Social Welfare and Social Development in the New Millennium

Selected Papers from the 28th ICSW Asia & Pacific Regional Conference 14-17 September 1999, Sydney
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Introduction

The International Council on Social Welfare (ICSW) is a global organisation representing tens of thousands of non-government organisations in more than eighty countries throughout the world. It operates in five regions, including the Asia-Pacific region in which its members come from almost twenty different countries.

ICSW's principal roles are to develop and advocate policies in order to promote social welfare, social development and social justice. It does so through conducting research, convening consultations with its members and other experts at local, national and international levels, preparing and publishing policy papers, organising delegations to key government leaders and coordinating advocacy teams at relevant meetings of the United Nations and other intergovernmental organisations.

Every two years, ICSW's Asia-Pacific region convenes a Regional Conference. In recent years, the conference has been held in Indonesia, Malaysia, Singapore and Hong Kong. The 1999 Regional Conference was held in Sydney, Australia on 11-14 September 1999. The local host was the Australian Council of Social Service, which is ICSW's member in that country and is the major umbrella organisation for non-government organisations in the social welfare sector.

The Sydney conference was attended by almost 300 participants from more than 25 countries ranging from Jordan in the west to Samoa in the east, and from Japan in the north to New Zealand in the south. The Conference was opened by the Governor-General of Australia and addressed by senior government ministers from Australia and Malaysia and the Pacific Region Director of the United Nations Economic and Social Commission for the Asia Pacific Region (ESCAP).

The conference was addressed by the World President of ICSW, Julian Disney, who summarised ICSW's recent progress and future plans. His speech is reproduced at the commencement of this book. It was also addressed by a previous World President, Khunying Ambhorn Meesook, and by Qazi Faruque Ahmed who subsequently became World President in 2000. Other keynote speakers included ICSW's Asia-Pacific Regional President, Kay Ku, and the President of the Australian Council of Social Service, Michael Raper.

Conference speakers came from a very wide range of organisations concerned with the interests of children and young people, families, older people, women, people with disabilities, Indigenous people and other sectors of the community. Organisations working in fields such as social welfare, human rights, education, health, housing and rural development were represented amongst the speakers as well as unions, consumer organisations, the business sector, public servants and academics.

The conference included 34 working sessions on a very wide range of issues concerning social welfare, social development and social justice. It was addressed by 90 speakers from 23 countries. The full program is printed as an appendix to this book. Copies of each of the conference papers were made available to participants during the conference. In addition, a selection of twenty-four of the papers is being printed in this
book for wider circulation. The high quality of papers made selection a difficult task but we have tried to represent a wide range of issues and countries.

The Sydney conference was a great success and ICSW is especially grateful to the Australian Council of Social Service for being the local host and for undertaking the preparation and publication of this book. People and organisations wishing to obtain further information about ICSW and its activities can consult its website (www.icsw.org) or contact its Bangkok office by email (icsw@icsw.org), fax (66-2-245-4814), telephone (66-2-248-3949) or mail (Room 301, Mahidol Building, Rajvithi Road, Rajthevi, Bangkok, Thailand 10400).

**Note**

The biographical details at the commencement of each paper relate to the author’s position at the time when the paper was written.
OPENING ADDRESS

Social Welfare, Social Development & Social Justice: ICSW’s Progress & Plans at the Global Level

By Julian Disney

Julian Disney is the World President of the International Council on Social Welfare. He has represented the Asia-Pacific region on ICSW’s Executive Committee from 1992-96 and is a former President of the Australian Council of Social Service and Co-ordinator of the Welfare Rights Centre in Sydney.

ICSW and Our Members

I would like to take this opportunity to say a few things about ICSW and what we are trying to do around the world. As many of you know, ICSW was founded in Paris in 1928 and for most of our history concentrated principally on convening major global and regional conferences to encourage interaction between people with a special interest in social welfare. In recent years, however, our work has become substantially more intensive, especially in relation to developing and advocating policies on a range of issues concerning social welfare, social development and social justice.

As a result of substantial recent growth, ICSW now has the largest number of members in our history. They come from more than eighty countries throughout the world, about twenty of which are in the Asia Pacific region. Most of our members are broadly-based national organisations in the social welfare or social development fields. They, in turn, represent many other organisations — sometimes thousands of them — within their own country. Some of our members, such as the International Red Cross/Red Crescent, work in a wide range of countries around the world. In addition, a number of the regional and sub-regional groups of non-governmental organisations which are beginning to emerge around the world are already working closely with us and some are likely to become members in the near future.

Most of ICSW’s members focus mainly on preventing or relieving many different forms of hardship or disadvantage in their own communities. They and their members work with people who are homeless or starving, have serious health problems or disabilities, have acute problems within their families or suffer severe discrimination, oppression or other distress. These direct responses to individual problems are their daily work. They recognise also, however, that it is important to pursue long-term, broad-based policy reforms which will help to reduce the frequency with which those problems occur and to strengthen the resources that are made available to grapple with them.
The Problem of Poverty

At its last two meetings, in 1996 and 1998, ICSW’s global governing council decided that our regional levels would focus especially on issues of the kind which are commonly described as social welfare while our global level would give special emphasis to the wider range of issues which are commonly known as social development. In particular, it decided that the global level should concentrate on seeking remedies for the underlying causes of poverty, lack of work, and social exclusion. As our members know, these problems are frequently the cause or result of traditionally-defined welfare problems such as family breakdown, homelessness, ill-health and disability. This is especially true of the fundamental problem of poverty.

The single greatest cause of welfare problems is poverty. There are now almost 1.5 billion people – about one in every four people in the world – who have incomes of less than US$1 per day. In some circumstances, of course, a person may not necessarily experience great hardship on such a low income. But in many others, a substantially higher income would be needed to escape severe poverty. So the figure of 1.5 billion people is by no means an exaggeration of the problem. Despite some progress in the last 20 years or so, most of these people are in the Asia-Pacific region, especially in South Asia and China. Their number has, of course, risen considerably because of recent economic downturns, especially in Indonesia.

This appalling level of poverty is voluntary – not on the part of most who suffer it but on the part of the world’s wealthy who could readily reduce it substantially. The United Nations Development Program estimates that achieving such basic anti-poverty goals as universal access to safe water, adequate nutrition, primary health care and basic education throughout the world would cost much less than US$100 billion per year. If the richer countries decided to raise that amount of money, each person’s contribution would be less than the cost of one cup of coffee per week. Of course, the two richest people in the world could raise the whole amount between them and still have many billions to spare.

It is important to bear in mind that some substantial progress has been made in the fight against poverty and disadvantage. Since 1990, for example, the proportion of people with safe water has almost doubled and the adult literacy rate has increased from about 64 percent to 76 percent. On the other hand, over the same period per capita income has fallen in more than eighty countries and the income gap between the richest and poorest countries has increased by 25 percent.

But that is enough of such statistics (many of which, incidentally, can be found in UNDP’s excellent Human Development Report). Few, if any, who are here today do not realise the gravity of the problem and the need for urgent action. Despite the understandable desire for immediate solutions, however, it is important to recognise that many of the necessary measures must address deep underlying causes and confront powerful and entrenched interests. They will not be adopted without years of sustained and demanding advocacy, and further years will pass before their full benefits are felt. If a quick or easy fix was possible, it would have been achieved already. But that is all the more reason to redouble our efforts and to sustain them in the face of setbacks and achingly slow progress.
Directions for Action

The problems of poverty, unemployment and social exclusion to which I have referred were the three core issues at the World Summit for Social Development which was held in Copenhagen in 1995 and attended by 117 Presidents and Prime Ministers. The International Council on Social Welfare was very closely involved in preparation for the Summit and we have become the main international non-governmental organisation pursuing implementation of the agreements made at it.

The Summit’s most important contribution was to recognise the importance of creating and maintaining international environments which assist social welfare and social development rather than retard them. It was not referring to the natural environment, although that is also important. Instead, it was referring to economic, political, legal and cultural environments. ICSW’s work since the Summit has focused especially on ways in which these environments could be improved, and I would like to mention briefly some of our main areas of interest.

The Economic Environment

First, in relation to the economic environment, ICSW has long been concerned about the excessive volume and volatility of the international financial markets. With the help of the then Australian Government, we were able to get the Copenhagen Summit to identify this problem, albeit briefly. Unfortunately, however, no effective action was agreed and it was not until the entirely predictable financial crisis broke in South East Asia in 1997 that the opinion leaders in international economic policy began to acknowledge some substantial problems. It was also not until then that many welfare organisations began to recognise the crucial impact of these macro-economic problems on the scale of human difficulties with which they had to grapple and on the resources with which they could address them.

The International Monetary Fund (IMF) responded to the crisis by prescribing ill-informed and ill-directed actions which were rooted in its ignorance of Asian circumstances. It vigorously opposed effective measures proposed by countries such as Malaysia and Japan which did not suit the ideologies and closely related self-interests of the IMF and the United States. Now that stop-gap measures have achieved sufficient market stability to protect the wealthiest countries and markets, there seems to be little stomach amongst the dominant economic powers for effectively addressing fundamental weaknesses in the international financial system, which will continue to damage the least powerful countries in particular. Much more needs to be done to prohibit or discourage massive short-term speculative investment and market manipulation, especially in relation to vulnerable economies.

The US (and thereby the IMF) should cease to oppose restrictions on excessive flows of short-term speculative transactions, especially by the less-powerful countries. They should cease to oppose the Japanese move to establish a special Asian-based fund which could provide support and guidance more promptly and appropriately than the IMF has done in this region. In any event, the fund should be established irrespective of their opposition.

Another high priority for improving the economic environment is international cooperation to reduce the loopholes by which speculative financial transactions obtain huge tax advantages by comparison with investments in genuinely productive activities. A variant of the so-called Tobin tax on financial transactions, which first attracted widespread attention at the Copenhagen Summit, could help to address some
of these problems. But there is a need for broader tax reform to encourage investment which creates work opportunities rather than destroys them. It is also needed to obtain sufficient resources for government investment in schools, hospitals, welfare services and so on without relying increasingly on taxing the less affluent sections of the community through goods and services taxes and the like. Tax reform is a crucial welfare issue to which very few welfare organisations give sufficient attention.

It is also important to improve the economic environment for poorer countries by boosting aid from rich governments (Official Development Assistance) and by providing greater relief from debts which many of them cannot hope to repay. The current level of ODA represents about half that weekly cup of coffee which I mentioned earlier. As for debt relief, the governments of many poor countries, and their citizens, are dealt with far more harshly than the directors and shareholders of wealthy multinationals which make bigger mistakes under much less difficult circumstances.

The Political Environment

The second type of international environment which was emphasised at the Copenhagen Summit was the political environment. Concerns related especially to the lack of international structures which adequately represent the interests of the less economically powerful countries, give sufficient weight to so-called social issues and perspectives rather than only to narrowly economic concerns, or listen sufficiently to the knowledge and opinions of civil society as well as those of governments and large businesses. Unless these structural weaknesses are remedied, key international decisions about economic and social policy will not sufficiently address poverty and other causes of social welfare problems. It is not sufficient to lobby against a particular bad policy, we must also remedy the systemic weaknesses which led to it.

One key aim should be to strengthen the role of the United Nations in international discussion and decision-making about economic and social issues. Fifty years ago, the United Nations Charter established an Economic and Social Council (ECOSOC) to play in these areas a similarly powerful role to the one played by the Security Council in relation to matters of peace and security. For a variety of reasons, some self-inflicted, ECOSOC has never played such a role. Instead, dominance has increasingly been achieved by a handful of the wealthiest countries, especially the United States, through bodies such as the IMF, World Trade Organisation and the Group of 7. Some minor strengthening of ECOSOC’s position and performance has occurred since the financial crisis of 1997, but much more progress must be made if the interests of genuine, long-term economic development, as well as of fairness between countries and between people, are to be adequately promoted.

Another, and connected, issue relates to what I call “constructive regionalism”. I mean constructive in the sense that closer regional interaction between countries should be positive in its engagement with other parts of the world rather than merely defensive and exclusive. I also mean constructive in the sense that the development of strong regional structures would help to construct a global framework which more adequately reflects the interests of all countries and people, rather than mainly the richest, and which helps to strike an appropriate balance between global uniformity and localised autonomy.

I should mention in this context that ICSW is giving an increasingly high priority to regionalising its own activities within an overall global framework. In implementing this approach, we believe that regions should not necessarily be defined as whole continents rather than as smaller neighbourly groupings which more adequately reflect
similarities in circumstances, cultures and interests. In every continent we are urging regional bodies, such as the European Union (EU), the Association of South East Asian Nations (ASEAN) and the South Asia Association for Regional Cooperation (SAARC), to give greater attention to social issues, cooperation with other such regional groupings, and close interaction with civil society organisations such as ICSW and our members.

The Legal Environment

I shall move on now to some brief comments about the international legal environment. One of ICSW’s main priorities in this context is to strengthen monitoring and enforcement of the International Covenant on Economic, Social and Cultural Rights which establishes legal rights to sufficient food, shelter, education, housing and other basic needs. Our proposals here include requiring the World Bank, IMF and other donors to place greater emphasis on helping poorer countries to provide these rights to their citizens.

Another priority is to establish a legally enforceable code of international business conduct in order, for example, to restrict unfair trade and competition, unethical and corrupt practices and abuse of market dominance. These forms of misconduct, especially by transnational corporations, already contribute substantially to widespread poverty and hardship in developing countries. Yet they would often be illegal if committed in the domestic marketplace of the richer countries in which the corporations are headquartered and most of their shareholders reside.

Policy Development and Advocacy

The International Council on Social Welfare’s policy development and advocacy is being pursued in a number of different ways in many different parts of the world. Our efforts have been helped greatly by grants for our work on implementation of the Copenhagen Summit. This has included substantial grants from the Canadian, Danish, Dutch and UK governments, as well as from sources such as the United Nations Development Program (UNDP). As a result, our overall budget has increased by more than 100 percent in the last twelve months. This special funding will continue for at least the next two years and has enabled us to supplement our existing office in Montreal with new, albeit small, offices in Kampala, Kuala Lumpur and London. Our staff numbers have leapt from four to eight, although we still have fewer staff than most of our members.

During the last few years, ICSW has convened more than 20 global and regional social development forums throughout the world. Many more will be convened in the near future. For example, the Pacific Islands forum which we convened last week, this Asia-Pacific regional conference, and our European regional conference next week will be followed within the next three months by a South Asian forum in Nepal, an Eastern European forum in Hungary, a Central Asian forum in Azerbaijan, a West African forum in Senegal, an Andean forum in Bolivia and a Commonwealth forum in South Africa. Several of these regions are ones in which ICSW is especially keen to increase its engagement and contribution.

These forums have been attended by many thousands of people from around the world and their outcomes are now being published in our new series entitled Copenhagen Papers. We also publish a quarterly magazine Social Development Review as well as the main global newsletter for civil society on follow-up to the Copenhagen agreements. Most importantly, however, information and policies emerging from these
forums and our other activities are promoted by the advocacy teams which we are now sending to major global and regional meetings of the UN and other key bodies. During the last year or so, we have funded ICSW members and other non-governmental representatives from more than 50 countries to participate in these teams or in other international activities.

**Two Key Initiatives**

I shall conclude by outlining two over-arching initiatives which we are now seeking to promote, especially in the lead up to the UN General Assembly’s Special Session on Copenhagen implementation which will be held in Geneva next June.

The first initiative is to enter the new millennium with an International Anti-Poverty Alliance aimed at halving the proportion of people in abject poverty, providing universal basic education, reducing child mortality rates by two-thirds and reaching several other such targets which the world’s governments have agreed should be achieved by the year 2015. We are approaching leading global organisations in several key sectors of civil society – such as labour, human rights, consumers and religious movements – to join with us in the Alliance to monitor, demand and facilitate achievement of the targets through a Poverty Countdown campaign to 2015.

The second initiative is to develop a framework of International Standards for Social Development (ISSD), building upon a proposal made last year by the UK Chancellor of the Exchequer, Gordon Brown. The aim is to establish minimum rules, or in some instances non-binding guidance, about appropriate standards for countries in different stages of development. The framework would include some sets of international standards which already exist, such as the International Labour Organisation standards, standards relating to services for people with disabilities and some of the UN human rights treaties such as the Convention on the Rights of the Child. Others would be developed over time, including some which especially address matters such as taxation and business conduct that are often thought of as the province of economic policy makers but which directly and crucially affect poverty, hardship and social welfare. Amongst other things, the standards would provide civil society activists with established benchmarks on which to base demands for action by governments, businesses, communities, and international organisations such as the IMF and World Bank.

These goals are as ambitious as they are important. The difficulty of achieving them makes prompt and vigorous campaigning even more important. I hope that this conference will inspire all of us to fight against the underlying causes of hardship, as well as to help meet the immediate needs of individual people. This applies especially to the fight against poverty. I look forward to working with you and your organisations in pursuit of social welfare, social development and social justice throughout the region and the world.
The violence in East Timor is, of course, the issue of the hour in Southeast Asia. A close second, however, has been the way the hedge funds have taken advantage of the East Timor crisis to speculate first against the Indonesian rupiah, then against the Thai baht and the Philippine peso. Late last week, the rupiah plunged to its lowest rate vis-à-vis the dollar since April, the baht to its lowest level in 11 months and the Philippine peso to its lowest level in 10 months. A senior currency dealer at Thailand’s Bank of Ayudhya observed: “US [hedge] funds have started attacking other regional currencies, including the Thai baht and the Philippine peso, having completed their mission in dumping rupiah for dollars”.

Haven’t we been here before?

The similarity to the speculative frenzy that brought about the collapse of the Asian economies in July 1997, when investors changed Asian currencies for dollars and currency speculators made money from this panic, is disconcerting. Even more unnerving is the way that speculators can bend government economic policies to their wishes.

The Philippine Experience

Take the case of the Philippines. Until recently, the thrust of government policy was to bring down interest rates in order in order to trigger economic recovery. But the “Electronic Herd,” to borrow New York Times columnist Thomas Friedman’s apt metaphor, didn’t like this and started sending signals to the Philippine Central Bank

1 Quoted in “Baht Bashed by Hedge Funds,” The Nation, Sept 9, 1999.
that they wanted higher interest rates as a price for holding on to Philippine peso assets, including government treasury bills. The herd sent its strongest message a few weeks ago when selling of peso assets by foreign funds pushed the stock exchange index to its three month low in late July and eroded the value of the peso. Ever sensitive to the grazing habits of the herd, which is always on the lookout for greener pastures outside the Philippines, the Central Bank gave in, raising interest rates to keep the herd in the country and also to prop up the peso. But the government was, as usual, wrongfooted by the hedge funds: higher interest rates have not yet gone high enough to attract the foreign funds back. As a consequence the country is caught in the worst of worlds: rising high interest rates that throttle growth and a peso whose value continues to drop.

**International Capital Flows**

All this gives rise to the question: two years after the outbreak of the Asian financial crisis, what steps have been taken to make the region and the world less vulnerable to the movements of speculative capital? The answer: very little indeed, despite the fact that a rough consensus—at least at the level of public rhetoric—appears to have formed around the centrality of unrestricted capital flows into the emerging markets as a cause of the crisis. Early this year, International Monetary Fund (IMF) Deputy Managing Director Stanley Fischer, the Fund’s point man in the Asian crisis, admitted that “international capital flows are not only extremely volatile but also contagious, exhibiting the classic signs of financial panics”. Thus, while international capital mobility “is potentially beneficial for the world economy, including emerging markets and developing countries,” this potential “can only be realised if the frequency and scale of capital account crises can be reduced”.

Even the US Treasury Department has not been able to deny the destabilising role of hedge funds. At the beginning of the crisis, officials like former Treasury Secretary Robert Rubin and the current secretary, Larry Summers, heaped the blame on “crony capitalism”, or a witches’ brew of state intervention, protectionism and financial shenanigans unique to us Asians. Lately, however, Summers has admitted that “a strong case can be made that excessive capital inflows may have contributed importantly to the recent problems in emerging markets”. This is, of course, a typical Summerian understatement, for as a remarkable New York Times exposé that appeared earlier this year revealed, the Rubin-Summers team’s pressure on Asian governments, to liberalise their capital account in order to bring about freer inflows from US hedge funds and other investment funds, was identified by their own colleagues as a major factor that touched off the financial implosion.

**POSSIBLE APPROACHES**

When the hedge fund Long Term Capital unravelled last year, threatening to bring down with it hundreds of other financial institutions, it triggered a wave of discussion about the need to control speculative capital. Early this year, financial reform seemed

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3 Ibid.

