aspects that illustrate the realities, and disseminating this information to inform social debate;
- (ii) ensuring that policy-makers have an adequate understanding of the various non-state forms of social protection operating to provide insurance and assistance to poor people;

- (iii) supporting the development of local groups which enhance the livelihood security of vulnerable groups, through appropriate regulation and programmes. Particular attention to be paid to the variations in vulnerabilities and needs by gender, social status and age. Such institutional arrangements may include savings and credit groups, informal mutual aid and insurance groups, user groups for managing common property resources etc

Public policy for social protection needs to include a balance between measures designed to *prevent* shocks which will have a negative impact on the poor (through appropriate trade and macro policy, protection against floods, primary health care to prevent epidemics etc.); those *ex ante* measures which *reduce* the impact of such shocks when they happen (for example, by promoting diversified income sources for the poor); and, finally, those *post facto* policies which help those affected *cope* once shocks have happened. As argued by the World Bank, in many cases public policy needs to strengthen the content of interventions for prevention and reduction of shocks rather than merely rely upon policies to assist people to cope afterwards.

Measures to strengthen the capacity of public policy to help the poorest (those who suffer from persistent rather than transitory deprivation) are a priority in many developing countries. This is a challenging area as it requires sophisticated institutional capacity to deal with both identification of groups needing special assistance, and the development of complex and differentiated policy responses.

To make social assistance policy information systems accessible and useful to potential users two basic issues need to be addressed. Firstly, information systems should be based on the identification and use of strategic social indicators and on the timely gathering of data to improve the capacity for targeting policies. The data available has increased as more national statistics have collected more household data that includes the poorest and more vulnerable groups. Gender disaggregated data is more widely available, however age disaggregation is not as readily available. For example, most countries use their own labour force retirement age as the cut-off point for assessing the number of elderly persons, whereas international organisations often use developed countries accepted retirement ages (e.g. 65 years for men and women). Within this region many persons are retiring from as early as age 55 without adequate retirement provisions, creating a longer demand for support from family, community organisations and government.

A second issue is that in addition to the production, gathering and retrieval of information, the users of information must be able to easily access the data. This can involve access to new

software and hardware by grassroots and civil societies involved in the delivery of services. Equipment, data delivery methods and training in the use of these resources would be required.

Training on social assistance policy issues should generate the capacity to assess the social and political context of social assistance policies; to get acquainted with the local, national and global trends that condition policies, and to collect and analyse information, to understand the criteria for choosing priorities and to understand the costs and economic implications of social assistance programs. Training of users of information, especially beneficiaries and actors in social assistance processes should be given attention.

Training in financial analysis of policy options and consequent impacts for national budgets should be provided, including the opportunity cost of social assistance measures in terms of other state expenditures (both on social sectors such as health and education and on growth-promoting economic policies) that are foregone.

Service Delivery methods. Pilot projects involving non-government organisations, local government, communities, beneficiaries, and national central governments are useful methods for developing models for participation, co-operation and collaboration. The objectives of these projects should be clearly established, indicators agreed, evaluation mechanisms determined and monitoring timeframes identified so that outcomes can be measured and recommendations used for extension or modification of the project design. Any projects considered should be demand based and linked to equity and growth principles discussed earlier.

INGO and NGO involvement in ADB projects can be encouraged through specification of an NGO component in social assistance projects, e.g. survey work, policy development, service delivery or monitoring and evaluation. Different NGOS may be used for several components within a project, based on their experience, expertise and track records of success.

B. Policy Monitoring and Evaluation

Timely feedback mechanisms on the sudden needs of new groups of vulnerable persons have been tested in some countries and need to be evaluated for general use within the region. For example, methodologies for micro-impact assessments and rapid assessment to identify localities and population groups that are most affected by a crisis – economic, transitional, naturally occurring disasters or civil conflicts.

Often the results of social assistance programs and other forms of social protection are difficult to isolate from other related sector programs such as health, general poverty reduction efforts and local initiatives by community organisations and NGOs. Conversely, all programs can

have made considerable progress but are unable to achieve their targets or results due to external factors such as the escalation in oil prices, changes in government, sudden unforeseen crises due to natural disasters, and many other factors. However, social assistance programs that have been able to respond to these situations and continue to meet the majority of the needs of the poor may offer best practice designs of robust, and economically feasible social protection programs for vulnerable groups.