4 US Department of the Treasury.

just around the corner as bankers and economists talked about setting up a new “global financial architecture”. One thousand and one proposals have surfaced, but beneath the plethora of technical details and differences, there have been three basic approaches.

**Fix the Wiring, not the Architecture**

The first sees the current financial architecture as basically sound.\(^6\) What needs improvement is the “wiring” of the system. Identified with Wall Street and Washington primarily, but with the Group of Seven more broadly, this perspective is extremely cautious, proposing at best voluntary moves toward greater transparency by hedge funds and mutual funds.

The way to deal with financial crises, according to this school, is not to create a new global regulatory structure but to expand the role and resources of the International Monetary Fund (IMF), making it in effect a lender of last resort—but only to countries willing to undertake tough financial reforms. Such reforms would include more liberalisation, greater transparency, tougher bankruptcy laws to eliminate moral hazard and more prudential regulation.

Critics, however, say that by pushing the institutionalisation of Western-style financial practices, this school really seeks to “wire” the financial systems of the so-called emerging markets more effectively into the global financial markets dominated by Northern, specifically US, capital.

**The Back-to-Bretton Woods School**

The second approach might be called the “Back to Bretton Woods” school—that is, back to Keynes’ vision of regulated global capitalism that originally underpinned the formation of the World Bank and the IMF.\(^7\) This proposes a transactions tax on capital flows via a transactions tax on capital inflows and outflows. Such controls at the international level may be supplemented with regional or national level controls, such as Malaysia’s tough measures to curb capital outflows and Chile’s effort to manage capital inflows by requiring that investors invest part of their capital for a specified period of time in an interest-free account in the Central Bank.

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For some analysts in this school, capital controls are not only meant to prevent destabilising movements of speculative capital or to encourage greater inflow of long-term direct investment and credit. They say that capital controls, like trade restrictions, should be seen as legitimate instruments for the pursuit of trade and industrial policies aimed at national economic development.

The thrust of this approach is reform of the World Bank, the IMF and the World Trade Organisation along the lines of greater accountability; a less doctrinal push for free trade and capital account liberalisation; and greater voting power for developing countries. Partisans of this approach view the IMF as a mechanism to infuse greater liquidity into economies in crisis but, unlike the G-7, they would have the Fund do this without the tight conditions that now accompany its emergency lending.

The Back-to-Bretton Woods approach is a reasonable agenda with international and national components. Recent developments show, however, that the powers-that-be are not willing to countenance even the milder proposals of this agenda.

Despite the fact that volatility continues to mark global financial flows and despite the fact that even the IMF now admits that capital controls may have prevented such flows from further destabilising the Malaysian economy, the first, do-nothing approach appears to have prevailed. A look around shows that, despite the success of capital controls in bringing about financial stability, Chile has lifted its controls on foreign capital inflows, while Malaysia has withdrawn its controls on outflows. There is one simple reason for this: massive pressure from hedge funds and other investment funds.

These moves certainly do not stem from the fact that national level mechanisms have been rendered superfluous by the erection of serious capital controls at the international level. For all its brave talk about creating a new global financial architecture, the G-7 at its summit in Cologne in mid-June gave birth to a mouse—to a program that put the emphasis on voluntary disclosure of financial information by the hedge funds and voluntary risk management by the private sector. 

Cologne produced another ironic result—a stronger International Monetary Fund to exact economic reforms from emerging economies, but without the organisational reforms in terms of greater transparency, greater accountability, greater consultation and a more self critical approach to its programs that the Fund’s many critics have long demanded.

Global macro management by the IMF, voluntary policing by the private sector, continuing capital account and trade liberalisation—this is what Cologne enshrined as the new global financial architecture. The answer to financial crisis is less controls, more liberalisation, greater integration of the local economy into the world economy. Larry Summers revealed the logic behind this approach in his comments on Argentina in a recent speech: “Today, fully 50 percent of the banking sector, 70 percent of private banks in Argentina are foreign-controlled, up from 30 percent in 1994. The result is a deeper, more efficient market and external investors with a greater stake in staying put”.

In short, financial liberalisation equals the US interest equals global financial instability. Summers’ curious algebra is the latest manifestation of the mentality earlier expressed by Charles Wilson of General Motors (GM), who said that “What is good for GM is good for the United States”.

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8 Group of Seven,
It’s the Development Model, Stupid!

It is the unwillingness of the dominant economic superpowers to allow any real control of global speculative capital, or any real transformation of the IMF from its role of being the engine of global financial integration, that accounts for the increasing attractiveness for many in Asia and elsewhere of a third school of financial reform. This is what I call the “It’s the development model, stupid!” school.

Advocates of this paradigm are not optimistic about the possibility of transforming the multilateral agencies, which they see as the linchpin of an international system that systematically marginalises the developing countries.

The same scepticism marks their view on the possibility of effectively imposing international capital controls or other supply-side measures on hedge funds and other players in what they call “global casino capitalism”. In their view, national capital controls such as the successful Chilean controls on speculative capital inflows and the Malaysian restrictions on capital outflows are much more promising.

Moreover, their advocacy of capital controls is accompanied by a more fundamental and thorough critique of globalisation that goes beyond its erosion of legitimate differences among “national capitalisms”. The main problem, in this view, lies not in the volatility of global speculative capital but in the development model itself—in the institutionalisation of exports and foreign capital as the twin engines of economic growth. The fundamental flaw of these economies is their indiscriminate integration into the global economy and their over reliance on foreign capital for development.

CONCLUSION

The way out of chronic and continuing crisis is the deglobalisation, albeit limited, of the domestic economy—that is, its reorientation toward greater reliance on the internal market; greater dependence on domestic capital resources; closer cooperation with neighboring economies to create protected regional markets; a lower rate, and more benign pattern of growth that would generate less income inequality and inflict less harm on the environment; and income distribution and political reforms to underpin controlled development.

It would, of course, be ideal to have a more congenial, international financial architecture, but since this is not going to happen soon, there are two overriding tasks. The first task is to prevent current reform efforts from becoming a project which more thoroughly monitors and penetrates the financial sectors of developing economies integrating them into a global system controlled by the North. The second task is to devise a set of effective capital controls, trade measures and regional cooperative arrangements that would allow internal economic transformations to take place with minimal disruption from external forces and developments.

Interestingly enough, the case for this school has been made most effectively by Larry Summers himself. In an interview with Time earlier this year, he said, “Global capital markets pose the same kinds of problems that jet planes do. They are faster, more comfortable and they get you where you are going better. But the crashes are much more spectacular”.

Changes to the International Monetary System & the Role of Outsiders

By Savenaca Siwatibau

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The influence of the international monetary system on the economic and social welfare status of many groups of people throughout the world has become an issue of great concern in recent years. I want to look at the role of that system in the evolving world economic order and suggest what a more inclusive arrangement for reviewing the system and the policies of the institutions that oversee that system might be.

THE ESTABLISHMENT OF THE IMF AND IBRD

The Alliance powers were, in the midst of the second world war, already shaping the contours of the world economic order that they wanted established for the post war era. They wished to avoid the difficult economic and social experiences which many countries went through during the inter-war years. It was hoped that the new world economic order would lead to peace and prosperity and hopefully to the elimination of all wars in future.

The negotiations on the architecture of the international financial and monetary system, which is an important feature of the new order, was concluded at Bretton Woods, New Hampshire in 1994. These negotiations were dominated by two intellectual giants, Lord Maynard Keynes of the British Treasury and Harry Dexter White of the US Treasury. As in all negotiations, compromises were made taking into account the economic interests of the various parties. The United States, the most militarily and economically powerful and already, at the time the major creditor to which all the Alliance powers owed much, was the dominant player in the negotiations. The final text of the agreement necessarily reflected the realities of the power structure among the Alliance members at the time.

The Bretton Woods Agreement detailed rules which members must observe and established the International Monetary Fund, IMF, and the International Bank for Reconstruction and Development, IBRD. The latter is commonly referred to as the
World Bank and was to help in the financing of the reconstruction of countries devastated during the Second World War. The IMF was to play a very central role in the workings and policing of the international financial and monetary system.

The objectives of the IMF are:

- to promote international monetary co-operation through a permanent institution, which provides a machinery for consultation and collaboration on international monetary problems;
- to facilitate the expansion and balanced growth of international trade and thereby promote the expansion of employment and real income in the member countries;
- to promote exchange rate stability, maintain orderly exchange arrangements among members and discourage competitive exchange depreciation;
- to help establish and promote a multilateral system of payments in respect of current transactions between members and eliminate foreign exchange restrictions which hamper the growth of world trade;
- to allow short-term foreign exchange loans to members to assist them address balance of payments difficulties in a way which avoids resorting to measures destructive of national and international prosperity;
- to shorten the duration and lessen the degree of disequilibrium in the international balance of payments of members.

The IMF Structure

The IMF is like a cooperative. Its members are governments whose membership subscriptions are called quotas. These quotas reflect the relative sizes of the economies of the members and determine their voting powers in the Executive Board and the Board of Governors.

The Executive Board sits continuously in Washington where the Executive Directors reside. It exercises all-important decisions which have been delegated to it by the Board of Governors. This Board, whose members are the Ministers of Finance or in a number of cases, the Governors of the Central Banks, meets once a year. Most of its decisions on the major issues reserved for it, are made through voting without meeting.

The Interim Committee of the IMF is a sub-committee of the Board of Governors. It plays an advisory role to the Board of Governors and the Executive Board. It is serviced by the IMF staff and the Executive Board. Its views and recommendations are given considerable weight by both organs of the IMF. Countries which appoint or elect Executive Directors also appoint or elect the twenty-four members of the Interim Committee. So the views and recommendations of this committee do reflect the distribution of voting powers among the members.

There are also political groupings which exert pressures on important decisions affecting the policies of the Fund and the evolving shape of the international financial and monetary system.

The Group of Ten is made up of ten major industrial countries which are parties to the General Arrangements to Borrow, GAB. The GAB enables the IMF to borrow from the members when substantial IMF resources are needed for programs which GAB
members may enter into. This group, composed of industrial country members which command substantial voting powers in the IMF, exerts considerable influence on the workings of the international monetary system.

The Group of Twenty-Four, made up of developing countries, does not have as much influence reflecting the smaller voting power which these countries have. It is also much more difficult to converge upon common positions among the members of such a large group. It operates more as a pressure group. The members could, if they work together, block decisions which require a large proportion of the total voting power. But the ability to block decisions collectively does not necessarily confer power and certainly does not equip the group to take initiatives and manage changes to the international monetary system.

The Group of Five, whose members hold the largest quotas, US, Germany, Japan, UK and France, emerged in 1973. It is an effective and powerful steering group. Its members are the Heads of State whose collective pronouncements are persuasive and effectively taken as “authority” by the Bretton Woods Institutions. This group evolved into the Group of Seven, G7, when Italy and Canada were admitted. Russia is now a member of it but the label has remained.

The Committee of the Board of Governors on Reform of International Monetary System and Related Issues, commonly known as the Committee of Twenty, C20, was established by the IMF in 1972. It was given the task of recommending changes to the international monetary system, following the breakdown of the fixed exchange rate system which occurred when the US government unilaterally abrogated its obligations, under the Bretton Woods Agreement, to sell gold for US dollars at the agreed price. This inevitable decision was the consequence of lax US fiscal and monetary policies and associated unsustainable balance of payments deficits and capital outflows. This was accompanied by mounting US dollar balances in countries with corresponding surpluses. The fixed exchange rate system came unstuck through dollar neglect; the central position of the dollar in the system cannot be sustained without sound macro- and micro-economic policies by the most powerful economy.

The recommendations of the C20, prominent amongst which was the formal recognition of the floating exchange rate system, were accepted by the Board of Governors and implemented through the second amendment of the Articles of Agreement of the IMF. The IMF had to reinvent itself and its role as changes imposed on the system had to be accepted by the membership.

The developing countries accepted the machinery for negotiation within the Group of Twenty, as countries and groups of countries which appoint or elect executive directors, (there were then only twenty), were able to choose Ministers of Finance to represent them in the committee. Although the decisions for changes would be made according to voting powers within the IMF Executive Board and the Board of Governors, the arrangement allowed them, through their nine Executive Directors in the Executive Board, and nine representatives in the C20, the opportunity to have their views aired and discussed.

The IMF Resources and Decision-Making Power of Members

The IMF resources are contributed to by the subscriptions or quotas of its members. A member contributes part of its quota in convertible currency or SDR and the balance in its own currency. The IMF may call upon a member with comfortable external reserve levels, to provide convertible currency to it against its subscription held in the domestic
currency. The pool of convertible currencies which the IMF has at its command may of
course be supplemented through borrowings, sale of its gold holdings or grants from
members for targeted assistance to the poorest members.

The IMF has, under its Charter and Executive Board decisions, comprehensive rules
about the use of its resources. Its resources are relatively small, compared with total
private capital which flows around the world each day, or with the total balance of
payments financing needs of its members. Under its charter, the IMF is required to
revolve its funds in attempts to assist as many members as it possibly can.

A foreign exchange loan from the IMF to a member in balance of payments difficulties
allows such a member additional time within which to introduce and implement
appropriate measures to address it. It also opens the door to private sources of finance
to enter the scene and supplement the resources provided by the IMF.

The decision making process within the IMF is of interest. The United States, reflecting
its economic weight in the global economy and its quota, has 17.78 percent of the total
voting power in the IMF. The corresponding voting powers for Germany, Japan, the
United Kingdom and France are 5.53 percent, 5.53 percent, 4.58 percent and 4.58
percent. No important decisions, including changes to the architecture of the
International Monetary System or policies of the Fund would be possible without the
approval of these members. Major decisions, such as allocations of SDR, which require
85 percent of the total votes, cannot be made without the concurrence of the United
States.

Two other members, Russia and China, have sufficient voting power to appoint their
own executive directors to the Executive Board of the IMF. Saudi Arabia, the largest
creditor of the IMF appoints its own director under a provision in the Articles of
Agreement. The other 175 member countries form 16 voting groups, each with
sufficient voting power to elect an executive director. Australia, a giant in our part of
the world, has only 1.58 percent of the voting power. It leads a group of 13 members
made up of New Zealand, Kiribati, Korea, Marshall Islands, FSM, Mongolia, PNG,
Philippines, Samoa, Seychelles, Solomon Islands and Vanuatu. The Executive Director
who represents this group at the Executive Board is always a senior official of the
Australian Treasury or Australian Reserve Bank. He or she commands 3.29 percent of
the total votes in the Executive Board. He or she cannot split his or her votes if the
member countries differ on issues placed on the board agenda. This constraint can
sometimes present difficulties for Executive Directors who represent both developed
and developing countries.

**The Role of the IMF**

The IMF provides temporary foreign exchange loans to member countries in support of
their stabilisation and adjustment programs. The shortfall between the national
imports and exports of goods and services is the deficit in the current account of the
balance of payments. Such deficits have to be financed through a mix of external debt,
other capital inflows such as direct foreign investments and portfolio investments or
running down of the country's external reserves. Unsustainable current account deficits
may exhaust foreign exchange reserves and the patience of external lenders, thereby
forcing the country into stabilisation, adjustment and reforms which necessitate cut
backs in national expenditures and imports and a restructuring of the economy which
is aimed at increasing productivity, competition, private investments and growth.
Balance of payments difficulties may stem from factors beyond the control of a country, such as falling external prices for exports or unsound domestic policies such as fiscal and monetary mismanagement and excesses. If the causes of the balance of payments deficits are quickly reversible, deficits can always be safely financed, from external borrowings or running down the country’s external reserves. If not, fundamental economic adjustment and reforms, involving domestic policies which are sometimes politically unpalatable, may become unavoidable.

Macro-economic stability which includes stable balance of payments positions and domestic inflation rates, is one of the necessary conditions for stable long-term national development and growth. Whether through unsound policies or domestic or external economic shocks over which it has little control, a country that runs unsustainable deficits in its balance of payments, will inevitably face mounting external debt, evaporating external reserves, tightened liquidity position in the banks, expectations of devaluation, erosion in confidence level, capital flight, falling import levels, reduced consumption and investments, rising unemployment and falling standards of living. Faced with such prospects, a country would be tempted to engage in protective measures, such as exchange control, devaluation, licensing or increased duties on imports. Such measures, when competively resorted to by countries (as experiences of the thirties showed) disrupt international trade and production and ultimately national investments, job creation and economic growth.

The IMF claims that an IMF supported program is in fact designed by the member country with technical assistance from its staff members. It stresses for instance that the Letter of Intent, which spells out the policy measures which the member government will put in place, and the performance criteria which must be achieved to allow progressive disbursements of promised funds from the IMF, is supposed to be the handiwork of the government and is executed by its Minister of Finance.

An IMF program now covers all aspects of an economy. The causes and nature of the balance of payments and the policy measures required to re-establish balance in demand and supply would be examined and policy prescriptions given. Aggregate economic variables such as domestic credit, public sector deficit, foreign trade, interest rates, exchange rates and other domestic prices, are carefully examined as part of the exercise. At one time macro-economic policies such as fiscal, monetary and exchange rate policies, were the preoccupation of the IMF. In more recent years, the whole range of micro-economic policies which address supply responses through restructuring the economy over a longer time span have become important features of the set of conditions attached to the use of IMF resources.

Financial assistance from the IMF to support a member’s stated financial and economic policies is generally provided under the so-called stand by or extended arrangement. These are in fact credit lines disbursed over one to four years and repaid during the fourth to tenth year. For the seventy poorest developing countries, loans at concessional terms, again in support of programs, may be made available under another window called the Enhanced Structural Adjustment Facility, ESAF.

The power that the IMF wields over members is considerable. It polices the provisions of the Articles of Agreement. It does this through regular interactions particularly through the Article IV Consultations under which it reviews a member’s economy, regulations and policies. Recommendations which the IMF makes about changes in policies and regulations are given considerable weight by members, particularly those which are, or, are likely to be, debtors of the IMF.
A member which is in difficulty and which resorts to IMF support, has little negotiating strength. International lenders will generally not lend additional resources to such a country without the stamp of approval of the IMF through the IMF program. The satisfactory conclusion of an IMF program is also a pre-condition for debt restructuring under the Paris Club Arrangement. This arrangement deals with sovereign debts of developing countries owed to the governments of the industrial countries. The existence of arrears to the Paris Club Creditors disqualifies the relevant country from access to IMF resources. Further, satisfactory agreement with the Paris Club Creditors is a requirement for rescheduling under the London Club Arrangement of debts owed to international commercial banks.

**The International Bank for Reconstruction and Development**

The traditional focus of the IBRD was, for a long time, on financing projects. But towards the late seventies, it decided to widen its focus and support sectoral adjustment programs of its members, after concluding that sound projects needed to be backed up by sound sectoral and domestic policies. This move has brought the two Bretton Woods Institutions closer and they now co-operate and co-ordinate their efforts, particularly in medium term programs which address supply constraints and for which the IMF’s Extended Fund Facility, EFF, and Enhanced Structural Adjustment Facility, ESAF, are used. Like the IMF, the IBRD imposes conditions on the foreign currency loans it provides in support of a country’s adjustment and reform program.

**GLOBALISATION AND FINANCIAL CRISES**

**Globalisation**

Globalisation has clear advantages as well as potential problems. The fruits of expanded trade and investments accrue to all, but their distribution within and among countries has generated intense debates. The benefits of foreign direct investments and other long term capital inflows are perhaps beyond question. Foreign investments are generally accompanied by technological know-how as well as management and marketing expertise. They supplement domestic savings in financing quality national investments which are necessary for trade expansion, employment creation and growth. Economic theoreticians who embrace the workings of the markets with religious fervor also emphasise that capital account liberalisation allows world savings to flow efficiently and effectively from those who save to finance investments which yield high return to the global economy. At the individual level and corporate level, the ability to invest one’s savings in remunerative instruments of one’s choice and of raising funds under the most attractive terms anywhere in the world certainly has its appeal.

However, there are difficult conflicts to be resolved. Governments certainly want the benefits that accrue from a deregulated global financial market. They also want to protect their sovereignties and maintain domestic markets that are regulated in pursuit of national objectives. These three conflicting objectives are what Summers, the US Secretary to the Treasury, referred to as “the impossible trinity”. A country which holds sovereignty dear and insists upon domestic market regulation, necessarily accords low priority to global capital market integration. Another country, which puts faith in the workings of the global market and international regulation by supra-national bodies, must accept the opening up of its domestic capital market and the erosion of its national sovereignty. Agreement by the member countries upon acceptable trade offs among these objectives is important as such a compromise has to
be reflected in the evolving structure of the international financial and monetary system.

Large surges in short term capital which are extremely mobile depending on the changing sentiments of investors, as experiences have shown, are highly destabilising and do untold harm to the real economy. An incoming surge in short term capital may suddenly raise money supply, lead to real effective exchange rate appreciation, and escalate asset prices. Such macro-economic developments are difficult for a developing country with weak economic and financial management and an under-developed financial sector to handle. The consequence is potentially serious, involving loss of competitiveness, difficulties in the current account of the balance of payments, loss of confidence in the economy by domestic and overseas investors, which is followed by a sudden change in sentiment and associated rapid capital outflow, currency depreciation, tightening liquidity, bankruptcies, falling investments and disruption to the real economy.

Financial Crises

We have had a number of serious financial crises during this decade. There was the ERM crisis of 1992, the 1994-95 Mexican Crises, the 1997 Asian Crisis, the 1998 Brazilian Crisis and the more recent Russian Crisis towards the end of last year. They demonstrate the dominant role of capital flows as against that of trade flows over exchange rate movements.

The EU countries under the ERM had fixed exchange rates among their national currencies. However, short term capital was quick to move as soon as divergence in national macro-economic performances emerged. So the ERM crisis was triggered off by higher interest rates in Italy as the inflation rate of that country rose. It then became cheaper to fund investments in lira from borrowing in Deutschmarks (DM) with lower interest rate. When the relative unit labour cost in Italy rose by about 20 percent, concerns suddenly increased about lira overvaluation as the Italian current account deficits widened and business profitability fell.

There was also concern about the Sterling overvaluation as the UK current account deficit widened in 1992. The collapse of trade between Sweden and the Soviet Union, the deprecation of the US dollar against the DM in 1992 and the associated increase in German interest rates together with the rejection of the Maastricht Treaty in Denmark in June of that year, cast serious doubts in the minds of investors on the European resolve to maintain the currency peg among their currencies. The hedge funds and other institutional investors recognised these trends early and moved their substantial short term funds accordingly. This led inevitably to the unraveling of the ERM system.

The Asian Financial Crisis

The East and the South-East Asian countries had enjoyed high growth rates with domestic and external financial stability for some time. Government budget deficits were low and responsible monetary policies were consistently maintained. Domestic savings and investment levels were relatively high.

The problems in South-East Asia stemmed from excesses in the private sector. In Thailand, where the crisis started, external investors and lenders assumed that the high growth rates and attractive returns would not end. The baht was effectively tied to the US dollar so that exchange rate risks were discounted and banks and corporate entities entered into unrestrained short term unhedged external borrowings. The central bank
was unable to effectively sterilise the impact of the incoming surges in short term capital, and the banks and other financial institutions employed their surging liquidity in projects whose viability and potential returns were not always carefully appraised. The escalating domestic asset prices such as those of property and equity encouraged even more external borrowings, while the financial sector regulation and supervision were weak.

The real appreciation in the baht as domestic inflation rose and the US dollar appreciated against the yen, contributed to a widening current account deficit and declining competitiveness. This, together with growing concerns about the escalating short term external debt against the falling level of net usable external reserves, created uncertainties. The apparent weakness in the financial system and the so called crony capitalism, also contributed to a sudden change in sentiment among investors.

Highly leveraged hedge funds and other institutional investors take large positions in the currency and capital markets. The collective resources under their control may be far greater than those of the government and central bank in a developing country. They are particularly interested in investments in which capital losses, such as in countries with fixed exchange rates, are negligible. They are nimble and quick to move when they see emerging weaknesses in macro-economic fundamentals. These large investors tend to be lead “steers” in financial herding out of a country. A mere rumour that a hedge fund, or large institution investor such as a mutual fund, is taking a position will encourage others to join the financial herd.

In the case of Thailand, the combination of inconsistent policies and its unsustainable currency peg was fatal. Incomplete information about government policies and proposed government measures coupled with paucity of comprehensive economic statistics on net external reserves, its maturity structure, and the position of financial institutions contributed to the rapid change in sentiment and surge in capital outflow.

Contagion was to spread quickly to other South-East Asian countries. The five countries most affected owed US$175 billion in short term debt against only US$100 billion in external reserves. Once the financial herd started to stampede, massive abrogation of debt commitments became inevitable.

The IMF, supported by multilateral financial institutions and a number of governments, led the rescue operation in South-East Asia. The national currencies were floated and depreciated sharply. Fiscal and monetary policies were tightened and micro-economic policies which address supply constraints set in place. The external debts of banks and corporate entities weighed heavily on them. This was compounded by the escalating interest rates and depreciated domestic currencies which resulted in bankruptcies, falling investments, surging unemployment, negative economic growth and much social pain.

In hindsight, the IMF may have over reacted. Tight monetary and fiscal policies which it imposed raised interest to extremely high levels. This, and its insistence on immediate closure of insolvent banks, may have intensified the panic and deepened the economic downturn which followed.
The Effect on Pacific Countries

The substantial contraction in GDP and demand, coupled with the significant currency depreciation in East and South-East Asia had considerable impacts upon the South Pacific countries. Volume and prices of log exports from PNG and the Solomon Islands collapsed overnight. Other commodity prices also fell. The negative impact of reduced export prices on GDP, revenue and foreign exchange reserves were significant in these two countries and in Fiji. A decline in the number of tourists, particularly from Korea and Japan, was keenly felt in the Fiji tourist industry but was to some extent offset by buoyant visitor numbers from the United States and Australia.

The Polynesian countries were indirectly affected through weakness in the New Zealand economy. Remittances from and exports to New Zealand were down and resulted in widened balance of payments deficits, declining external reserves and lower growth rates in these countries.

The Governors of the Pacific Island central banks and of the Reserve Bank of Australia met in July 1998 to discuss required measures for attenuating the negative impact of the Asian financial crisis. They recommended that island countries should:

- maintain macro-economic policies which entrench internal and external financial stability,
- encourage direct foreign investments and other long term capital inflows;
- maintain control on short term capital inflows and all capital outflows;
- continue to deregulate their financial sectors cautiously while strengthening prudential regulation and supervision;
- maintain a fixed exchange rate system, with the central bank and the government taking the necessary measures to avoid appreciation in the real effective exchange rates of the national currencies.

These recommendations were well received and have been reaffirmed as part of the national development strategies in the Pacific Island Countries.

REVIEW OF THE INTERNATIONAL FINANCIAL AND MONETARY SYSTEM

The recent financial crises, and the serious national and global instability they generated, have galvanised world leaders, academics and members of the public into questioning the basic assumptions behind the current structure of the international financial and monetary system. The review process and negotiations within the formal organs of the IMF on the advice of the Staff, the Executive Board and the Interim Committee has begun. The positions of the G7 and G10 in this process will carry considerable weight in the determination of the final outcome.

A number of proposals for strengthening the architecture of the international monetary system are currently under discussion within the IMF.
**Capital Account Liberalisation**

Under Article VIII of the IMF Articles of Agreement, a member country may not, without the approval of the IMF, restrict payments and transfers for current transactions. These are transactions required for the payments of goods, services or remittance of profits. Article VI, however, gives member countries the discretion to regulate capital movements such as investments, borrowing and lending money across borders. This has not stopped the IMF from leaning upon developing member countries to free capital movements when it undertakes Article IV consultations and imposes it as a condition under its programs.

Despite growing alarm about unrestrained capital account liberalisation in the wake of the Asian crisis, a proposal by the IMF Executive Board for a third amendment to the Articles of Agreement which makes capital account liberalisation a purpose of the IMF has been endorsed by the Interim Committee and the G7. One eminent international economist, Professor Bhagwati among others, was critical of this move pointing to fundamental differences between free trade and free capital mobility. Unlike the latter, free trade, he emphasised is not subject to “herd behaviour”, panics, crashes, destabilising speculation and self-justifying outflows of capital and currency speculation. There appear to be no compelling reasons for forcing developing countries to embrace capital account mobility. The onus of proof upon the merits of the case for a country, it is argued, should be left with the IMF and that discretion should remain, as affirmed in the current Article VI of the IMF Articles of Agreement, with the member countries themselves.

The IMF argues that capital account mobility has obvious advantages nationally and globally as it complements the multilateral trading system, subjects governments to greater market discipline, penalises unsound monetary and fiscal policy and ensures that global savings are used efficiently to the global good. Capital accounts could, according to the IMF, be deregulated with safety, provided the supportive measures are properly sequenced and firmly implemented. However, support for maintaining capital control, at least for short term capital inflows, such as in the Chilean system of taxing short term inflows, appears to be increasing.

**Strengthening Financial Systems**

Countries are encouraged by the IMF and the IBRD to strengthen financial sector prudential regulation and supervision and to reaffirm the independence of the central banks. Governance in the financial and corporate sector are to be improved by ensuring that accounting standards and practices conform with international standards. Other principles and codes established by international bodies such as the Basle Committees’ Core Principles for Banking Supervision, the International Organisation of Security Commissions’ Principles of Security Markets, the IMF’s Code of Good Practices on Fiscal Transparency and the OECD’s Code on Corporate Governance are to be examined and adopted as benchmarks by the IMF member countries. Regulators should co-operate closely across countries exchanging information and working together towards early formulation and implementation of counter measures against the emergence of financial crises.

A Financial Stability Forum, chaired by the Chief Executive of the Bank of International Settlements, BIS, has been established. The Forum with 35 members from the G7 countries is given the dual tasks of: keeping a watch upon vulnerable developments at national and international level and systemic risks as they emerge, and working
towards the formulation and adoption of consistent international rules for financial institutions. Besides the G7 countries, the IMF, IBRD, Basle Committee on Banking Supervision and the International Association of Insurance Commissioners are represented on this Forum. Representation from developing countries to the Forum is yet to be considered.

**The Role of the Private Sector**

National bankruptcy laws generally provide for reorganisation when corporate entities are unable to service debts. Creditors would meet and agree to debt restructuring, including write-offs to allow an insolvent entity time to trade itself out of its difficulties. No similar arrangements exist at the international level.

A large proportion of cross border debts are now held by numerous bond holders. Future bond contracts, it is suggested, should have terms which allow specified proportion of holders to agree to variation of the terms in order to allow restructuring of such debts. It may also be possible for the international financial community to accept declaration of temporary halt to debt repayments by an insolvent debtor, perhaps with a stamp of approval from the IMF. This scheme, if adopted, may help discourage excessive lending and, to some extent, address the moral hazard inherent in a system under which public funds provided by the IMF are effectively used to bail out private investors.

**Strengthening IMF Surveillance**

Surveillance by the IMF is expected to place emphasis upon the risks of potential reversals in short term capital flows, rapid accumulation of short term debt and the sequencing of liberalisation in the capital account. The IMF should maintain closer contact with development in the financial markets and increase the frequency of dialogue with authorities in the member countries. In co-operation with the IBRD, closer examination of financial sector developments in the member countries will be accorded priority.

**Information and Transparency**

Member countries will be encouraged to provide more information to the public on policy making processes. Details of the findings in the Article IV Consultations and of the Letters of Intent under IMF programs are to be publicised. Good governance involving transparency and accountability is important. Transparency in both budgetary and monetary management is an essential component of good governance. Comprehensive statistical information on the economy is to be regularly updated and publicised. This information is to be presented in a way which enables members of the public and economic actors to make intelligent assessments and decisions. Sound domestic policies which entrench macro-economic stability, sharpen competitiveness and encourage private investments are necessary for maintaining confidence and avoiding sudden outflows of capital.

**Lender of Last Resort?**

The IMF cannot at present, create unlimited liquidity required by a global lender of last resort. Such an institution is probably a generation away, since the adoption of global regulation, a single currency for the world and a global central bank is difficult to contemplate at this stage.
The IMF should probably continue to concentrate on marshalling funds from various sources and on supervising negotiations between countries in difficulties and their creditors. Lines of credit from central banks either directly or through the Bank of International Settlements, or from private banks, are avenues with potential. It will also help if further increases in quotas and SDR allocations were to be considered and agreed to by the membership of the IMF.

THE ROLE OF OUTSIDERS

The economic and social disasters that follow in the wake of financial crises have raised many questions. The workings of the international financial and monetary system are perhaps too important to be left solely in the hands of professional economists who inhabit the Bretton Woods Institutions and the treasuries and central banks of member countries.

Should important decisions on revamping the architecture of the system continue to be made under the current weighted voting system within the formal organs of the IMF? Would not a more inclusive international forum be a better one for such an important exercise? The decisions of the Executive Board and recommendations of the Interim Committee, reflecting the realities of global political and economic power, are effectively determined by the G7 countries which command about 47 percent of the total voting power in the IMF.

Attempts by others, outside of the Treasury/Central Bank/IBRD/IMF network, to influence the mainstream decision making process within the Bretton Woods Institutions have not to date met with success. Conferences in which academics and practitioners have aired their views have been held. The ECOSOC held a meeting with the Bretton Woods Institutions in April this year. But while exchange of views certainly took place, and resolution on future co-operation between the UN and Bretton Woods Institutions was made, the meeting concentrated on briefings by the Bretton Woods officials on the outcomes of the Interim Committee and Development Committee meetings earlier in the month.

Currently, as Professor Jeffrey Sachs of Harvard University recently observed, the G7 makes its declaration and invites the rest of the world to support its proposals. There is, he says, no talk of negotiations with the relatively poor in a joint global problem solving exercise. He raises the importance of a fairer voice for the poor in the new system as a pre-condition for entrenching stability in the global economy.

The UN Secretary General has called for a UN role in global financial reform allowing the community of nations, including civil societies, to work together in attempting to solve problems. An alternative forum could be one in which representatives of the most important industrial and developing countries could sit. Perhaps the inclusive forum within which this debate can take place, will enable the necessary trade offs to be made between the conflicting objectives of unrestrained integration and globalisation; sovereignty; and the legitimate pursuit of public purpose and social welfare objectives by national authorities. Such a tradeoff will also determine the future evolution of the international financial and monetary system.
International and regional conferences of NGOs such as the 1999 Seoul International Conference and the one we are now having, can exert much influence in establishing an inclusive machinery for discussion and review of the system. NGOs will need to discuss and formulate strategies on important issues for the reform of the system. These issues might include:

- the trade off among the impossible trinity and the optimal direction of reform in the international financial and monetary system;
- the sale of IMF gold for further concessionary assistance to the 70 poorest countries;
- variation to the programs for highly indebted poor countries, HIPC;
- IMF conditionality;
- capital account liberalisation;
- floating versus fixed exchange rate systems;
- social safety nets which need to be part of IMF/IBRD stabilisation, adjustment and reform programs;
- variation to the formula for determining quotas and voting power in the IMF;
- possible standstill in debt service to the IMF, IBRD and regional development banks as part of debt restructuring for countries with IMF/IBRD programs;
- future IMF quota increases and SDR allocations;
- the conversion of the Interim Committee into the Council of the IMF as a formal organ and the increased leverage on member countries flowing from that change, and
- the need for symmetry, as envisaged in the IMF Articles, in global adjustments under which creditor countries must bear part of the adjustment burden through currency appreciation and other national policies which support stable and sustainable global development. Currently this burden is borne disproportionately by members with IMF programs.

Common positions among NGOs, could of course be projected at global conferences of the kind proposed by the UN Secretary General. Governments could be engaged in discussions and important points upon which convergence is achieved, adopted by the relevant executive directors and governors of the IMF. National discussions need to be widened. In most countries, the positions of the Executive Directors at the Executive Board are largely decided upon by the Minister of Finance with advice from the Treasury and the Central Bank. National NGOs will need to work out for themselves the best arrangement within which to influence this process.

As part of enhanced transparency which the IMF now espouses, it welcomes external review of its operation. The Executive Board and the Interim Committee should, as part of this transparent approach, encourage testimony from outside experts regularly at their formal meetings.
There is yet an important area in which international NGOs can do much. They could strengthen developing country NGOs by improving their capacities to analyse financial and economic developments. This will enable them to comment authoritatively on national policies and influence the structure of stabilisation, adjustment and reform programs before they are finalised between the government on the one hand and the Bretton Woods Institutions on the other. This latter exercise is particularly important as social safety nets, for those who may be victims of the adjustments and reform, may not necessarily be accorded the priority they deserve by the government and the Bretton Woods Institutions.
HUMAN RIGHTS AND THE LAW

Human Rights and Social Development

By Basil Fernando

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The concept of social development gives coherence and perspective to the entire process of reflection in which the international community has been engaged. Social development says that only within a social order based on justice can the individual human being reach his or her full potential. Social development says, too, that real economic progress is impossible without progress in the social sphere. Social development is also the international community’s political response — political in the fullest sense of the term — to the global society in which we live. (Copenhagen Declaration on Social Development.)

Since effective and efficient delivery of basic services by the public sector matters more to the poor, weak governance hurts them disproportionately. Public sector inefficiency, corruption and waste leave insufficient resources to support the requisite level and quality of public services and targeted anti-poverty programs. However, non-availability of basic services to the poor is not a supply-side issue only. Often, it is the result of institutional structures lacking in accountability, domination by local elites, corruption on the part of petty bureaucrats, and lack of voice for the poor. Where this is the case, moving from poor governance to governance accountable to the poor requires systemic changes. These are notoriously difficult to bring about, since existing arrangements excluding the poor reflect power equations linked to prevailing economic inequalities. Yet unless these issues are tackled, it will be difficult to raise living standards of the poor. (Bank’s Poverty Reduction Strategy- Working Draft-Asian Development Bank.)
Unaddressed Social Issues

Despite the growth of human rights movements in Asia, the opportunities for discussions on social rights are very rare in the region. This is strange because most of the human rights problems in this region have their roots in unaddressed social issues. For example, the issue of caste which affects adversely more than 230 million people in India alone, is basically a social issue. In numerous countries, many of the problems relating to women, gender inequality and absence of gender justice are related to traditions. Domestic violence and female unemployment are often a result of social customs, sanctioned even by the way some of the religious doctrines are interpreted. Even issues such as “disappearances”, which are a significant problem in some countries, are very much related to the inability of the states to fulfil their obligation in providing gainful employment, particularly to the youth. The same is true of several violent conflicts relating to minority rights. Most children’s rights issues, such as bonded labour, sexual exploitation, denial of basic educational opportunities and neglect of the girl child are deeply related to processes of social discrimination which have traditional roots. The collapse of the rule of law in some countries, and intense insecurity spread in some societies, are also related to tensions arising from the failure to carry out obligations which relate to economic, social and cultural rights. In short, civil and political rights issues of the region cannot be separated from economic, social and cultural issues.

Perhaps it may be useful to look at some developments that have taken place in the international jurisprudence on economic, social and cultural rights issues and then return to regional issues relating to human rights and social development. Two meetings were held by some eminent jurists, one at Limburg in 1986 and another at Maastricht in 1997, at which some basic principles relating to these matters were laid down. In fact these documents were the products of an attempt to summarise the developments in international law and practice in the recent decades. Let us spend a short while recalling some of the Maastricht Principles.

The Maastricht Principles

The Maastricht Principles recognise that there has been a deterioration of the enjoyment of rights and adds,

> The gap between rich and poor has doubled in the last three decades, with the poorest fifth of the world’s population receiving one point four percent of the global income... The impact of these disparities on the lives of people — especially the poor — is dramatic and renders the enjoyment of economic, social and cultural rights illusory for a significant portion of humanity.

Quite a large part of the Asian population may come under that 20 percent of the world’s poorest. As for us, living in this part of the world, these statistics speak not just of numbers but of faces and images, voices and pleas. You are here because you have in some way tried to respond to these people.

It is not difficult for us to agree with the connection the jurists have made to the present day changes and the diminishing of rights; the statement from Maastricht reads:
Since the end of the Cold War, there has been a trend in all regions of the world to reduce the role of the state and to rely on the market to resolve problems of human welfare, often in response to conditions generated by international and national financial markets and institutions, and in an effort to attract investments from the multinational enterprises whose wealth and power exceed that of many states. It is no longer taken for granted that the realisation of economic, social and cultural rights depends significantly on action by the state, although, as a matter of international law, the state remains ultimately responsible for guaranteeing the realisation of these rights. While the challenge of addressing violations of economic, social and cultural rights is rendered more complicated by these trends, it is more urgent than ever to take these rights seriously and therefore, to deal with the accountability of governments for failure to meet their obligations in this area.

Thus the changed economic conditions impose a greater burden on the governments and the "states are as responsible for violations of economic, social and cultural rights as they are for violations of civil and political rights". The recognition of the equal responsibility of governments for economic, social and cultural rights as well as for civil and political rights is perhaps one of the major advances in international jurisprudence during this decade.