An opportunity exists for more detailed inter-regional and sub-regional assessments and evaluations to be made by policy and program developers and deliverers, including central and local governments, community and non-government organisations. A common set of criteria and indicators could be developed that relate to the poverty reduction targets agreed by DMCs in the Manila Declaration on “Accelerated Implementation on the Agenda for Action on Social Development in the ESCAP region”.

Models and options for social protection in the ASEAN region can be produced in detail including best practice results for different approaches. The cost-effectiveness of design options can be measured against agreed criteria for different vulnerable groups. The economic feasibility and sustainability of the programmes can be appraised and monitored. The degree of cultural relevance and appropriateness within regional countries can also be assessed.

Specific information concerning vulnerable groups should be collected in poverty data, living standards surveys, labour force statistics, census and other data collection methods. The poverty levels of vulnerable groups should be reported as well as the effectiveness of Social Assistance programs in improving their standards of living. For example, as a response to training needs, the Statistical Institute for Asia and the Pacific (SIAP) has incorporated disability statistics as a topic in its six-month general training course on practical statistics.

A similar role may be performed by SAPAP in South Asia, and some functions of ESCAP may be repeated, requiring more consultation with similar institutions and DMCs to define the current capacity development needs and available methods to meet those needs. However, it provides an opportunity for collaboration between countries and lending institutions, and could assist in more equitable, responsive and cost-effective social assistance programmes being developed.

1. Social Protection Projects and Programmes

Instead of specific social assistance project or programme funding, ADB could seek to address equity and access issues for vulnerable groups through interventions in other social

protection programmes. For example, ADB could support the extension of coverage social insurance to informal and rural sectors. Health insurance is the more immediate need for the most vulnerable, along with funeral benefits. In the short to medium term micro-insurance schemes that encourage wide participation, such as family based membership with flat rate contribution and benefit rates based on the size of the family, may be the more effective form of insurance.

Another approach would be to combine micro-credit programs with health insurance for members and families. In this situation, the borrower would have a reduction in the total loan amount that would be used to buy health insurance for the term of the loan, or every year or every six months. The health insurance could be purchased from an existing public health insurance system, private health providers, or a micro-insurance scheme could be established as part of the micro-credit scheme. This allows the borrower, and their family members, to receive necessary health treatments during the period of the loan. It also provides some protection for the financier should the borrower or family member become seriously ill, (especially difficult for women borrowers with children or elderly dependents). This encourages a behavioural change for the borrowing members to invest in health insurance after the term of their loan. This health insurance approach should be in addition to savings practices, not instead of savings.

Alternatively, the ADB may want to move 'upstream' to explore ways to encourage greater preventative health practices so as to reduce the incidence, frequency and severity of ill health on vulnerable groups. This approach would fit better in the Health Sector program design, however Health Sector programs must ensure they specifically measure, monitor and service the most vulnerable groups.

Labour market programs can be designed to provide opportunities for vulnerable groups and support the involvement of unemployed rural youth, single mothers, disabled, refugees, migrants, ethnic minorities and other groups through the provision of childcare facilities, modified equipment and even literacy and language training as part of vocational training programs. These programs provide greater opportunities for the most vulnerable to be able to actively participate in the labour market. For example language and literacy training for ethnic minority peoples of working age enables them to speak the main language used for everyday life, to understand the laws and regulations and their entitlements. It also increases their opportunities to find employment.

Social assistance and poverty reduction programs often contain the same target groups. Where countries face this situation social assistance can become a mechanism within a poverty

reduction program. There may be the opportunity for 'double-dipping' where a poor household receives income support and access to micro-credit and food and health subsidies. This is more likely when there are several organisations involved in the delivery of small poverty projects. However, the funding for the social assistance component may also become tied to poverty programs, often on a short-term or annual basis. There is a risk that once the poverty targets have been reached (now earning the equivalent of \$US1 per day) the funding is stopped, resulting in the most vulnerable immediately falling below the poverty line again. Without specific funding, the most vulnerable may be excluded from opportunities to participate as they represent only a minority compared to more vocal poor groups.

a. Implementation of Social Assistance Projects and Programmes

Projects and programs must be designed in a way that they are operationally feasible and with consideration of the effects on beneficiaries. It is important to consider the relative experience and capacities of the institutions that will be involved in the development of policies and the implementation of programmes. Does the private sector have the necessary technical knowledge and experience? If not, how will this be overcome? Is the research institute able to provide the data required? Can the local govt accommodate the increased staff and computers? Is the power supply sufficient and regular, or will a generator be required? Does the Ministry have specialist staff or will there be a necessity for technical assistance to transfer knowledge and capabilities. Programme or project implementation is at risk where there are disputes of ownership of programmes, responsibilities for outcomes, resource commitments and lack of senior political support.

A careful consideration of the need for a legislative basis should be made. For example, is there any existing legislation for social assistance or social protection? How will the social assistance programme impact upon existing policies and programmes? Will the programme have an impact on other legislation? Do countries have a system of enabling legislation that is necessary before any new programmes or policies can be implemented. (For example Vietnam that requires legislation to be passed by the National Assembly to change existing laws). Does the Minister have the power to approve new policy and receive associated resources from the central budget?

The timing of the project or programme must be considered in the light of other reforms being undertaken within the country, such as decentralisation of government, that may impact upon the implementation of the policy or programme objectives. Sub-regional, regional and

global trends may affect the programme in the medium-term, either directly or indirectly. It is also important to consider timing in terms of the period of the project or programme support, given that the sustainability of a project or programme is an important objective. It is difficult to assess sustainability in less than a 5 year timeframe. It is also important to consider whether the programme or project is seeking to change the behaviours of vulnerable groups. Behavioural changes are also less likely to occur within a short timeframe.

However, where an immediate programme or project response is required to an emergency, such as a natural disaster, it is important to utilise lending instruments and design projects that enable the funds to be made available quickly and without including excessive bureaucracy. A social fund arrangement, established outside the government but with close independent monitoring to avoid corruption and leakage, may be an appropriate implementation mechanism.

Cost-benefit analyses can be made of various implementation options based on the policy or programme objectives. A risk assessment should be made for each of the implementation options and suggestions for strategies for managing the risk.

Implementation plans should include mechanisms and processes to address transitional arrangements for all stakeholders, including beneficiaries, service providers, programme and policy participants and evaluating and monitoring agencies. Transitional arrangements will occur at the beginning of the project or programme implementation and at the end, when the project or programme is finalised. There may be other transitional arrangements specifically designed as part of the project or programme, such as transferring responsibility for service delivery to the private sector.

b. Project Management

Project management is needed to ensure that the policies and programmes are achieving the intended objectives, in the manner foreseen. Project management may also be necessary to ensure that related reforms underpinning the programme or project are implemented, for example decentralisation to local government or exemptions for health services in the health sector. This can require specific staff to be recruited for the purpose. The difficulty with this approach is that it diminishes opportunities for skills transfer unless there is a carefully planned process included in the project or programme design. Skills transfer is an essential feature of ensuring sustainability of the reforms once the project or programme has been successfully implemented.

An alternative is for the project management to be undertaken entirely by the counterpart authority, a Ministry of Welfare or a non-government organisation, for example. This is the approach favoured by UNDP as part of its 'national execution' strategy for technical assistance projects. The main difficulty with this approach is the difficulty in finding adequate levels of technical and project management experience, and the likelihood of increasing the risks of a successful outcome.

As a general principle, projects should be managed by the counterpart authority but with specific technical assistance being provided, especially in the early stages. Technical assistance should not be concerned solely with issues such as procurement and disbursement, but with the programme or project objectives and the relative success of the various mechanisms used.

Monitoring and evaluation phases should be included in programmes and projects as important feedback mechanisms on the impacts of the reforms, and should be designed to include participation by all stakeholders, in particular beneficiaries. Monitoring information should be assessed regularly to enable programme or project fine-tuning. Evaluations should be conducted annually, according to expected milestones. The evaluation results should be used to reassess the situation for vulnerable groups and review the policy assessments used at the inception stage of the programme or project. It is important to allow for some flexibility in programme and project design, so that necessary adaptations can be made in response to environmental changes unforeseen at the start of the project or programme.

2. Creating Linkages to Market Institutions

Once projects have been successfully completed, or run out of funding, there is a lack of bridging systems that are needed to enable the vulnerable groups to access the normal market

institutions, such as banks or educational institutions. Rather than the separate programs and facilities being lost with the project, more sustainable processes should be developed, preferably during the project operation.