From this equal responsibility arise consequences:

Like civil and political rights, economic, social and cultural rights impose three different types of obligations on states: the obligations to respect, protect and fulfil. Failure to perform any one of these three obligations constitutes a violation of such rights. The obligation to respect requires states to refrain from interfering with the enjoyment of economic, social and cultural rights. Thus, the right to housing is violated if the state engages in arbitrary forced evictions. The obligation to protect requires states to prevent violations of such rights by third parties. Thus, the failure to ensure that private employers comply with basic labour standards may amount to a violation of the right to work or the right to just and favourable conditions of work. The obligation to fulfil requires states to take appropriate legislative, administrative, budgetary, judicial and other measures towards the full realisation of such rights. Thus, the failure of states to provide essential primary health care to those in need may amount to a violation.

The recognition of these principles amounts to greater acceptance of the significance of the work of social empowerment that we are all engaged in.

The obligation to respect, protect and fulfil contains elements of the obligation of conduct and the obligation of result. The obligation of conduct requires action reasonably calculated to realise the enjoyment of a particular right. In the case of the right to health, for example, the obligation of conduct could involve the adoption and implementation of a plan of action to reduce maternal mortality. The obligation of result requires states to achieve specific targets which satisfy a detailed substantive standard. With respect to the right to health, for example, the obligation of result requires the reduction of maternal mortality to levels agreed at the 1994 Cairo International Conference on Population and Development and the 1995 Beijing Fourth World Conference on Women.
Thus the international jurisprudence relating to your area of work is expanding. Unfortunately, the same cannot be said of national jurisprudence and the current practices of the countries of the region. Is the excuse a lack of resources? Such an excuse is not justifiable regarding the core obligations, as resource scarcity does not relieve states of certain minimum obligations with respect to the implementation of economic, social and cultural rights. Thus, for example, in a state where a significant number of individuals are deprived of essential foodstuffs, essential primary healthcare, basic shelter and housing or of the most basic forms of education, there is a prima facie violation of the Covenant. Such minimum core obligations apply irrespective of the availability of resources of the country concerned or any other factors or difficulties.

Obligations Apply to All

Counter cultural or religious traditions are not excuses for ignoring the obligations arising from the Covenant. The state cannot justify derogation or limitations of rights recognised in the Covenant due to different social, religious and cultural backgrounds. More attention needs to be paid to this region. The deprivation of women’s rights is often justified in terms of religion or customs. Even at the end of the twentieth century, in many parts of Asia a girl child has less chance of education, employment or a free choice in marriage. It is sad to see such practices being justified as expressions of Asian values. The practice of Caste is justified in South Asia in a similar manner. It is also unfortunate to see acts based on religious intolerance taking place to an extreme degree. In some parts of Asia, even the possibility of a nuclear war has been raised. Any genuine effort to gain acceptance for international jurisprudence and the promotion of economic, social and cultural rights must critically address these problems. Those who speak of Asian values say that the West is in a spiritual crisis while we have no such crisis. This is far from the truth. Asia has been in a deep spiritual crisis — one of the worst humanity has ever known, mainly due to our inability to arrive at a consensus on human equality — and it will continue to be in a crisis unless some significant changes are made to occur. Despite the great religious traditions we have inherited, we have not been able to accept the common humanity of every human person, irrespective of gender, race, caste and Sakdina.

The state cannot use the “progressive realisation” provisions in article 2(1) of the Covenant as a pretext for non-compliance. The fact that the full realisation of most economic, social and cultural rights can only be achieved progressively, which in fact also applies to most civil and political rights, does not alter the nature of the legal obligation of states, which requires that certain steps be taken immediately followed by other steps as the conditions improve. Therefore, the burden is on the state to demonstrate that it is making measurable progress toward the full realisation of the rights in question. There is no dispute that full realisation and the actual level of realisation may not be the same for quite some time to come, given the nature of uneven development we all experience. The dispute is about how significant a beginning has been made by each country and with what vigour the objectives of these Covenants have been pursued. In this respect it is worth recalling some of the principles enunciated at Limburg (1986).
**Limburg Principles**

The obligation of progressive achievement exists independently of the increase in resources, requiring effective use of the resources available. Progressive implementation can be effected not only by increasing resources, but also by the development of societal resources necessary for the realisation by everyone of the rights recognised in the Covenant: “to the maximum of its available resources”. State parties to the Covenant are obligated, regardless of the level of economic development, to ensure respect for minimum subsistence rights for all. “Available resources” refers to both the resources within a state and those available from the international community through international cooperation and assistance. In determining whether adequate measures have been taken for the realisation of the rights recognised in the Covenant, attention shall be paid to equitable and effective use of, and access to, the available resources. In the use of the available resources, due priority shall be given to the realisation of rights recognised in the Covenant, mindful of the need to assure for everyone the satisfaction of subsistence requirements as well as the provision of essential services, “individually and through international assistance and co-operation especially economic and technical”.

**International Cooperation**

It can thus be said that under modern international jurisprudence, international cooperation is an obligation and not merely an option. No one today disputes that it takes a lot of cooperation to keep people poor. No child dies of hunger due only to its own negligence or the negligence of its family. When we see television pictures of all types of human misery we can no longer say, “It is all their fault”. To say so, will only demonstrate one’s ignorance of the negative systems of cooperation. If the Covenant means anything, it is this: the Covenant states that elimination of poverty is a human obligation; providing basic education is a human obligation; providing basic facilities for a decent life is a basic human obligation. The last few decades we have seen some progressive measures in this direction. The debate relating to third world debt has begun to bear some fruit. It is necessary to articulate this problem in relation to Asia. While the issue of debt does not encompass the whole issue of poverty, it is quite an important aspect of it and the Asian countries also need to derive benefits from this debate.

 Rather an alarming aspect of social reality in most Asian countries in recent times is the abandoning by the state of its most basic functions, for instance, the policing functions. The worst victims are the poorest sections of society. The police often become part of the organisers of the crime. States quite often refuse to spend adequate funds on maintaining and supervising police services. The neglect also applies to judicial services. Under these circumstances, the life of the citizen and especially of the poor can become a bewildering experience. Thus, the rhetoric of social rights and poverty reduction needs to be matched with genuine policies and actions. The protection of civil and political rights must be kept alive as the bedrock of any real social security network.
Law and Social Development

By Savithri Wijesekera

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In the modern world, the law could be used to re-structure, plan or encourage economic enterprise, to promote peaceful revolution in social relations and to shape attitudes and beliefs towards social development.

The idea of law as an instrument of wide scale social planning has been accepted largely due to the increased power of the state machine, the technological facilities available for its control and the availability of a vast network of communications controlled by the mass media.

THE ROLE OF LAW

Law can be seen as an independent agency of social control and social direction. How far can law independently influence social change? Can law re-shape basic values in society. Is it true that the state has the power to create the laws to change patterns of social life, patterns that hinder or obstruct development? It is the duty of the state, and a matter of state policy, to use this power to direct and change in keeping with the social and cultural roots of the society it wishes to change.

The aim of social development is to improve the quality of life of people. Quality of life covers a wide range of situations. It is inseparable from the cultural, ecological, economic, political and spiritual environments in which it takes place. Social development requires the existence of democratic institutions and respect for all human rights. It also includes empowerment that reaches out to all sections of society, especially those discriminated against– the poor, women or neglected minorities.
Law in Relation to Society

We have to look at law not as something that stands apart acting upon society, but as an aspect of society, a certain side of social life as a whole. The difficulty most countries face when relating the law to social development is that the law has become something technical and only understood by lawyers. For the ordinary citizen, law is a technical regulation to be used for a regulatory purpose. This brings about certain difficulties to underprivileged sections of society.

For example, in Sri Lanka, the ignorance of the law and ignorance of the benefits one can get from the law has led to poverty and underdevelopment. A number of non-governmental organisations in Sri Lanka work with the community, explaining laws and legal rights in simple language for all to understand, including how to get the full benefit of existing laws. Women in Need legal programs are an example of this. While these organisations are active in making the law an accessible tool for everyone, there was considerable outrage and debate earlier this year when the government proposed to introduce a law which would enable it to look into the accounts and books of non-government organisations at any time. Non-government organisations claimed this was outrageous for their integrity and refused to accept it. The debate that resulted out of this proposed legislation has seen the government put it on the back burner for the time being.

The law has been described as an autonomous agency of social control, an instrument used to bring about social change and development. Social change has been described as an “alteration in established modes of behaviour in society”. Social change occurs when social structure, that is patterns of social relations and established social norms, changes. A change in the pattern of social relations between social or ethnic groups in a society would constitute social change. These changes could bring about harmony and social development. This may alter patterns of individual behaviour, for instance it may increase or decrease the number of abortions and change the birthrate. It may alter attitudes towards women, employment, violence and so on.

The speed of change and development may vary from society to society. In underdeveloped countries, due to lack of technological progress, or due to the slow process of implementation of the new laws, the development may take quite some time to be visible. When the laws deal with a change in a deep-rooted tradition in a society, these changed laws may be confined to the statute book. A great deal of propaganda to boost the new laws would be necessary.

How the law is put into effect is as important as its content. The nature of the enforcement agencies, the amount of resources available, the type of strategy, presentation and persuasion employed is also important.

Bringing about Change

The law does play an indirect, yet important role in fostering social development by controlling various institutions which have a direct influence on the rate and character of social change. For example, laws relating to educational institutions will have an effect on school curriculum which will lead to change. Laws relating to freedom of association will result in the non-government sector participating in social development. In Sri Lanka, non-government organisations are by law allowed to work freely on various neglected aspects of sections of a society. Women in Need run programs about violence for instance.
The law can be used to set up certain specific bodies in order to exert influence and bring about social development. For example, the setting up of boards, commissions and semi-government organisations could promote particular policy goals. An examination of the legal system of many countries shows an extensive use of this mechanism to promote social development. The creation of new legal duties for existing legal authorities, the extension of legal process to ministers, legislation provision for making special grants and fiscal concessions are some of the steps that could be taken to bring about social development through the legal process.

In England, there has been direct use of the law to influence direct social change by the imposition of legal duties on individuals. Legislation such as the Anti-discriminatory Laws, the Sex Discrimination Act 1975, and the Race Relations Acts 1976. A local equivalent might be the Sri Lankan Law of Prevention of Social Disabilities.

**What the Law Can't Do**

While accepting the fact that the law is a powerful instrument that can bring about social development, there are drawbacks. First, law can deal only with the outside and not the inside of people and things. Law cannot fully control attitudes and beliefs, but only observable behaviour. Secondly, law as an instrument of government relies heavily on some external agency and an army of bureaucrats to put it into operation. For a change in rape laws to be effective there needs to be involvement and support from police and the legal system. The new rape laws in Sri Lanka will require this.

Thirdly, there are limitations arising because some morally important rights or duties defy legal enforcement. For example, there will be social welfare law reform, yet this law cannot be enforced fully because it means forcing the natural ties and moral duties of family life. Male violence against women within the home is committed, and in spite of laws making domestic violence illegal, the violence continues.

Another important factor is that law often depends on interested parties or organised groups to set it in motion. It requires people who are motivated to call upon the law in support of its interests. A favourable political environment is also necessary to bring about social development through the legal process. Two things should be kept in mind during this process. First, the government or institutions should give high priority to social development when formulating policy. Second, these institutions should have the resources and information available for such formulation of policy.

**WOMEN IN SRI LANKA**

Commitment 5 of ICSA 1995 states:

> A commitment to promote full respect for human dignity and to achieve equity and equality between women and men and to recognise and enhance the participation and leadership roles of women in political, civil, social and cultural life as in development.

The data on Sri Lanka indicates that the position of the Sri Lankan woman is, in many respects more advanced than her South Asian sisters. Women play a very important role in the economic and social development of the country. They not only perform their traditional role as mothers to their children and wives to their husbands, which is inherent in Asian culture, they have become an important force in shaping the economy of the country. We notice a feminisation of jobs which were traditionally held by men.
Recent statistics show that 40 percent of the foreign exchange earned by the country has been from the earnings of migrant women workers.

The irony of this trend is that the sector which contributes to the economic progress of the country continues to be poor, neglected and exposed to various forms of vulnerability. Despite the productive and reproductive role played by them in society, they remain marginalised. Aside from non-recognition in terms of the economic value of their reproductive role, their productive role is still undermined.


**Literacy Rates**

The female literacy rate is 85.2 percent. In general, developing countries have low literacy rates. For instance, estimates of literacy rates in 1995 stood at 52 percent in India, 38 percent in Pakistan and Bangladesh and 28 percent in Nepal. In such a context, Sri Lanka’s achievement of a higher literacy rate, which is comparable with developed countries, is commendable. The overall literacy rate was 91.8 percent in 1996/97. During the last 15 year period, the male-female gap in literacy has narrowed down appreciably from nine percentage points in 1981/82 to nearly five percentage points in 1996/97. Sectorally, the Estate sector, which has a lower level of literacy, recorded the fastest increase between 1981/82 and 1996/97. This could be mainly attributable to improvement in school enrolment in the Estate sector.

**Laws Based on Conflicting Values**

The 1978 Constitution of Sri Lanka seeks to guarantee equality for women in its section on Fundamental Rights. In 1981 Sri Lanka also ratified the UN Convention on the Elimination of all forms of Discrimination Against Women. The labour laws in the country also apply equally to men and women.

On the other hand, the Land Development Ordinance of 1935 and its subsequent amendments continue to erode the traditional rights of women to land ownership in settlement areas. Women, who are the majority of workers in the unorganised or informal sector, are outside the ambit of labour legislation, and are vulnerable to exploitation by employers. The maternity benefits ordinance is a special law that protects women.

Customary or family laws impinge strongly on the lives of women in respect of their inheritance rights, marriage and divorce and custody of children. These laws neglect the traditional or religious practices of different communities. The Sinhala Kandyan Law is more liberal than the Hindu Thesavalamai Laws, while the Muslim Laws give only half the inheritance to females and men can make a unilateral declaration of divorce.

After Sri Lanka became a Crown Colony of the British, certain indigenous laws that recognised a woman’s economic contribution were either ignored or treated as secondary. Colonial legislation and policies on property rights and family relations recall how indigenous laws, which were beneficial to women, were replaced with Western European patriarchal concepts and values derived from English Common Law and the Roman Dutch Law. Statutory provisions in the colonial period neglected the Western European system of laws and values based exclusively on the economic power of the male, and the concept of the male breadwinner. Similar legislation during this period, and most of these laws remain up to date, strengthened administrative
policies and values that continued to ignore the contribution made by women and the necessity, in economic planning, to respond to their needs. Legislation in the colonial period on land ownership marginalised women as economic producers. Women were seen as secondary earners providing negligible, supplementary income for the family.

The post independence legislation did not continue to foster exclusively patriarchal attitudes and policies. Changes and modifications in property legislation benefited women. Employment legislation was enacted to give them equal rights and privileges as granted to men which was on the basis that they made an independent contribution to the community. These laws are in some ways atypical of other South Asian countries. They may be a reflection of a less rigidly patriarchal culture and social values. Yet, there is a continued recognition given to patriarchal perceptions. These attitudes are seen in economic planning and bureaucratic decision making, for example in the marginalising of women in the Mahaweli Settlement Areas.

The Constitution of 1978 clearly recognises gender equality before the law. The guarantees can be seen as a continuation of the positive legislative developments of the post independence era. The Supreme Court however can provide the remedy for violation of fundamental rights resulting from gender discrimination, only if the discrimination which results in the violation has been by a state authority. Actions of private citizens cannot be called into question even though they might have a negative impact on the activities of women as economic producers.

CONCLUSION

The Constitution provides the basic framework of legal values which prevents the enactment of new discrimination legislation. The challenge today is to formulate strategies that will enable the constitution to be used to ensure justice and equality for women through the legal system. There are today many positive laws which regulate women’s rights but most women themselves are either unaware of these laws or are not in a position to assert their rights to the maximum.

The legal system clearly postulates the assertion of rights as the foundation of law enforcement. When there is victim apathy, legal controls become ineffective.

Women’s organisations should take an activist stand. In Sri Lanka during the last decade, many women’s organisations have taken up the task of educating women on the law and their rights.

The Education system in Sri Lanka treats girls and boys equally. There is no discrimination in admitting of children. Therefore, you could say that the law treats everyone equally. But in practice, it so happens that sometimes the boys rather than the girls are given an education, if a choice has to be made of preference. But this attitude has something to do with the attitude of girl child discrimination. This is a social value that is prevalent in many South Asian countries which without a shift in community standards, the legal process or the legal area cannot do much about.
POVERTY & SOCIAL DEVELOPMENT

Poverty, Welfare and Empowerment

By Qazi Faruque Ahmed

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RETHINKING WELFARE

The phenomenon of poverty is rampant in the rural areas of third world countries of the Asia Pacific region, although the urban poor population is also increasing in a few mega cities of these countries. The poor in rural areas are landless labourers, small peasants, artisans such as potters, weavers, blacksmiths and so on, fisher folk and ethnic minority communities. They constitute a significantly large proportion of the rural households. Women of poor households are not only victims of poverty but are also oppressed by gender discrimination.

Millions of poor remain unaffected and bypassed by economic growth and the information and technological revolution occurring in these countries. This means that the real causes of poverty are not understood by policy makers and social policies and programs for poverty alleviation deal very sketchily with only some of the symptoms of poverty. The concept of welfare should be rethought. Traditional welfare means doles and handouts given to the poor for them to survive physically, while suffering indignity and shame because this approach tacitly blames the poor for their poverty. Real welfare should arise out of a process of empowerment of the poor and their direct intervention in the real causes of poverty.

This concept of welfare not only is effective in the sustainable reduction of their poverty but also allows them full participation in the decision-making processes of their community as well as the state, restoring their dignity as citizens and energetic subjects who transform their own destiny as full members of the human community.

The economic growth-oriented development paradigm and traditional welfare consider people as objects, consumers and recipients of services. These models do not call into question vulnerabilities, marginalisation and resource erosion of the poor.
which occurs through various forms of social, economic and gender injustices which are engendered by an extremely hierarchical society, by biased and distorted markets and by misgovernment by the state. The thinking that economic growth will trickle down to the poor as the cake of the growth gets bigger and bigger, and that those poor who will be excluded will be provided with a safety net of welfare, is devoid of any realism. This naive thinking fails all reality checks in all the poverty-stricken countries of the world. Although economic growth is important for development, it will not improve the situation of the poor unless biases against the poor by the society, the state and the market are corrected and the poor are seen not just as a source of cheap labour, but as full participants in economic growth processes.

The economic growth-oriented paradigm of development is not neutral in its effect on the anti-poor biases of the community, society, market and the state. In fact, it has increased the biases as it has given very little to the poor and served disproportionately the interests of the rich and powerful, within the country and outside. Unequal terms of international trade have made matters worse for the poor. Without doubt it can be said the poor are at the receiving end of sharp edges of unequal terms of trade, between rich and poor people within a country and between rich and poor countries globally. Promoted by aid and investment from first world countries, this model of development has not only accentuated erosion of the resources of the poor but also exacerbated natural resource depletion and environmental pollution. The unsustainable and environmentally unsound production methods, technologies and consumption of patterns introduced by this model of development have polluted and degraded forests, soil, water, air and biodiversity, the very natural resource base on which the livelihoods of the poor depend.

Thus, the economic growth-oriented development model has the following characteristics: it considers people as objects of development rather than subjects of development; the rich and powerful benefit disproportionately more than the poor; increases in natural resource degradation and depletion, and exacerbation of environmental pollution occur; biases against the poor and women in society, economy and government are not corrected and lead to further strengthening of these factors. The symptoms of poverty are often confused with root causes of poverty.

It is clear, therefore, that this model of development is unsuitable to bring about welfare improvements for the poor. An alternative development paradigm is required which should have the following characteristics: it considers people as subjects of their development; it enables people to participate in decisions which affect their lives and livelihoods; program interventions are made with a sound understanding of the root causes of poverty separate from its symptoms; biases and injustices in society, economy and government are addressed; environmentally sound production methods and consumption patterns are introduced. Justice, equity, sustainability and responsible consumption behaviour are the core values of this development paradigm.