For example, vulnerable groups that have been able to access micro-credit and have a proven ability to successfully manage the loan repayments may be given a credit rating or certificate from the micro-credit scheme under certain conditions (e.g. repaid medium size loan within the 3 years, no defaults, no late payments). This certificate or credit rating should then be used as collateral by the financial institutions to enable further borrowing to occur. Vocational training provided to vulnerable groups should be recognised as educational achievement towards higher education studies. This may be from secondary to tertiary education levels, or for specific vocational training certifications required within industry sectors.

C. Lending Instruments

The ADB uses four main lending instruments:

- (i) developing country strategies,
- (ii) policy lending to provide broad budget support with social protection conditionalities;
- (iii) project lending for institutional development and capacity building in social protection; and
- (iv) collateral issues associated with lending where social protection is not the central objective.

The most relevant lending instruments for social assistance programme developments are:

- (i) Project lending that provides investment funds for technical assistance, for the building of institutional capacity, and for investment in infrastructure; and
- (ii) Program lending that provides budget support in return for the government meeting agreed policy conditions; and
- (iii) Country strategies that include project lending and loans developed in partnership with the government and the ADB to provide a consistent and comprehensive framework for achieving long-term goals such as equity and growth for vulnerable groups.

The majority of programme outcomes relating to social assistance occur over the medium to longer-term. A preferred arrangement would be for social assistance programmes to

be included as part of *country strategies* and policy loan conditions as part of a comprehensive reform of social protection, or as a component of a poverty reduction strategy. This arrangement enables the Bank to enter into a long-term partnership with a government, and to develop integrated policies and programs. This also provides for some flexibility to change the scope of the loan arrangements and programmes to meet emerging needs for vulnerable groups.

1. Program Lending

Program lending is often conditional on institutional reforms being implemented. These reforms could include legal, financial or administrative reforms. Where additional legislation is required it is advisable to include the passing of legislation as a pre-condition for project or programme commencement. This reduces a significant risk for the implementation of the project and also demonstrates the government commitment to the programme.

In addition to the design and financing of projects and programmes that directly target the most vulnerable groups, ADB can provide funding for DMCs to build capacity in social assistance program design and implementation. Public social services can be restructured to benefit the poorest so that during periods of fiscal crisis, per capita social expenditure decreases during the crisis years, but is increased for the poorest decile. It can often be more politically and administratively expedient to set up short-term programmes using exogenous funds, with revenue funding being phased in over a period of 3-5 years, through earmarked taxes or based on other programmes that achieve greater revenue collection.

An adjustment program provides a coherent policy framework in which one can identify and protect vulnerable groups. In contrast it is very difficult to protect poor and vulnerable groups in a haphazard policy framework, where macroeconomic distortions and high inflation erode real income levels. The poorest tend to be the least able to protect themselves against the costs of inflation, while the wealthy are better positioned to pursue strategies such as sending assets abroad.

With the implementation of adjustment programs in many countries, the policy framework has shifted from short-term safety nets to more appropriate macroeconomic policies coupled with longer term investments in health and education. Investment in longer-term social assistance policies, education in particular, has positive effects on growth and therefore poverty reduction. The effects on growth of transfers, are mixed and seem to depend more on the nature of the transfers and how they are allocated.

Social assistance short-term programs can play an important part in transition periods. Social assistance programs must complement rather than contradict general direction of macroeconomic reforms. They should not create fiscal deficits or create labour market distortions. ADB could assist governments in meeting their commitments to social development through financing that is linked to State budget allocations to social assistance, for example matching grants

2. Features of Project Lending

Social assistance *project lending* is usually designed to enhance the capacity of government institutions to provide social protection benefits or services directly or to regulate interventions mandated through the private sector. Project lending involves shorter timeframes and therefore should be used to meet short-term objectives. This could involve pilots of new service delivery models for social assistance, the development of better data collection and social indicators for vulnerable groups, or developing skill levels in government departments to enable a more comprehensive analysis of policy options and the drafting of new policies and programmes.

3. Mainstreaming of Assistance to Vulnerable Groups and Collateral Lending

The ADB can use collateral lending to when social assistance policy or capacity building is not the direct objective of the loan. An example is where loans are being provided to introduce market determined pricing of energy, and water that would have negative impacts for vulnerable groups. Appropriate measures should be included to subsidise price increases for vulnerable households (e.g., government subsidies for most vulnerable, or different pricing structures dependent on income levels).