As people come first, and their energetic participation is at the heart of this model, it is called people-centred development or at times participatory development. In order to map out intervention strategies for the reduction of poverty and its eventual elimination, in-depth analysis of the root causes of poverty is required. To start with one has to be careful not to confuse symptoms of poverty with its real causes. Hunger, malnutrition, unemployment, underemployment, illiteracy, high birth rates, fatalism, inarticulacy, apathy and alienation are but symptoms of poverty resulting from the deeply embedded root causes of poverty. Although the symptoms need to be alleviated, the success of sustainable poverty reduction and its eventual elimination
will depend on how effectively the root causes of poverty are addressed. The schematic diagram of the poverty tree (Fig 1) shows how mass poverty is created and maintained. At the root of the problem there are six major causes of poverty, namely lack of access, ownership and control of productive resources; a patriarchal social system which denies women equal opportunities; interlocked, imperfect and distorted market operations; lack of participation in public institutions and lack of access to public services; mainstream development efforts which benefit a small minority and bypass the poor; and finally environmental pollution, degradation and natural resource depletion.

Productive resources such as land, water, forest and financial capital are monopolised by a few, and the vast majority of the poor have little control over, access to or ownership of these resources. The patriarchal social system confines women to a reproductive role, treats them as less than human and denies equal opportunities for education, unemployment and physical mobility. Women work long and hard at domestic chores which are unpaid and unrecognised but are so essential for the survival, continuation and progress of human society. The unpaid labour of women creates and recreates cheap labour power for the present and for the future to be exploited by the more advantaged in the family, society and economy. That is why the majority of the poor are women and that is why it is aptly said that poverty has woman's face.

Markets are supposed to function on the basis of supply and demand but markets become distorted, interlocked and imperfect due to manipulation by the rich and powerful taking advantage of their superior social and political positions. This is why, whatever the poor produce, they have to sell cheap and whatever they buy, they have to buy dear. They sell their labour, agricultural products, crafts and other commodities for a pittance. The poor do not get loans from the formal banking sector and have to rely on loans from moneylenders at usurers' rates of interest.

Due to malnutrition and bad hygiene, the poor are easy prey to all kinds of ailments. In particular the health status of women and children is very precarious. The resources of the poor and their income become even more vulnerable as their access to health facilities is very limited. Private and government-run health institutions have in-built biases against the poor. The same can be said about the educational system. The poor have very limited access to educational facilities. The poor, especially women, often fall victim to various forms of social, political and state oppression. To receive protection and the remedies of the law, enormous amounts of resources and time are required, both of which are in short supply for the poor. The poor do not get justice, as they cannot pay for it. Thus justice and legal systems have a built-in bias against the poor.

Environmental pollution and degradation have telling effects on poverty. The natural resource base on which the livelihood of the poor depends, becomes fragile and unsustainable due to ecological imbalances created. Massive deforestation, extensive use of agro-chemicals, dumping of industrial waste and poisonous exhausts from vehicles and factories have seriously damaged soil, water and air quality, pushing many countries of the world near eco-disaster. Such a disaster affects everyone, but the poor are more affected. Their insecure livelihoods and health become even more vulnerable. The poor are often blamed for environmental degradation. This is nothing more than victim-blaming. Who cuts down the forests? Who sprays agro-chemicals onto soil and water? Whose industry and oil tankers dump waste and spill oil? Whose vehicles and factories spew enormous amounts of poisonous methane carbon-dioxide, the so-called green house gases? Whose fridges and air conditioners send up CFCs to
make the dangerous ozone hole? Answers to all these exonerate the poor. There can be no doubt that the rich and the powerful have to take the major responsibility for environmental pollution and degradation.

The malfunctioning and stunted growth of accountable democracy and resulting lack of good government is one of the root causes of poverty. Due to centuries of colonial rule and subsequent years of military dictatorship, most of the states of the third world countries did not develop an interest in or capacities for good government. Fundamental rights, human rights are violated by the state and powerful vested interests with impunity. Inept, slothful, corrupt and biased state machineries have promoted wholesale corruption and terrorism, which grip whole societies, particularly the poor, in a stranglehold. The poor have very little access and participation in the institutions of the state and society. Resource-poor and powerless local governments and all-powerful central governments are strong barriers to the effective participation of the poor. Elections are often manipulated with black money and muscle power. All this misgovernment affects the poor most and makes them poorer.

The foregoing analysis gives strong clues for strategies of intervention for the reduction of poverty and its eventual elimination. Another framework of analysis of the creation and recreation poverty (Fig 2) makes the clues even stronger. The creation and recreation of poverty is a process in which the resources of the poor, economic, social, human, cultural and environmental resources, are eroded through various dominant-dependent, patron-client relationships (lower part of Fig. 3). Economic resources are eroded through unemployment, underemployment, low wages, low prices of commodities produced, indebtedness to moneylenders, and so on.

Social resources drain away through inequality in social relations, loss of a sense of community due to social atomisation, weak horizontal relations among the poor, strong dominant-dependent relations, oppression of women and their lack of participation in the decision-making processes of the family, community and the state. Erosion of human resources occurs due to illiteracy, ill health, lack of employable skills, low self-esteem, lack of confidence, lack of analytical ability to understand the causes of poverty, fatalism, lack of cooperative attitudes and superstitious beliefs and practices.

Environmental resources are eroded when natural resources such as land, water, air and forests are depleted and degraded. Not only does production of crops, fish and livestock decline and the biomass fall and become unsustainable, but also many health crises befall the poor.

Cultural resource erosion happens due to adherence to feudal cultures of passivity, resignation, devaluation of physical labour, acceptance of social inequality and injustices as given, absorption of patriarchal values of marginalisation of women and so on. These resource erosion processes, although separately identifiable, are not very separate. They are mutually reinforcing. For example, income losses are accentuated by illness, dowries, illiteracy, natural calamities, and so on.

Poverty reduction and its eventual eradication would, therefore, require strategies not only to stem the erosion of economic, social, human, cultural and environmental resources but also to build up these resources. In other words, a coherent set of strategies and programs is needed for the empowerment of the poor. Empowerment should not only be seen as economic empowerment but should also include social, cultural, political and environmental empowerment, or broadly speaking, social empowerment.
Just as poverty is multidimensional, so are the routes through which poverty alleviation comes about. Changes in the welfare of poor households can be analytically separated as falling within three distinct groupings. Group one has to do with income growth and the second with coping capacities, that is capacities which can resist backward falls into further poverty and at the same time hold on to income gains. The third has to do with public goods, that is resources which are made directly available to the poor instead of having to come via the income route, for example, education, sanitation, health services, access to common property and state resources (for instance khas land, forest and water bodies).

The three groupings are mutually related and for successful poverty alleviation strategies, intervention in all three sites is required. Intervention in the group once only will not bring about sustainable results. If we are to understand this from the empowerment point of view, we must understand that the income growth group relates to economic empowerment while coping capacities and public goods relate to social empowerment.

In the empowerment process, the poor have to play a central role and to enable them to do so would require building their capacities in terms of organisations, leadership, socio-economic awareness, networking negotiation and bargaining skills, collective actions, advocacy skills and various practical and occupational skills. This capacity-building would require the facilitating and supporting roles of NGOs and civil society. Their roles should also have to do with advocacy, pressure-building, negotiation and persuasion in order for the state to become an enabler in the empowerment of the poor. The matrix given in the next three pages lays out the interventions required at the micro and macro level for the empowerment of the poor which will led to the reduction of poverty and its eventual elimination.

**PROCESSES OF EMPOWERMENT**

Proshika, one of the largest NGOs in Bangladesh and perhaps in the world, has been initiating these processes of empowerment and has already reached 1.5 million poor households and about 14,000 villages and slums. Poor men and women are organised at the community level as well as their networks being formed at sub-district, region and national level. Through development education programs of human development training, skill development training, functional literacy and popular theatre, the motivation and human, social and livelihood skills and capacities of the poor are increased. By providing collateral-free credit, technical extension services and marketing support employment, the self-employment and income raising opportunities of the poor have been increased many times. Health education, infrastructure-building for safe drinking water and sanitation and child immunisation are provided, so that the health vulnerabilities of the poor are much reduced. The poor are supported in their environmental protection work through programs of ecological agriculture and social forestry.

Disaster management and preparedness programs provide poor emergency relief and short- and long-term rehabilitation during and after floods, cyclones and other natural calamities which so often hit Bangladesh. Training in coping with natural disasters also assists the poor in reducing their vulnerability to natural disasters. The poor are assisted to advocate changing the macro policies of the state and donations are made in their favour through Proshika's advocacy program. The various impact measurements made both internally and by outsiders show that many positive changes have taken place in the lives of millions of poor who are reached by Proshika's programs. The
changes have been all round, economic, social, cultural and political. "Proshika has been able to facilitate a process of social change which is leading to the elimination or reduction of forces that reproduce poverty and disempower the poor" (1999 Impact Assessment Study on Proshika).

<table>
<thead>
<tr>
<th>Causes of Poverty</th>
<th>Main Issues</th>
<th>Micro/ Grassroots Intervention</th>
<th>Government Agenda (macro policy reform)</th>
</tr>
</thead>
</table>
| Lack of Access to Resources | * A large majority has virtually no land; a small minority controls almost all land  
* No access to common / government property, resources, e.g. open water bodies, forest, grazing land  
* No access to bank loans | * Social mobilisation for land reform and access to common / public properties  
* Landless water-selling program  
* Community-based fisheries management  
* Provision of micro finance service | * Enact and implement land reform  
* Reform banks for collateral-free loans |
| Lack of Access to Public Services Provided by the State | * Very limited access to health facilities  
* Very limited access to educational facilities  
* Very limited access to justice and legal systems | * Health programs to be undertaken  
* Education programs to be undertaken | * Provide legal aid  
* Pro-poor budget  
* Pro-poor health policy  
* Establish village court  
* Establish special court for dealing with women and child abuse |
| Patriarchal Social System | * Very restricted physical mobility of women outside of home  
* Male dominance pervasive in family, community and state  
* Laws, particularly family laws, are very discriminatory as these are based on religious principles  
* Participation in social/ community and political institutions are very, very limited | * Organising of women  
* Awareness building program  
* Massive program to generate employment and income for women  
* Voter education program | * Uniform family code  
* Implement Beijing platform action  
* Ratify fully CEDAW  
* Reserve seats for women at all levels but to be elected directly |
Table 1 cont.: Matrix of Micro and Macro Strategies of Interventions Required for the Empowerment of the Poor

<table>
<thead>
<tr>
<th>Causes of Poverty</th>
<th>Main Issues</th>
<th>Micro/ Grassroots Intervention</th>
<th>Government Agenda (macro policy reform)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Distorted / Interlocked Market</td>
<td>* Low and insecure wages; women get less than men&lt;br&gt;  * Very severe terms for share croppers&lt;br&gt;  * Usurious interest rates (120%-150%) charged by money lenders&lt;br&gt;  * Low prices for commodities produced by the poor, hoarding and big margins achieved by middlemen</td>
<td>* Social mobilisation for wage bargaining&lt;br&gt;  * Creation of alternative income and employment&lt;br&gt;  * Provision of micro finance services&lt;br&gt;  * Storage and marketing assistance</td>
<td>* Introduce minimum wage and equal pay for equal work law&lt;br&gt;  * Legislate to increase the share and security of share croppers&lt;br&gt;  * Provide price support</td>
</tr>
<tr>
<td>Big Development Projects by the state, funded by donors, bypass or negatively affect the poor</td>
<td>* People, particularly poor men and women, have no say in the choice and design of the project&lt;br&gt;  * These projects have a male bias and degrade the environment&lt;br&gt;  * Politicians, bureaucrats contractors, and consultants benefit disproportionately; the poor hardly get anything; rather, often they are displaced from their land, livelihood.</td>
<td>* Social mobilisation to prevent implementation of such projects</td>
<td>* Policies of these projects must contain the idea of people’s participation in selection, conceptualisation of the projects&lt;br&gt;  * A dequate compensation for the displaced</td>
</tr>
<tr>
<td>Causes of Poverty</td>
<td>Main Issues</td>
<td>Micro/ Grassroots Intervention</td>
<td>Government Agenda (macro policy reform)</td>
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<tr>
<td>Environmental Pollution and Degradation</td>
<td>* Massive deforestation&lt;br&gt;* Soil fertility degradation due to use of agro-chemicals&lt;br&gt;* Water pollution by agro-chemicals and dumping of industrial waste&lt;br&gt;* Grave consequences for health, particularly for children&lt;br&gt;* Air pollution in cities&lt;br&gt;* Women's workload increases</td>
<td>* Environmental awareness education program&lt;br&gt;* Social mobilisation for afforestation / reforestation and natural forest protection&lt;br&gt;* Massive tree planting&lt;br&gt;* Promotion of ecological agriculture&lt;br&gt;* Environment watch program&lt;br&gt;* Promotion of technologies capable of removing air pollution waste disposal</td>
<td>* Legislate for participatory forestry&lt;br&gt;* Ban all dangerous pesticides&lt;br&gt;* Government agricultural extension to adopt ecologically sustainable agriculture&lt;br&gt;* Introduce third-party public interest legislation&lt;br&gt;* Strengthen legislation to promote 'polluters pay' concept&lt;br&gt;* Establish special court to deal with environmental pollution&lt;br&gt;* Environmental Impact Assessment (EIA) for all large projects and industries</td>
</tr>
<tr>
<td>Lack of Participation in Social and Political Institutions</td>
<td>* Very, very limited participation in local government bodies&lt;br&gt;* No effective participation in Parliament&lt;br&gt;* Very, very limited participation in school boards, village salish, market committees etc.</td>
<td>* Strong social mobilisation and formation of people's organisations&lt;br&gt;* Voter education and election watch program&lt;br&gt;* Encourage the poor to contest in elections</td>
<td>* Reservation of seats and direct election for women&lt;br&gt;* Electoral reforms which discourage use of money, muscle and fatwa</td>
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Diary of a Path Beater: Addressing Urban Poverty through Women’s Leadership in Community Education

By Sheela Patel

Sheela Patel is a social worker by training who has been working in informal settlements and with women in poor communities for twenty five years. She is the founding Director of SPARC and is presently associated with international networks of Asian Coalition of Housing Rights (ACHR) Asian Women and Shelter Networks (AWAS) and Slum Dweller’s International (SDI).

SPARC: EDUCATION TRAINING AND STRATEGY

This paper is a retrospective diary of how those who founded the Society for Promotion of Area Resource Centres (SPARC) designed and developed their interventions to address issues of urban poverty in the city of Mumbai, India. The focus is on how to design partnerships with poor communities and build on their knowledge and capacities, rather than guide and reform them as the traditional welfare strategies often end up doing by default. Today this strategy and its partnerships have formed the basis of a national alliance of SPARC Mahila Milan and National Slum Dweller’s Federation which work in 28 cities in 6 states of India, and now share the strategy of the “federation model” with emerging partnerships in eight other countries in Asia and Africa.

We seek to share this strategy with the reader in much the same manner as we share strategies with our partner organisations and communities. It is not a pontificating of what is wrong with the world and how it needs to be solved..... instead it begins with a story of how we started our own quest, how we made critical choices, and where they lead us today..... A story from which others can pick what is useful to them and pursue it... either on their own or with our help...

Designing a training process which empowers poor communities, ensures women’s central participation and belongs to the communities of the poor has been like beating a path in a place where there are no tracks to follow, for those of us who started SPARC. Every young person who chooses to become an activist and work to address issues of poverty quickly finds there is no real road map to follow. Those maps that existed have deficiencies, and clearly don’t seem to lead in the right direction towards the goal.... What do young people do at that time? Some try and beat their own paths.... How do paths get beaten? Different people take different routes with different directions to reach their goals for which they choose different destinations. They then begin to either tread on that path a great deal and gradually more and more people tread the same ground and they create a pathway. Or, being dissatisfied, they seek other paths. Those who beat the path are often unaware of their historic contribution and see their roles as path breakers emerging out of a series of coincidences. When path beaters share their
knowledge of this path's existence with others, over a period of time, more and more people use the path.

Training, capacity building, institutional development and educational activities like path breaking are a mechanism or a process which transports people from one level of understanding, knowledge, capacities and skills to another level. People undergo capacity building processes, training and such like because they believe there will be an improvement in their levels of functioning due to this training. When the path is beaten, how many use it, where it takes them and how they survive the journey determines the popularity of the path and determines its utilisation.

However great its utilisation, the path like training is a means to achieve an end — no more. Its character and value is only in relationship to where it goes and how. Training processes like paths have a history. The time and location of that training process like the path emerges out of the situational process. They are designed to provide knowledge, values, skills which then lead the participants to some end. What the contents of this path (training) are, like the directions that a path takes, depends on the situation at that moment.

Those who are creators of training or pathways have a choice in how to use this knowledge. They can use it to derive a sense of power, accomplishment and confidence out of this achievement. Depending on their motives, they may want a variety of things in return for sharing this knowledge. Those who share this knowledge out of their own experience are the best teachers, often inspiring others to beat new paths or improve upon the journey. Especially when the path is new and the destinations unclear. Those participating in its design, reproduction and utilisation provide it with its scope, usage and replicability — and so, the analogy continues.

In our roles as path beaters, our choices have become clear. We want to beat many wide and secure paths, which take huge numbers of people to various destinations as and when they can go and they are ready to take a journey. We want those who travel to be concerned about all the members of their group. We want the journey to be safer and more secure so more can travel. We want to assist all pioneers to beat new paths — to complete journeys, to live to talk about it so others also feel confident to travel — and once the paths are clear and safe, to see everyone has the confidence to take the journey.

In a world of quick fixes, such processes stand out as vague, fuzzy and untidy and are often discounted. Neat training packages designed on conceptual clarity by those who never experience the reality of those who will use these processes are the designers of training processes today — a premium is placed on quick reproduction, with the focus on how to reproduce a skill rather than examination of whether it serves the purpose of those whose lives are to be affected by it. Those who live in a world of order, systems and affluence rarely see any value in these processes. They rarely sit back and ponder on where and how their own perspectives accommodate the aspirations and strategies of those who do not have, who are impoverished, who have no power, no history of control.

All training processes which are designed for the poor, must be designed to ensure that people not only develop confidence to undertake training but participate in its creation, execution and monitoring. In the context of the urban poor, the real training that works actually seeks to develop in poor communities, the capacity to consolidate themselves as a critical mass, capable of deciding what's good for them, being able to negotiate for resources, and being able to manage and distribute it with equity.... The content of the training must not only provide new values, knowledge and skills but also include the
organisational ability to ensure that the impact of training improves the quality of their lives and that the output of training is not used by individuals to “hijack” resources for communities. Carefully researched single point solutions and training modules designed to achieve them look good on paper — they are neat and efficiently conducted. They bear no connection with the lives of the poor let alone women. Instead, those processes which seek to weave a complex tapestry of multiple alternatives and which ensures capacity building bear fruit. Change which is sustainable must work for all — for large numbers whose lives change as a result. All training, all investments in that direction must first prepare the poor to deal with change, to make that change accountable to their needs and feel confident of contributing to that change. Is that too large a scope to cover for training?

HOW SPARC BEGAN

The central role that poor women play in the survival strategies of their family and community has always been very obvious to those who have worked with poor settlements. Paradoxically welfare agencies have always treated women as beneficiaries or consumers of welfare, who have to be motivated, trained and changed. The dignity of these women and their resourcefulness is perpetually trampled upon, both by their men folk, the communities they live in, as also by service providing agencies. Everyone constantly reminding women of what they have not been able to do, or cannot do, ignoring what they have done and achieved despite the odds.

Many of my colleagues in SPARC worked along with me for 10 years between 1974-84 in an urban community service centre in the inner city of Bombay, India. We tried to change the way in which the service delivery programs related to the women. When we found it was not possible for us to change the existing institutional practice beyond superficial changes, many of my colleagues and I resigned and set up an organisation called SPARC. SPARC (Society for Promotion of Area Resource Centres) is many things to many people. But for those who founded it, it is an ongoing and dynamic exploration of designing and fine-tuning an institutional arrangement which uses its resources, human and financial, to design ways by which poor and impoverished communities (and especially the women of these communities) begin to undertake activities which lead to their transformation.\(^1\) This transformation has both an educational and an organisational dimension.

Each component — educational and organisational — is distinct and yet inter related and SPARC sees its role in strengthening the capacity and ability of the urban poor to create and sustain an educational process, sharpening and redefining its content, direction and use, so that the capacities of the poor in organising themselves is further enhanced. SPARC's role in the organisational mobilisation is one of supporting and assisting — except in a few early instances (in the case of pavement dwellers) where it worked in partnership with communities to chart out a process of community organisation itself.