Rather than invest in specific social assistance projects or programmes, ADB could incorporate social assistance targets (such as 20% of employment opportunities), for the participation of vulnerable groups in other projects. This would require the project financing to be sufficient to ensure necessary facilities and support are provided so as not to exclude certain vulnerable groups. A range of interventions would need to be incorporated in other sectoral programmes or other social protection programmes. For example, including the provision of training to single mothers in specific skills to upgrade their skill levels and assist single mothers to find better employment (e.g. from manual labour to computer skills) as part of LMPs. Employment generation projects should ensure that funding for childcare facilities is provided, as

well as home care services to elderly parents, so that working age members of households can participate in employment and the opportunity for female participation is increased. Other employment generation projects may include the purchase of relevant equipment and assistive devices that will allow disabled persons to participate directly in projects.

Urban redevelopment projects can include low-cost housing opportunities for the urban poor, migrants, refugees, unemployed youth and other vulnerable groups, and integrate health, education, employment services and elderly support services. Systematisation and regularization of previously illegal connections to public water systems have brought down the cost and improved the delivery of water to vulnerable groups in shanty towns and urban slums in some countries (e.g., Philippines). They have also generated additional revenue to the public utility agency. Access to housing has often been identified as a crucial element in expanding the water supply and sanitation services to vulnerable groups apart from providing a roof for the homeless. Recently, some countries in the region have experimented with housing assistance, including community financing for low income groups in both urban and rural areas with mixed results. The more effective programmes that did not distort housing prices should be further evaluated for inclusion in future urban redevelopment programmes.

Partnerships. More international organisations are increasingly involved in social protection projects, programs and reforms. They are all increasingly focussing their activities in the struggle against poverty, often strengthening their moral image more than emancipating the poor from personal dependency ties. In this context, they can be seen as 'competing for the poor' for the establishment and consolidation of destitute clientele by means of developing various social services, studying the relationships involved between the various categories of institutions and agents, the stakes involved, their strategies, the representation they carry, their efficiency and comparing the types of links they build with 'the vulnerable'.

What would be the lines of complementarity, opposition, competition between social funds, ministries of social affairs, private Non-government organisations and charities, welfare organisations and projects, and the wider international non-government organisations and agencies?

4. Partnership Approaches

ADB could further develop strategic partnerships with other institutions that have expertise in social protection fields, such as World Bank, ILO, WHO, FAO, UNDP and other UN agencies, to complement efforts in poverty reduction and social protection, rather than duplicate

projects within countries. For example, a Social Protection Research and Training Institute could be established in the region that directly involves the expertise of these international agencies, and involves national experts to provide training to policy makers and program designers, as well as undertakes research into such topics as cost-effective forms of social assistance within the region, the linkages between social protection and economic development, community based models of health insurance and micro-credit. Study exchange programs could be jointly sponsored by the participating organisations to help countries with less experience in social assistance programs.

There may be a number of social assistance programmes and projects funded by international agencies within the region that have focused on short-term activities but have not addressed sustainable, long-term programmes needed by vulnerable groups.

V. Summary

One of the most important objectives of any social assistance activity is to provide opportunities for vulnerable groups to become self-sufficient, and participate in the economic growth of their country. The largest number of vulnerable groups reside in rural areas so it is important that an appropriate balance of social assistance programmes be allocated between rural and urban areas.

Access to land, investment in infrastructure, access to credit and savings institutions, and protection from external crises are strategies that have the most profound positive impact for the majority of vulnerable groups in DMCs. Vulnerable groups can save, and they are very efficient investors. Most, however, are denied access to savings and credit agencies, creating losses for efficiency and equity. Financial institutions need to be developed that are accessible to the poor and deal in small loan and savings amounts at low transaction costs.

Vulnerable groups are often located in marginal areas poorly served by roads, creating additional difficulties in gaining access to markets and inputs. They are disadvantaged through the lower prices for their output that accompany higher transport costs.

The newly emerging vulnerable groups including unemployed youth, migrants, refugees, HIV/AIDS sufferers, must not be overlooked in preference for the traditional groups of elderly, disabled and orphans. Communities displaced in the interest of industrialisation must receive fair compensation and opportunities to fully participate in the benefits of the industrialisation of their traditional lands.

Social assistance programs can help to close poverty and social exclusion gaps for the most vulnerable in society. All vulnerable groups have rights as citizens to receive the protection of the State and the responsibility to actively pursue better opportunities.

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