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\(^1\) NGO Lines: Urbanisation and development, IIED: 1989.
Processes are dynamic. Our goals for processes of community organisation are firstly to ensure gender sensitiveness in general in the long run, but to ensure women's central participation right from the start. To ensure that the process is inclusive, that it includes everyone, ensures that the aspirations within micro communities and also many micro communities are included in the process. That the process is democratic, and seeks to ensure action through consensus building, and finally that it is elastic and flexible to ensure durability and stamina on its long marathon route to achieving the needs of its members. All these and many more such considerations have to also be designed in such a manner that they lead to building institutional arrangements owned and managed by the poor.

**Initial Guidelines**

When SPARC began its work in 1984, those of us who founded it had a few guidelines which we clung to — allowing everything else to emerge from our relationship with communities. These guidelines informed our work and are listed below.

**Partnership not Service Delivery**

Firstly we developed a relationship of partnership with communities which questioned existing arrangements: We were not going to be a service delivery organisation. Instead we sought a relationship of partnership with the urban poor whose concerns and priorities would set our own organisational agenda for action. To locate initial partners, we would begin with the poorest of the poor urban communities and amongst them, focus on women in those settlements.

**Focus on Women**

We focused on ensuring women's central participation in that process. We would do this because we do not believe in anything trickling down. We have seen that often solutions are designed and executed among settlements of the better off among the poor, and when these strategies are replicated, they seldom replicate effectively. If (our logic told us) we began with the worst off, we may take longer to formulate a solution, but when it worked for the worst off, its adaptability for better off groups was assured to a greater degree than the other way around.

The focus on women was both a means and an end. Women in survival situations use resources judiciously, whenever they control distribution it is equitable and their ability to operate as a collective ensures democratic organisation. Strengthening this function and increasing its acknowledgement both within the community and outside affects many sets of relationships. It challenges traditional community organisation practice which inevitably locates a single male leader as a conduit of resource/ information flow from outside. It formalises and acknowledges what women do anyway, so that their abilities are better used for all in the community. After all, if women cook food, handle demolition, manage water and sanitation, they would know best what ingredients are essential for the solution and if the solution is viable.

When women accept the mantle of leadership for the "good of family and community", then they also feel less self-conscious about their role transformation and communities/ men don't harass them while they are still vulnerable. Gradually as women develop confidence, this confidence creates the basis of renegotiating relationships in the home and in the community.
This in turn changes roles in the home and in the community between husband and wife, men and women, and gradually these changes allow women and entire communities to examine their lives and aspire to an alternative vision of tolerance, equity and nurturance. This creates the foundation for changes in their roles and relationships to achieve these goals.

In SPARC’s earlier writing these issues did not come so succinctly, but these beliefs and commitments were always there and the articulation of them has improved and will keep getting better overtime we repeat it.

Community Reorganisation

Our third guideline was investing in processes which strengthen community through an internal reorganisation which is then sustained by the community process itself. We did not believe that we from the outside could organise the poor. “Community organisation” as presently understood is a mechanism to mobilise communities to fulfil goals and objectives considered by the catalyst as “good for the community”. That kind of community organisation we define as “agenda specific”, for instance you want to improve health, or education of children or give employment. Such a process motivates the poor to use a resource allocated by the state or the NGO. The process rarely seeks to address priorities as developed by the community.

In such a situation the external interventionists rarely question the present form of community organisation: i.e. who does what in the community? As long as the community nominates a leader who acts as a conduit between the outside and the community, there is no questioning of the internal processes which occur in the community. We believe that communities presently mirror all the inequities that exist in the social system of which they are a part. And one of the main lapses of the present organisational processes is the absence of women in the process.

Therefore there is need for Community Reorganisation so that human resources within the community are brought to the surface and reorganised to be democratic and equitable. This we believe will sustain and strengthen their struggle to change status quo initially and to ensure equitable distribution of resources when, through its struggle the community gets access to resources. Both these elements are essential and need to be undertaken simultaneously as part of this reorganisation.

Our final guideline recognises that reproduction of insights, knowledge and learning should be done by communities and not by the catalysts. Finally, catalysts (SPARC) to facilitate the crystallisation of this process should not be the reproducers of this process. i.e. communities and their leadership should take on responsibility of training and creating and reproducing knowledge if this alternative has to snowball into a movement. This requires the creation of a cadre of leaders who will energise and sustain this process.

The women residing on the pavements of the inner city of Bombay were SPARC’s partners in beating this path which allowed us to:

- transform ourselves (each one of us, middle class or poor, changed individually and aligned to reorganise communities);
- transform a crisis spelling doom into an opportunity of learning;
- transform a specific issue based learning into a universal learning tool which today forms the nucleus of an urban slum dweller’s movement in India;
transform the relationships between men and women struggling against poverty into a leadership with a vision for transformation in which men and women would relate to each other differently.

And it all began in 1983-84 when we began to work with women residing on the pavements.

CHOICES AND WHERE THEY LEAD

If we look at the path which we have created, we now see that there were many points at which we had to make choices. Each of these choices, although located in the situational reality of that particular moment, had an historical impact on the roles and relationships of all participating in the process today. We share this in a story telling form; in much the same manner this process is narrated by us when we share our experiences verbally.

Partners not Patrons

Links were made between professional middle class women and poor women residing on pavements. How this changed each one, and how they collectively initiated a change in how communities (especially men) viewed women's participation.

Pavement dwellings (to those readers who have not heard this term) are tentative structures set up on pavements or sidewalks of streets, in several parts of the city. These are as deep as the width of the pavement and as high as the wall behind permits. Most such settlements are in locations of the city which provide jobs to unskilled migrants such as wholesale commodity markets, recycling centres and so on. These dwellings begin by people sleeping on the sidewalk who gradually set up structures of bamboo matting, tin and wood slats to form a dwelling.

Women who reside in the pavement dwellings in the areas where SPARC first began to work are predominantly migrant women who came to Bombay with their husbands and children in the 1960s and 1970s due to a wide range of problems which can be easily linked to the failure of the country's development planning.

Handloom and Khadi (Hand spun) Co-operatives in Bihar in the north which supplied thread to weavers collapsed making the thread more expensive than the woven cloth. Muslim weavers, landless and with no other employment began to migrate to different cities. Bombay with its history of textile industry attracted these weavers who first tried to get a job in mills, and subsequently took any job they could get.

When SPARCies (as those who work in SPARC refer to themselves) began to work in these settlements, they went into this process with some clear ideas of what they were and were not going to do. First of all, they were going to understand how the pavement dwellers survived — why did they choose to live there, how did they provide for their needs and what were their problems and aspirations. To understand this, we were clear about who was going to give us this information. It was the women. Why? Because our earlier work experience clearly indicated that all survival strategies were developed, managed and maintained by women.
It was not as though this information could not have been sought in any other form. But engaging in a relationship with women, was (we knew intuitively) to serve many other functions.

**How We Started**

We will first describe the process, then analyse it. Everyday two or three Sparcies walked around the 43 settlements in various parts of E Ward (one district of 29 districts/wards of Bombay Municipal Corporation — which has one of the highest concentrations of pavement dwellings). The men would hover around to "represent" their settlements to these "social workers" until they realised these women were not behaving like social workers. No advice was given, no food, clothes, soap was distributed and no forms were filled. Following their men folk, the women too initially ignored the Sparcies. (*See Annual Report 1986)

Persistent pressure and non-acceptance of rejecting gestures got individual women intrigued enough to ask, "Why do you keep coming"? At which point the dialogue was initiated. Each of us shared our history of working as community workers who had tried traditional and conventional methods to solve problems of poor people and found we had not achieved a great deal. We now wanted to try another way - to get to know and understand the problems of poor people as they see it and to work with them. But most important we needed to understand them.

We began to ask and answer questions about each other — who are you, how old, are you married, where were you born, where did you live before you came here, how did you come and the questions went on. The collective picture the women’s stories represent is of a childhood of fun and frolic despite poverty, until puberty at which point — after a marriage arranged by families, the young girl went to live with her husband. Children were born and by 19-20 years of age the young couple was pressured to find work. The man left first in some cases, in others the whole family moved together without food, often without a ticket, their destination — the city of Bombay.

Choices of where to stay were limited by circumstance. Many women squatted near a place of work, or near another family from the village and gradually settlements grew. Women then discussed how they located sources of water, jobs and toilets in nearby middle class homes — often they were working in these houses for pittances, a choice women made to ensure access to basic facilities and informal protection, flexible work hours, food (leftovers) for children and small crisis loans.

**Critical Changes**

While these question answer sessions occurred several critical transformations occurred simultaneously.

We in SPARC found our language, attitudes and insights developing. On the one hand we began to understand their lives better and also the logic behind the choices women made. It was also a lesson in self-discipline not to behave like a "do-gooder". Often this response of quickly trying to give money, food or whatever was needed by the woman whose life was now so closely intertwined with ours, was a knee jerk response to the feelings of guilt it invoked in us. We realised it was a very short lived solution which would not serve many people, and would lead to a relationship of patronage with a few women only.
We also learned to provide feedback to women individually and collectively, and to use language and phrases which facilitated a relationship of equality rather than intellectual superiority.

As middle class educated persons, we saw that we had an innate tendency to constantly intellectualise the situation, and through analysis come to a conclusion and locate some solution. While this was possible in many of the situations which we had to deal with, in the case of the poor, this was not possible. Further, our way of dealing and articulating these issues intimidated the women who then became passive bystanders to a monologue. We moved to more emotive and descriptive language, to allowing one issue to be linked to many, even at the cost of seemingly confused discussion. That was how women spoke and felt — everything was linked to everything.

For the women this was a fascinating journey as each woman reflected on her own life and the cross roads at which she either made choices or dealt with choices which were thrust on her. By listening to their neighbours women drew a verbal picture of their settlement profile. Women painted a picture of women's roles in poor settlements which might otherwise never emerge to the surface because neither women themselves nor their men folk think it's important.

For instance the delicate negotiations of the pavement dwellers with police and building residents in the first place facilitated the settlement formation. In almost all instances individual women in most settlements and their neighbours could recollect the incidents which actually led to the first woman setting up the house. In one settlement, Samina Khatoon who had recently been widowed lived on the street next to her place of work. That street was a dangerous one as drug dealers operated there at night. Every night she sat upright and closed — never allowing herself to sleep for fear of any man coming to accost her or her two daughters. A policeman who patrolled the area observed this and he suggested she put her saree like a tent around and he would patrol. In return she sometimes made a cup of tea for him. When three villagers met her and came to live next to her, the policeman felt this would be good for her and also for pushing peddlers out, which it did.

Men Become Involved

Commonalties in experiences, dealing with similar experiences and using each other's solutions to cope with a strange new world of the city. Women laughed at their first encounters as maids when they were asked to wash utensils with soap under a tap. The slipperiness leading to breakage of glass cups — they had never used. Mopping floors instead of using cow dung to re-surface floors.

The fun and enjoyment in these discussions often led to several men coming into the process and curiosity quickly turning into sharing of their own stories. Here the fact that women's stories were already accepted, shared and valued, created the first major change in the sequences of the dialogue between men and women. Usually men's stories are dominant and women's stories are squeezed in. Here it was reversed — and yet, especially in pavement settlements, men began to acknowledge women's roles and contributions.
Discussions about immediate settlement problems came up. A child was sick, a woman had to have a baby, someone was at the police station locked up for no reason, why can’t we have a ration card (a ration card is a booklet to provide subsidised food and fuel to all. In the absence of identity cards it becomes the main proof of identity. Most poor people have no identity/ration cards) The usual response expected and delivered to communities making such a demand is that the social worker arranges, with whatever resources are available to solve this problem through his or her own intervention. In fact most service delivery is designed to serve this purpose. SPARC choose another route. For every demand the people/ women made, the solution was clearly not possible because they did not know how to get access to resources which they city and government had to provide. Rather than go alone and seek information ourselves we took 10-15 women interested in this process.

Let’s look at the case of ration cards for instance. Communities, through our discussions between women and SPARC, first identified why ration cards were important. The most obvious and overt purpose was subsidised use. The card gave everyone an identity and city based status. It was a requirement for anyone who went to give bail at the police station. It was a commodity which could be mortgaged for funds. And it was also the requirement to be on voter lists, for access to other city benefits and even to get a passport.

Working with the System

Most pavement dwellers believed their "address" debarred them from getting a ration card. Those rare individuals whose families had ration cards were clear it was a favour for which they paid in cash and kind and many had paid cash but had not received a card — bad luck! When we discussed this issue the initial expectation (despite many clarifications) was that SPARC will get us ration cards. No was our answer. If you want ration cards, you will have to accompany us as we explore this problem. Who would come — Women of course! Will families accept ration cards in the name of women? Why not they asked? The person who manages this process and learns how to get it and purchases grain with it will have to be the person in whose name the card should be. OK said most men, though some in a huff forced wives not to go, but no issue was made of that.

At the ration controller’s office there was panic when 15-20 women entered and began to make inquiries. The general response was — we don’t give cards to pavement dwellers. So we went to the State Government Department and examined the rules in which it was clear that even a foreigner living in India for 15 days could get a temporary ration card. We went back to the office and negotiations began. Although a person from SPARC handled the discussions initially everyone knew the general plan of action beforehand. We were creating a precedent whereby cards would be allocated to women on pavements. The first 10 cards took the longest. We got our way not only because we were right, but because 15 women in an already crowded office were creating an uproar. Once the cards were made, they created a sensation. Everyone including those men who asked wives not to go asked the women to go. Each time, with each set, the women were able to take over more and more of the procedure and soon none of us were needed. Even if there was a problem they went to the senior officer and got a clarification.
Recognition of Women’s Skills

Men began to feel more at ease with this process as women did not make much of a fuss about having cards in their names. No one treated this as a competition between men and women. Those men who had taken money from families to make ration cards felt very threatened. But apart from neutralising their hold over the community nothing else was said.

In this way other issues of health, children’s education, police and so on were dealt with. In each instance collectives of women interested and with time to spare formed a team with SPARC to make the first exploration and once a precedent was set, began to teach others to deal with this situation. No one called them leaders nor did they refer to themselves as such. But there was increasing and overt acknowledgement of women’s abilities to address problems.

Sharing

In this period of interaction we completed our first transition. We did not take any word, concept or idea for granted everything was assessed, analysed and re-interpreted to serve our ends. In doing this there was no self-consciousness, no reactive behaviour. We each accepted our different starting points and accepted that some were educated and better off, others were poor. Everyone contributed their insights, knowledge and ideas to evolve new knowledge which was then tested for its ability to solve problems. Each one who solved a problem had to share this with others who needed it.

We did not call this training — instead we called it sharing. We never made issue of changing roles of women because women themselves were still coping with this new awareness of themselves and they had made choices to use new knowledge to help families and not themselves. We accepted that because they wanted it to be so.

Transforming a Crisis into an Opportunity for Change

A crisis of major proportion and dimensions — evictions and demolition of pavement dwellings instead of frightening everyone, became the foundation for imagining the inconceivable, secure shelter for the homeless.

Up to the period in July 1985, this process of interaction continued, a clearer picture of life of pavement dwellers began to grow both in our minds and the women’s. The threat of impending demolition, the hostility of other sections of the city and the Municipality kept them perpetually in fear, and the threat of demolition hung like a sword over their heads. In 1981 the Chief Minister of Maharashtra and the Bombay Municipal Corporation had plans to rid the city of pavement dwellers. Hundreds were crammed into buses and sent outside the city centre. This was stopped when civil liberties’ groups in the city brought in a stay order in the High Court to stop this form of displacement. The case went on to the Supreme Court where it was awaiting a judgement. This judgement was delivered on 11th July 1985 and the BMC won the case. It had the right to clear pavements of the city in order to do its job. The judgement gave the pavement dwellers to the end of October 1985 to clear the pavements.

Chaos and panic fuelled by rumours had both pavement dwellers and voluntary agencies in the city in a state of panic. The women and their communities with whom SPARC interacted again demanded an instant solution. The panic was eroding all newly developed changes. We in SPARC were also scared and firstly attended many
NGO arranged meetings to discuss this issue. Many of these meetings were attended by community leaders who were men working with other agencies. They all seemed to promote confrontation.

When we spoke to the women — they refused. The felt they could not fight without destroying themselves as they had nowhere to go. These discussions, along with all the information about them, began to strike each one of us. With no past experience of dealing with such an issue we used the same strategy we had used in the past. Ask questions. So groups of us visited various government departments to see what it was they were planning to do. And we found to our amazement — there was no plan. No one knew how many pavement dwellers resided in the city. Institutes and researchers claimed such enumeration were not possible, and their stereotypes of who is a pavement dweller (a floating population of single men) and why they came to the city (bright lights and movies) and what they did here (pick pocketing, begging and drug peddling) had nothing to do with the reality. Of victims of development coming to city for survival.

Invisible Population

In the discussions with pavement communities the collective realisation was that the pavement dwellers were an invisible population. Neither the rich nor other groups of poor (unions/ slum dwellers) had ever included them in any organisation and their isolation was clearly evident. By mid August 1985, SPARC decided to do a study of pavement dwellers in E Ward and 4 arterial roads (Batiwala and Patel 1986 Sociology Paper) to demonstrate that the pavement dwellers could be counted. In two months over 6000 households were canvassed and a report "We the Invisible" was published in November 199985 and widely circulated nationally. Simultaneously, demonstrations of all NGOs and unions were attended by communities and SPARC — as much to learn and participate as to experience new avenues.

November came and went, no massive demolition occurred. We were not under any illusion that it was due to our efforts alone. There was a great sense of relief. But there was also a realisation that this crisis had generated information, some which we had produced ourselves. There were over 1.5 million pavement dwellers in the city. Our study alone indicated that 6000 and families resided in one part and families came from the poorest and most backward district of the country and people lived there for between 10-30 years. So the feeling of not being alone, of many facing this problem emerged.

Reflections after First Six Months

SPARC found its own role more clearly and women's collectives which had evolved in the earlier phase along with SPARC found this six months period brought them closer together, enabling them to collaborate, to hold each others hands through the uncertainty and to develop confidence to assure communities that they would handle the unexpected, even if they had no solutions. Not panicking, not rushing around helplessly in those circumstances was remarkable.

The documentation now challenged everyone, especially the state, to recognise pavement dwellers, demanded use of similar methods to enumerate all pavement slums and to treat pavement dwellers as victims of development that the Central Government must rehabilitate. This stand drew the attention of many other NGO groups and communities who found the core leadership of women, the collective form of functioning and the strategy of information gathering strange yet fascinating. These
watchers observed us through our next phase, before seeking to participate in the program.

In the aftermath of the census, the intensity of interactions now demanded we explore the next logical step. The demolition brought us face to face with the real priority of pavement dwellers — insecure shelter. This had to be addressed. The crisis instead of promoting only fear fuelled the women to seek a long-term solution. This spun us off into the real deep end and to a new phase of learning!

Learning to Learn

Learning to Learn — Plunging into processes of learning without a final solution. A specific training/learning exploration provided the basis for mobilisation of larger numbers as we plunged into processes of learning without a final solution.

The crisis brought to the surface the most critical of all issues affecting pavement dwellers: insecurity from shelter. They all seemed to accept the initial difficulties it created because even that terrible condition was better than the situation was back home. And every adult in the discussions which followed felt mentally prepared, even resigned to dealing with the present situation but the question which haunted them was, will this situation remain this way for their grandchildren? Will they too be born on the pavements like their children?

Those women's collectives SPARC worked with raised these issues in a way which actually demanded a choice from SPARC. We had already clarified we were not giving things to them. We had passed through the crisis in which we all had come closer to each other and because there were no mass demolitions, we have no idea how that would have affected our relationship and our capabilities. So in a sense the women, through these discussions were now placing choices to us. Were we really serious, when we said that we would work along with their priorities? Although we all knew these had no clear or possible solution in the near or foreseeable future? Because the poor rarely reject assistance in whatever form it comes — and their optimism and survival mechanism seek to use any resource we knew even then, that we could have evaded this issue and continued with civics resource utilisation as we had before we got into the crisis of facing demolition.

However we decided to plunge into the unknown. No one working in SPARC at that time had even the remotest of experience about shelter or housing. We were also clear that we had no model or process to follow and most training strategies which were available had a clear focus on what the end result was. The training process was a means to achieve this objective. It presumed we had knowledge and skills which the training would reproduce. Since we had nothing but a set of seemingly impossible changes, that is what we placed before ourselves. The most tangible and immediate one was a secure shelter for all. And we began from there.

We had by then eight out of the 43 settlements we were working with, ready to push through on this subject. We began with meetings of entire settlements — men and women — to resolve that we would pursue an education which would help us put together a strategy which would ensure shelter for pavement dwellers. At that point everyone was very clear that SPARC was not going to bring it out of a hat like a rabbit. That SPARC knew nothing about shelter. But based on our belief in all our capacities to create this new knowledge and through it an education, we said it would be our priority.
SETTING UP THE GROUND RULES

As these discussions developed, the question arose of who would learn what. Immediately the response was to choose one person (man) from each settlement but before this could reach a vote for consensus it was shot down. SPARC’s demand was that certain basic aspects about what we were learning had to be learnt by all. The choices which we would make when we understood certain issues had to be made by all. That “leadership” in this process and in all our future work would emerge from an informed community which would delegate to a collective of individuals who sought those positions because they desired to play those roles and were ready to be accountable to the larger community.

This new learning and the goals it had to achieve has been transformative. The communities had to look for a solution which had universality. We would test this solution and call it effective only if it would facilitate shelter for pavement dwellers in the city. Secure shelter, essential to achieve better lives for their children, implied many other changes. So we would have to examine all present practices we undertook and analyse how these fitted into our vision of the future. Thus linking secure shelter to our larger vision of a better future. Everything we learnt had to be like two sides of the coin. Each one would learn something which improved them individually, but learning had to strengthen the collective learning and problem solving process.

It is very difficult even now to combine the vivid description of events which followed with an analysis of their dynamics and how that affected individuals, men, women, groups, all of us, and led to the evolution of an educational process which we use now in all our mobilisation processes. The evolution of a cadre of women leaders who form and continue today to lead this process.

Describing this process remains a difficulty. In a sense this is because the process has remained dynamic. That experience of the eviction threat to pavement dwellers started the ball rolling. Everyone involved feels the process is still refining itself and so while values are clear, there is no defined content which is rigid or sacrosanct.

Every situation, every concern and every feeling was a focus of splitting hairs to find issues and ideas for learning — so the focus was not so much on what events were “selected” but rather what events occurred and how they were used to serve our ends. We have written many papers which describe the details in one form or the other of that first training process. What we will attempt here is to describe how and why a cadre of women leaders emerged, how they developed individually and collectively and the kinds of roles they play today.

We had to pose ourselves questions and observe the manner in which the answer emerged. Having posed the question, we assessed what was available — within communities and in the immediate environment. What knowledge had to be created or where could we look for new insights since we did not have the answer already? What were the issues which needed social, economic, technical and political changes? Understanding and examining what issues raised which question. What changes were demanded in the individual/ community functioning?

We all developed a capacity to imagine a transformation. This was very important. How would we manage and sustain that transformation. What values, skills and

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2 (See Women and Housing: SPARC 1987, Housing training and women pavement dwellers HSMI 1989).
strategies we would need at that point had to be identified, and these began to be nurtured and strengthened day by day and side by side with the skills to get secure shelter.

To explain what a slice of the training process looked like we will look at some instances which highlight how these dimensions were dealt with. How women were acknowledged as the leadership which resolved these problems and why. Some of the issues which brought this up started with demolitions, and then moved on to house design, house allocations, money matters and dealing with intra-community/family conflicts.

Every couple of months some settlement or other had a demolition. The police vans accompanying the municipal demolition squad would come and break the houses, destroy all belongings, often take it away. It was a rape of communities and families — a desecration of their meagre resources which they had put together against all odds.

The analysis of demolitions, emerging from knowledge which people themselves had, was that demolition was a routine — the state broke the houses, the people rebuilt it. No one had ever left their places so no evictions occurred. Families often had formal/informal warnings and had a number of strategies.

- seeking intervention of politicians, administrators
- paying protection money to BMC demolition squad leader
- putting away belongings which were valuable
- dismantling houses at times.

But most important, life went on.

Women faced demolitions because they were in and around their homes while men were away. Also, there were fewer arrests then. Whenever communities were cohesive and behaved collectively there was less violence and less loss. Fear was major factor. By visiting the police we found that police presence was to maintain law and order — not just for protection of the BMC squads. Further the community could file complaints about the police too!

The Ward office and BMC had a routine of demolitions — everyone knew this was a superficial exercise but it was to show the pavement dwellers they should not get too secure. And the city was antagonistic to pavement dwellers who it considered outsiders. Demolition usually got violent when someone particularly demanded a clean up.

After the Supreme Court judgement, a stay order was hard to get. The law was not very effective. However, if personal possessions were destroyed or confiscated without due documentation, that was clearly against the law. Also, India has signed a UN Covenant of Social, Economical and Political Rights within which shelter is a basic right. Destruction of shelter of the poor without an alternative was a violation of this agreement. So while the Indian Government was seeking to officially stop demolitions/evictions, the city continues to violate this commitment.

We were unhappy about the present state of insecurity — were we always going to have a knee jerk response to it? Did we have an alternative in mind? We were unable to even think of what proactive behaviour was possible at that time. Our minds were blocked because we did not have land. So we asked ourselves a question. What if we
had the land, did we know what we would do then? We did not have any answers. What was stopping us from dreaming up what we would want? After all, if we were to fight for land, we had to have a dream which sustained us. We began to draw upon our images of another alternative way of life in which the foundation was a secure house, and gradually, we started to look at how these homes and settlements might look. What kind of houses would we like to live in? How would our settlements look? What work would we be doing there? Would we need to learn new skills? Would house and settlement designs have to be different to accommodate the different home and outside work we did? What changes would it bring in our lives?

Where would the resources come for this transformation? Which part and what share could and should the poor contribute. How were the poor going to get those resources saved? What resources did we want from the state? What was the rationale for this demand? Where were we ready to give our share? How would we decide on what our share was? How would we work out norms to serve these objectives? How would those who are the poorest contribute? Would the settlement support them? How? What if the state refuses? What if some of us refuse? Was this an impossible dream that pavement dwellers could ever get land? Were we capable of designing all these wonderful things? Would people believe in us? Will they laugh at us?

Amid all these questions the issue of land, kept bogging us down. Women asked where were we going to build houses — on air? The state has always said there is no land. Group upon group walked all over the city and looked for land because we believed that there was no vacant land. What we found was that there was more than enough vacant land, but it was not allocated for residential use in general and not at all for poor.

Ten to fifteen groups of these 600 odd households walked to every piece of vacant land in the city. They would sit in or around it and explore in their mind’s eye how useful it was for work, for travel, for children’s education — out of this exercise an entire criteria of possibility emerged. Women thrived on such discussions, seeing how it liberated their thought processes. They would collect pebbles from each site and groups would compare memories each pebble had given them and learn from shared experiences. The men in some instances began to feel cynical — they felt this was a waste of time. Many would drop off such exercises. Women however, persisted — often for totally unrelated pay-offs. Many had never travelled to so many parts of the city despite living there for so many years. The visits offered women and their children an unusual outing. Children too enjoyed these weekend outings — usually meals were packed and eaten during the day on sites.

Therefore complex issues moved from abstract to tangible form. Women saw land and knew that demanding secure tenure was a long political battle, but they also knew they could mobilise their inner resources. Most valuably it gave them an opportunity to think ahead and plan. Poor people especially women never get a chance to look way ahead in the future. In most circumstances, (as their stories proved) women at best had to take life as it came and cope with it. Rarely was their creativity and ingenuity used to think ahead and plan.

SPARCIES trudged along everywhere learning, asking questions, weighing answers and demanding sustained rigor in the process. They had to make sure all groups had opportunities and that the timings and style of exploration suited women. Meetings were long story telling sessions — lots of arguments and debates, often noisy and repetitive so everyone was completely with the process. Men who were used to
political leaders’ styles would get up to make pompous long-winded speeches. They were gently made to sit and chat or gradually, as the group grew close, teased into saying things simply.

We also began to look at the few instances where the state had provided shelter to the poor. We looked at the physical structures and chatted with women living in those settlements. In most instances these were not people the houses were originally allotted to. We tried to see why this happened and why families had sold their homes. This helped develop useful monitoring and evaluation tools to assess schemes, whether our own or those of the state, and a list of things to avoid.

For instance, in many settlements there were individual toilets inside a 180 sq.ft house. These were often sealed off and used as storerooms as there was no running water available and the toilet was often located next to the cooking area. Women decided they would prefer to have shared toilets if they had small homes and inadequate drinking water.

And so it went on — houses and settlements were designed — issues of who within settlements got the house — in whose name it should be, and how disputes/sales should be dealt with — the list continued. Finally by the end of 1986, four house models costing different amounts were short-listed and the groups began to consider what to do next.

**Choosing Leaders**

Everyone had taken part in counting their huts, numbering them, choosing designs and selecting patterns. They had even begun to save money in banks towards their house. Their attitude was — let the battle with the state continue — we should be prepared on our side. It was time to delegate the tasks to smaller groups and so one woman from every 15 houses was chosen. It was not that men had been neglected — they by and large acknowledged that women did these things better.

These leaders had to continue educating themselves and teaching others but most important they had to start a dialogue with the outside world for getting land. The first such plan to share this process with other pavement dwellers and with the state was the housing exhibition in March 1987.

The housing exhibition was a fantastic success. For pavement dwellers (who came in hordes) it was amazing to see four options in life size proportion in which women had laid out furniture, were cooking food and chatting with guests. For other slum dwellers who lived in houses of this size — the reduced costs and several elements of design thought-out by the women were exciting and worth picking up. For middle class teachers, professional journalists, architects, planners, and government officials there was a change in their perceptions about poor people.

Also, we had developed this momentum right at the beginning of the Year of Shelter (1987 IYSH). We got far more publicity than we had ever dreamed of, and we seemed to have fit a slot which was hard to fill — women working with women pavement dwellers in shelter — very symbolic! We absorbed all the adulation, the praises and exclamations like camels storing water for a lean season. We had just started and we had a long way to go.
SETTING UP SUSTAINING STRUCTURES

We needed to think about systems and arrangements to sustain learning, which would in turn allowed a framework to emerge within which men and women could reorganise and re-examine their roles and relationships.

The skeleton concepts of strategy were in place and they required refining. The pavement dwellers needed to evolve and sharpen their skills. The workers of SPARC and the women pavement dwellers had a choice. Having worked hard together for eighteen months, we could have continued to further develop our skills and to initiate demands for land with the state in the isolation in which we had worked so far. However the women pavement dwellers didn't do that, and nor did SPARC.

They called themselves Mahila Milan (women together) and their future Co-operatives would be called Milan Nagar "Settlement of Togetherness". The pavement dwellers' collectives began to set up systems to strengthen their new learning. They began a crisis credit scheme\textsuperscript{3} to assist each other to save and borrow for crisis and avoid encashing savings put into banks for housing. They nominated various groups to visit brick kilns and wood depots, to learn masonry and to visit areas where innovations in building materials were used.

They began to have many visitors and invitations to attend meetings of community leaders. The national Slum Dwellers Federation (NSDF), a slum dwellers organisation with a predominantly male membership, had begun to show interest in the work that women and SPARC were doing, and they began to invite the women from Mahila Milan to attend their meetings.

At these meetings they amazed the more seasoned and articulate leadership with their knowledge and ideas, and soon the men, who had so far never seen any value in including women in their organisational work began to show interest in exploring this possibility. Even at these meetings, women often located the basis of their leadership to being better equipped to do what all women in poor settlements had to do — rather than as a right or as a demand. Gradually, as they received invitations to visit many settlements, women from these settlements also began to call themselves Mahila Milan, and before long, Mahila Milan was not just an organisation of women pavement dwellers, but of collectives of women from slum and pavements who networked with each other to learn and share.

SPARC in the meanwhile struggled with all its newfound knowledge and insights. In NGO forums, we struggled to articulate ourselves but felt the term training was not really applicable as understood by our peers. Often we received comments such as — 'maybe you are training for organisation' — also, we were unable to accept invitations for training others. We simply did not know what to do, how to compress a 15 month full time preoccupation into a capsule. Even talking about it seemed to reduce its power and scope leaving it looking like a list of things to do.

Within SPARC, when new pavement settlements sought assistance, we felt we should assist our younger colleagues who had joined recently to learn and partner other groups. Most of these processes were disasters. They picked up the superficial symbolic activities and went through a process and on completion had settlements

\textsuperscript{3} See From a seed to a tree: SPARC: 1990.
demanding housing! At this point SPARC abandoned any aspirations of reproducing the training and handed over the process to NSDF and Mahila Milan.

NSDF and Mahila Milan in the meanwhile moved way ahead. Using all opportunities to share experiences, women pavement dwellers were treated as "jhinda misals" (live examples) of setting agendas for transformation despite all odds. They shared their stories and allowed all those who were with them to pick up whatever they found useful. What became increasingly clear was that resources never fell into the laps of the poor, and those who believed this would ever happen were foolish. Instead communities could assess what they needed, what they would have to do to get them and how they would use these resources. Without question, women in poor settlements were best equipped to identify needs, assess resources needed and manage the solutions.

The three organisations soon realised the power of alignment. SPARC never wanted to undertake direct organisational work, feeling that the poor and their leadership were the best catalysts for this in their own environment. NSDF saw its role as a mobiliser of urban poor towards a large and countrywide demand for better equity in resource distribution in cities. Mahila Milan was seen as a backdrop to women's collectives in settlements who would be the inheritors, the managers and maintainers of whatever resources their joint struggle for resources would get them. Together the three organisations would assist communities and men and women within communities, to examine their roles and relationships in order to sustain a relationship of nurture and equality which would benefit all.

To this day, the women from the original group of pavement dwellers continue their own pursuit for land and refine their strategies. Theirs is the hardest of all struggles for land. However in the meanwhile, they also assist other groups of men and women to improve their shelter situation, using the house and settlement models developed by them. They see this as an opportunity to further explore the feasibility of their formulations, and each time the ideas are used, new possibilities emerge and these get incorporated into the dream plan.

Women have gradually begun to examine their relationships and status within the home and community as women have become stronger, and as their relationships within the community and within federations improved. These issues were never open for discussions even informally before. Even today, these are never discussed in formal meetings. Women prefer to just deal with issues among themselves, using the organisation as a back up rather than as a shield. A striking example is that women never confront a man who beats a wife. Instead they will work at many angles to see that it is stopped, using interventions which we as middle class women would never have thought of. Men who treat women well get special attention and assistance from the women's collectives, and husbands who look after children when women travel for meetings are aided by the whole community.

Women who are poor in particular are presently trapped into difficult situations by their own socialisation of nurture and caring. These qualities always ensure that women never seek their own individual development at the cost of separation from their families. Strategies of education and organisation which have made women confront communities and families have never really worked with poor women. We have always take cues from poor women on how they wish to chart out their own empowerment and transformation. In our explorations of ourselves collectively we all believed that nurturing, sharing and caring were not weaknesses, but the foundations
of an alternative vision of the future towards which we were working. We therefore needed to deal with those aspects of our lives which made these qualities into weaknesses. And equally important we need to re-educate ourselves and all those who wish to share this vision.

WHERE ARE THINGS TODAY IN 1999?

It is 15 years since 1984 when we began.

- Today in all forums in India the issue of pavement dwellers is now in sharp focus, and Mahila Milan SPARC and National Slum Dweller’s Federation are presently sitting in a committee with the Government of Maharashtra and the Mumbai Municipality to plan rehabilitation for 23,000 pavement dwellers.

The strategy which the women pavement dwellers have worked out for their own relocation and re-housing forms the basis of the R&R policy of the Government of Maharashtra and over 25,000 households in Mumbai affected by various projects will be housed with their expertise and where possible, communities can seek to re-house themselves.

- About 11 countries and networks from those countries exchange ideas and strategies with the alliance, and often bring their officials and government departments.

- The World Bank, UNDP and various bilateral agencies are now beginning to examine the possibility of examining how these strategies fit with their “inclusive” agendas.

- The Slum Dweller’s International (SDI) is a newly formed vehicle for taking the Federation Model into the global developmental arena.

So what do all these achievements tell us?

Firstly, that poverty is all about exclusion, marginalisation and isolation. Managing poverty through welfare is like a band-aid. A shortsighted solution that many of us stick to because other options are not clear to us as intermediaries or professionals. Despite living in poor southern countries, we are trained as social workers whose educational curriculum comes from northern developed countries which have chosen to marginalise their poor in a perpetual cycle of welfare from which few can move out. Which is not to say the alternative is better, no it’s not, but increasingly the impoverishment in cities is growing in both relative and absolute terms and more and more rural poor will come to cities.

Secondly, no change comes without a change in the power equation between the different factions of society and addressing issues of poverty needs necessarily to address issues of power, control and resources. Communities of the poor need institutions through which they can explore these options, not little handouts which ensure that generation after generation continues to live in poverty.

Thirdly, the cities and their management by municipalities need to examine the extent they can address these issues. By and large cities are very hostile to the needs of the poor, while welcoming the labour. How are governments, municipalities, and the poor going to work together? What roles will poor people play in the process…. partners or supplicants?
Fourthly, in an interconnected world, poor communities activists and networks of the poor have greater chances of being linked to each other. Global consumption patterns are homogenising our societies, and so the rich and the poor in each society share less with each other as characteristics and more with their class character... so squatters across the world have more in common. Are there possibilities for horizontal exchanges to address issues of urban poverty? The SDI network certainly believes that, but then is the development community going to support that?
Poverty Alleviation in Fiji

By Mere Pulea

Mere Pulea is the Director of the Institute of Justice and Applied Legal Studies of the University of the Pacific. She holds the title of Associate Professor. Prior to joining the University she was employed for a number of years as Welfare Officer, and eventually Director, of the Department of Social Development and Welfare, Government of Fiji. In 1998 she was appointed Vice President of the Fiji Council of Social Services and part-time Law Reform Commissioner, Government of Fiji with the reference on children. Her latest work is on the review of laws affecting children and the juvenile justice system in Fiji.

BACKGROUND

Fiji is small, relatively geographically isolated and prone to natural disasters. It is not very diversified and therefore vulnerable to market swings. Fiji’s socio-economic indicators, however, show that since independence in 1970, it has sustained economic growth. It enjoys a per capita income of around $US1,700, life expectancy at birth of 67 years, infant mortality of 22 per thousand, over 90 percent adult literacy rate and a high level of food security with food constituting only 15 percent of total imports. For the first time in 40 years, the population has reached a manageable rate of population growth at 0.8 percent per annum over the 1986-1996 period due to emigration and the decline in the fertility rate. The labour force continues to grow, which reflects past high fertility rates and increased female participation in the workforce. Whilst the population remains predominantly young (33 percent under 15 years in 1996) the ageing population has steadily increased over the last 30 years. All these factors have implications for law and social services. The favourable performance is reflected in Fiji’s 44th ranking out of 175 countries in the 1998 United Nations Human Development Report, an improvement from its 71st ranking in the 1991 HDR.

Although these gains have been made, Fiji society has many inequalities and there continue to be a number of constraints that fundamentally affect the welfare of people. The 1993 Fiji policy document titled Opportunities for Growth reiterates Fiji’s position on welfare and states that “Fiji cannot afford a comprehensive welfare state where government takes over full responsibility for the welfare of the poorest in the community” (p.62). There are no national unemployment benefits, sickness benefits or old age pension schemes. Sickness benefits and pension schemes are limited only to those in the formal sector of the workforce. As over 50 percent of the working-age population (15 years and over) are in the informal subsistence sector, the wellbeing and security of the individual and the family are dependent upon opportunities for employment and involvement in small-scale farming and in other small-scale enterprises, as well as on the traditional communal family system where food, shelter and finances are shared with near and distant family members. The most vulnerable groups in the community have limited or no access to the legal system, legal services, advice or legal representation. The costs involved in accessing the legal system, the
complex legal procedures, a lack of knowledge of how to access legal services and the
distance from centres where legal assistance is available are some of the limiting
factors. Where access to legal services is limited, it can be argued that the support
systems in the community, policy interventions, programs and best practices are
crucial and contribute in very significant ways to the wellbeing of the individual and
the family.

The Law

Fiji has a range of laws that have a positive influence on the wellbeing of people. The
1997 Fiji (Amendment) Constitution provides in s.38 that:

1. every person has the right to equality before the law;
2. a person must not be unfairly discriminated against, directly or indirectly,
on the ground of his or her:
   (a) actual or supposed personal characteristics or circumstances, including race,
   ethnic origin, colour, place of origin, gender, sexual orientation, birth, primary
   language, economic status, age or disability; or
   (b) opinions or beliefs, except to the extent that those opinions or beliefs involve
   harm to others or the diminution of the rights or freedoms of others;
   or on any ground prohibited by the Constitution.

Chapter 4 of the Constitution provides for a Bill of Rights which guarantees the right to
life, personal liberty, freedom from cruel and degrading treatment and forced labour,
and freedom of association, movement and expression. In 1999, a Human Rights
Commission was established under the Human Rights Act (10/99) which upholds the
right of any person to take cases of discrimination to the Human Rights Commission.
Whilst s. 38 of the 1997 Constitution, the Human Rights Commission and the Bill of
Rights in the Constitution are the cornerstones by which discriminatory practices and
decisions can be challenged, little use has so far been made of these provisions.

Chapter 5 of the Constitution provides for social justice and affirmative action as
follows:

The Parliament must make provision for programs designed to achieve for all
groups or categories of persons who are disadvantaged effective equality of ac-
cess to:

(a) education and training;
(b) land and housing; and
(c) participation in commerce and in all levels and branches of service of the
State.

In addition, the government has moved to adopt human rights standards through
ratifying such conventions and agreements as: the Convention for the Elimination of All
Forms of Discrimination Against Women (the Women’s Convention); the Convention
on the Rights of the Child; the Beijing Platform for Action; the national Fiji Women’s
Plan of Action 1998-2008. Where Fiji is not a party to international agreements such as
the International Covenant on Civil and Political Rights (ICCPR) and the International
Covenant on Economic, Social, and Cultural Rights (ICESCR), a unique provision has
been drafted into the Constitution by way of section 43(2) which provides that courts, in interpreting the provisions of the Bill of Rights, “must promote the values that underlie a democratic society based on freedom and equality and must, if relevant, have regard to public international law applicable to the protection of rights set out in this chapter” (s.43(2))

In the last five years, there has been some activity to reform laws, some of which were promulgated in 1945 or earlier. The reform of the “welfare laws” such as those providing for maintenance, custody and adoption has been slow in modernising to reflect current standards and practices. Provisions in the Penal Code dealing with sexual offences against women and children are archaic and gender specific. Where reforms have taken place through the Fiji Law Reform Commission, the laws are written in gender neutral language and the old and obsolete provisions have been replaced to meet current norms and practices and internationally accepted standards. The current review of laws relating to children and their families introduces family conferences, pre-trial diversions, child-care planning and counselling. Where there is breakdown in family relations, the law has some ability to provide for the welfare of the individual or the family through maintenance or custody arrangements, but these arrangements have limitations, as maintenance awarded is often too low and often goes unpaid.

The Economy

Fiji’s economy by world standards is insignificant. The domestic economy is characterised by low investment, which is a reflection of depressed investor confidence due mainly to political uncertainties and other related issues such as law and order. Since the early 1990s, laws passed have an economic focus, as economic prosperity is vital for the welfare of the people. Such laws as the Foreign Investment Act, Value Added Tax Act, the Free Trade Zone Act and the Commerce Act to promote competition in the markets in the Fiji Islands are some examples of legislation which aim to increase efficiency and sustainability, but at the same time these laws have brought about changes at the structural, local and personal levels.

Whilst structural adjustments in key industries, privatisation and the selling off of national assets for debt servicing may bring about general growth and improvement in the wellbeing of the people, these changes have at the same time placed many more into the unemployed sector, as found recently when fifty workers, some having served Ship Building Fiji Ltd. for more than 20 years, were suddenly made redundant and in the words of one affected family:

“All hope seems to be lost, and I am afraid that this decision of SFL has changed the direction of our lives forever”. (Fiji Post, Aug. 1999)

Retrenchments, sudden closure of industries and uncertainties in the renewal of some land leases under the Agriculture, Landlord and Tenants Act (ALTA) affect in negative ways the welfare of people. All these changes have serious consequences for the welfare of people. Poverty in Fiji is not concentrated in any one community or in any particular sector. With rapid urbanisation and the increase in the labour force over jobs available in the market, the extended family system, which is the foundation of family welfare, cannot now be relied upon for long-term support.
There are generally two categories of the poor: those who have been poor all their lives, and those who have at some stage in their lives become impoverished through illness, accident, loss of employment or family breakdown. The Fiji Poverty Report 1997 states that 25 percent of households live below the poverty line although some claim that this is a conservative figure. Fiji’s economy grew by 25 percent from 1977 to 1991 but the poverty level also increased by 66 percent over the same period, giving the appearance that increases in poverty occur in tandem with economic growth. The 1997/98 El Nino-induced drought is the worst natural disaster Fiji has ever experienced. The drought impacted on food production and welfare of families to an unprecedented extent and will continue to impact adversely on the economy for several years to come.

The alleviation of poverty has been the concern of successive governments since the 1920s. Where family care has not been available, residential care has been provided by government through the establishment of Old People’s Homes in three main centres (Suva, Labasa and Lautoka). These Homes were originally established to house impoverished aged Indian indentured labourers. Over the years, the characteristics of Old People’s Homes have changed as more able-bodied indigenous Fijians have entered the Homes, reflecting a breakdown in the traditional system of care. In addition to Old People’s Homes there is some assistance provided by religious bodies, voluntary organisations and women’s groups mostly in terms of food and clothing rather than long-term care. The Fiji Council of Social Services (FCOSS) Help Age Program to assist the elderly is often hampered by the lack of funds to establish the program in all communities in Fiji.

POLICIES FOR POVERTY ALLEVIATION

The 1999 policy document titled A Strategic Plan for the New Century: Policies and Strategies for Sustainable Development in Fiji sets out policies and strategies to ensure fair and equitable opportunities for an improved quality of life for every citizen. This policy document expands on the 1993 document titled Opportunities for Growth and the 1997 document titled Development Strategies for Fiji. These three successive policy documents, each improving upon the last, identify key performance and accountability indicators over a given period within the framework of sectoral policy objectives. Their purpose is to ensure that scarce government resources are directed to priority areas to bring about greater economic and social benefits to all sectors of the population. The 1999 Strategic Plan for the New Century highlights the many challenges to sustainable economic and social progress, particularly in the private sector. The macro-economic framework is targeted to achieve general macro-economic growth and financial stability, increased levels of competitiveness and appropriate cost structures. Concerns have been expressed however that structural adjustment policies (economic rationalism, privatisation and contracting out) have negative consequences in some sectors, with resulting unemployment, fewer opportunities and the demise of some services. The 1999 Strategic Plan takes into account the present realities of the country’s economic and social development and puts in place the policies and strategies that are expected to promote improved productivity, and to create new employment opportunities for both men and women in urban and rural areas, thus resulting in alleviating poverty.
The Government's vision, of a future that protects people's right to basic food and a decent life and that promotes peace and social justice, requires the type of economic development that expands exports and improves foreign exchange but at the same time provides protection to the vulnerable groups in society, such as women and small farmers. Other initiatives that the Government will address, as set out in the 1999 Strategic Plan, include amongst others mainstreaming women in development; poverty alleviation; rural and urban development; and sustainable natural resource utilisation.

Poverty poses not only a threat to families but a greater threat to women's wellbeing. As poverty means different things to different people, the Government's policy document, A Strategic Plan for the New Century (p.43), sets out the following policy objectives to alleviate poverty:

- to break the cycle of poverty through employment and the creation of income and subsistence generating opportunities;
- to utilise micro enterprise and informal enterprise development supported by micro finance, as a key anti-poverty strategy;
- to create conditions to ensure that the offspring of the poor do not enter into a life of poverty once they reach working age;
- to encourage the utilisation of traditional support mechanisms for the disadvantaged;
- to provide Government financial support to those poor who are unable to provide for their basic needs due to age, disability or family responsibility;
- to encourage the use of civil societies in poverty alleviation programs.

The key performance and accountability indicators include:

- an increased and better distribution (geographical, urban/rural) of self employment;
- increased employment opportunities for women;
- the number of micro-enterprises having between one and four employees to increase to 70 percent of registered businesses with paid employment;
- reduced levels of school drop-outs below Form 6 by 10 percent annually;
- provision of access to basic health services for all (2002).

**Micro-enterprise Development**

The Government has identified women's unemployment and poverty as critical areas of concern. Disadvantages for women who make up half of the population stem from a number of factors such as low levels of education; obstacles to obtaining credit facilities from the banking sectors and financial houses because of their reluctance to work with the poor and those without tradable collateral; social attitudes and expectations about the role of women; and existing institutional barriers to their equal employment. Important sectoral strategies, described below, have been implemented to enhance women's skills and to mainstream them into the development process.
There has been development of women’s micro-enterprises in all sectors such as agriculture, fisheries, trade, industry and tourism. Mainstreaming women into these sectors of development will enable them to participate more fully and to share equally in the benefits of development. In the absence of national social security benefits, micro-enterprise development is seen as one key strategy that would directly or indirectly impact upon poverty. The training of women to acquire skills in small business enterprises, capacity building, financial assistance or self employment seeks to encourage people to be responsible for their own welfare and to meet their own basic needs. Institutionalising and mainstreaming women in the economic, social and industrial sectors, allocating resources for gender responsive programs and providing women with training opportunities will expand the livelihood of women and their families. The Women’s Plan of Action 1998-2008 launched by Government in 1998 provides a description of the plans in various sectors that could promote micro-enterprise development and access to credit facilities.

Although these responses may have the potential to eradicate poverty for some families, the availability of small business training, capacity building and opportunities for employment is geographically uneven and it appears to make little impact on rural poverty and on women who live in scattered island communities.

**Sectoral Program and Project Developments**

Since 1993, sectoral developments undertaken by Government and NGOs to reach people and to train them in skills to develop small enterprises have taken place both at the institution and program/project levels. The key programs are:

(i) Women’s Social and Economic Development Program (WOSED)

In 1993, the Ministry for Women and Culture established the Women’s Social and Economic Development program (WOSED) as a response to numerous requests by women to facilitate the improvement of their skills and support their income generation activities. As a micro-enterprise development program, WOSED’s objectives are to

“support women’s income earning activities, promote savings, improve the participants’ standards of living, create self-employment or support those wishing to be self-employed and prepare women for integration into the commercial sector.”

The Plan of Action includes the building and strengthening of these structures to provide women with wider access to enterprise development and resources.

The program components of WOSED include: an economic component where training is carried out in income generating activities and a social development component which addresses family and household issues such as safe water supply, sanitation, proper housing, family nutrition and developing self esteem.

WOSED targets low-income households throughout the country. Loans for projects are part of the WOSED scheme. About 70 percent of the loan requests are for agricultural-based activities. The maximum given for first loans is $F500 and $F1,000 for second loans. Loans are repaid over a period of 18 months with an interest rate of eight percent over this period. WOSED has received assistance from a number of sources such as the Pacific Community, the New Zealand Government, British ODA and the US Peace Corp. Between 1993-1998 about 416 women and their households have been assisted.
under the scheme. The long-term plan for WOSED is its establishment as an NGO between the years 2000-2003.

(ii) Micro-finance Coordinating Unit

This unit was established by the Ministry of Finance in 1999 following a second National Micro-Finance Workshop and consultation organised by the Ministry and the United Nations Development Program. The program targets those families living below the poverty line and a pilot scheme is currently being developed by the unit with the Fiji Council of Social Services.

(iii) Training and Support Agencies

There are a number of training and support agencies in other sectors that target “poor families” such as:

- The Small Business Advisory Unit of the Ministry of Commerce, Industry and Co-operatives and Public Enterprises. This unit was established in 1991 and provides training for trainers in such topics as “Start your Business and Improve your Business”.

- The Small Enterprise Development program is a Pacific Regional program funded by UNDP, UNIDO and ILO. This program provides technical advice and training to develop national support systems for small entrepreneurs.

- The Hans Seidel Foundation works collaboratively with the Fiji Credit Union League to provide training to Credit Unions which typically serve middle and low income earners. There is no gender discrimination in the programs offered.

- The Fiji Council of Social Services (FCOSS) provides training to NGOs and in particular to school managers and community leaders.

- The Vocational programs offered in some secondary and junior secondary schools provide training to school students in micro-enterprise development, including business finance, costing, pricing, marketing and community responsibilities.

Other Programs/Projects

There are a number of other programs which address the need for self-reliance and women’s integration into the mainstream of society. These include:

The Poverty Alleviation Fund

The Government began addressing poverty as a special area of concern over the last two decades. A Poverty Task Force, appointed by the Government in May 1991 decided to take a more developmental approach to dealing with problems of food and shelter for the poor. Upon their recommendation, a Poverty Alleviation Fund was established which would provide seed money to recipients to establish small businesses or improve their housing.

Another study, the Fiji Poverty Study, was undertaken jointly by the Government and the United Nations Development program in 1996. The Report, published in 1997, describes in detail the situation of the poor in Fiji and the need to improve their welfare.
The Department of Social Welfare has the prime responsibility to assist those in extreme need. Access to the Poverty Alleviation Fund is confined to those who are beneficiaries under the Family Assistance Scheme. Whilst there have been difficulties, there have been a few successes such as the building of over 1000 new houses for poor families, and the development by recipients of small business enterprises.

Youth Employment Options Centre

The Ministry of Youth, Employment Opportunities and Sports conducts a one-week business training course at the Options Centre and also assists in other youth centres such as at Tutu, Sote, Sigatoka and Davuilevu.

Financial Assistance from the Department of Co-operatives

Limited finance is provided by the Department of Co-operatives as working capital to registered co-operatives. About four percent of registered co-operatives are operated by women.

Small Business Equity Scheme

This scheme, operated by the Ministry of Fijian Affairs, provides interest-free loans to Fijians to help them develop small-scale enterprises.

Anandpur Micro-credit Project

This is a self-help community group project consisting of 53 poor households in a squatter settlement outside Ba. The project is supported by the Ministry of Women and Culture, the Ministry of National Planning, UNDP and the Ba Rotary Club. It is modelled on the Grameen Bank and requires women to work together and attend regular meetings and training programs. The project aims to increase micro-enterprise initiatives and household income by ten percent. The scheme aims to build the capacity of women to generate savings, part of which may be used for loans for personal or social purposes.

Fiji Development Bank-NZODA Scheme

Through a bilateral aid program in 1989, the New Zealand Government provided an initial grant of $528,000 to the Fiji Development Bank (FDB). The purpose of this grant was to provide soft loans to develop small income generating activities for women. Since 1989, 212 loans, where the borrower is entitled to borrow up to a maximum of $10,000, have been disbursed.

OBSTACLES TO SUCCESS

The main obstacles encountered in administering the Poverty Alleviation Fund are the influx of applications and the magnitude of the task involved. Assessing housing needs and providing advice on the development of small businesses required Social Welfare Officers, in addition to their statutory responsibilities, to have technical knowledge on micro-enterprise initiatives and house building. Too few staff members working in the field to assess the applications, and the insufficiency of the funds, are obstacles encountered in implementing this program.

General lack of finance and the inability of a majority of women to secure collateral to start enterprises are major obstacles. The specific obstacles encountered under the WOSED program include:
The specific obstacles under the FDB-NZODA Scheme include limited access to this lending facility due to lack of information about the scheme; and insufficient monitoring of the loans.

The general obstacles are:

- very few women have access to financial institutions because either they are not eligible or they lack information on how to access services;
- lack of adequate seasonal credit and marketing outlets;
- lack of advice to small borrowers who are unfamiliar with the cultures of banks;
- lack of proficiency in the English language and unfamiliarity with written procedures, which are written in English, to negotiate effectively with banking and other officials; and
- lack of knowledge of the law and financial resources to access the justice system.

CONCLUSION

In 1998 the Government established five Task Forces. The Task Force on Micro-Enterprise Development has outlined a number of strategic objectives, which include improving women’s access to formal credit through affirmative action; and expanding access to micro-credit.

The review of appropriate legislation, regulations and administrative practices as required by the Task Force’s Plan of Action is a special responsibility of the Ministry of Women and Culture. The Ministry has made submissions on the review of the Employment Act and the law on compensation to ensure that the special circumstances of women are taken into account. Concerted efforts are being made to present submissions on other laws and procedures and in particular to assist women when trying to secure credit. Although none of the formal banking institutions imposes different requirements for men and women, there is evidence that women are disadvantaged in a number of ways and especially when they are unfamiliar with the manner in which banks require business to be done, which in turn affects the ability of women to provide for themselves and their families.

The effects of the poverty alleviation policies passed in recent years, and the series of processes and policy interventions within the broad framework of macro and micro-economic reforms that have been underway to revitalise the economy and to alleviate poverty, will not be known for some time to come. Clearly, these will have substantial and significant implications for the wellbeing of families.
Experience has shown that macro-economic policies and economic restructuring have not taken into account the circumstances of women who make up half of Fiji’s population as the value of individuals is seen as being determined by their contribution to the economy. In order to eliminate the problems associated with poverty caused by economic reconstruction, programs such as poverty alleviation and micro-enterprise development, which specifically focus on those who are unemployed and on vulnerable groups such as women, have been put in place, in order to improve opportunities for individuals and families to provide for their own basic needs.

The long list of policies, measures and programs put in place by Government and Non Government Organisations demonstrates that the transition from old forms of human resource planning to new forms, where poverty, gender equity and opportunities for women’s active participation are specifically taken into account, will be a long and complex process. In some areas, only the policies have so far been laid down, but where policies have been implemented, commitments tend to vary. The range of policies and programs already in place shows that Fiji is ready to make changes in a number of sectors that will substantially improve the welfare of the individual and their families. Progressive changes are expected to take place as an ongoing process.

References

Welfare Services for Indigenous People: How Have We Fared in Implementing the Copenhagen Commitment?

By Henry Vira & Andonia Piau-Lynch

Henry Vira is the Coordinator for the Pacific Islands Association of Non-governmental Organisations (PIANGO) which is currently based in Vanuatu. Andonia Piau-Lynch is a psychologist who has been involved with the NGOs in Vanuatu over the past eight years. She has worked closely with the Vanuatu Disabled Society, the Vanuatu Disabled Sports Federation and Disabled Peoples Association of Vanuatu in calling for moves to sign the Proclamation on the Full Participation and Equality of People with Disabilities in the Asian and Pacific Regions.

INTRODUCTION

This paper will attempt to address the topic of Welfare Services for Indigenous People. In this title alone there are three major issues: welfare, services and indigenous people. As each of these issues alone can provide a PhD dissertation, we will limit our address by first stating again the concerns raised at the World Summit for Social Development held in Copenhagen in 1995 and reflecting on the current status of service delivery for our people in the Pacific in our progress towards development; secondly, we will limit our address to the Pacific countries we are most familiar with and about which we have readily accessible data; and finally, we will address the issue of how the NGOs have played, and can continue to play, a major role in the provision of these services.

In 1995, the World Summit for Social Development which was held in Copenhagen, addressed serious social issues facing the world. From this Summit, ten issues were declared commitments¹ that needed to be addressed by countries who were members of the United Nations. Three of the priority issues were poverty, unemployment and social exclusion which presidents, prime ministers and senior officials from 120 countries committed themselves and their people to address in a detailed Declaration and Program of Action.

In the Asia & Pacific regions, support for issues covered in what is now known as the Copenhagen Commitments was shown when in 1994, 35 countries in this region adopted the Agenda for Social Development in the ESCAP region. Despite the high level of attention given to the Summit in Copenhagen, it has not received the same

¹ 10 Commitments from the World Summit for Social Development is included at the end of this paper.
attention or prominence it should be accorded. Similarly, the Regional Agenda has not
been discussed and debated in the public or political arena as expected.

In 1997, the ESCAP Ministerial Meeting in Manila reviewed and re-endorsed the
Agenda, due to the gravity of the emerging financial crisis in the region, thus according
greater and more critical attention to economic policy particularly than was given in
1994. Also at this meeting, the heads of governments in the ESCAP drew on the
problems and responses from the NGOs, who sent their collective concerns in what is
now known as the Message to Manila.

It is in this context that this paper is based.

Indigenous People of the Asia Pacific Region

When we hear the term “indigenous peoples”, we usually associate it with a minority
group within a dominant group. Internationally, the term itself is not officially, nor
specifically defined. The term has however taken on meanings including native, first
people, aboriginal, tribal, culturally distinct, subordinated, backward, colonised,
conquered and/or non-dominant cultural minorities, ethnic minorities, indigenous
cultural communities and recently, first nations people. Indeed, the United Nations
Declaration for Indigenous People uses the term indigenous population. Further, the
term and its definitions vary from country to country, across academic disciplines and
even by the usage of groups concerned.

Indigenous peoples have been so termed because of their distinct social and/or cultural
identity which is separate from the dominant or mainstream society. Very often this
distinctiveness makes them vulnerable to being disadvantaged in the process of
development. One of the most glaring examples of this definition of indigenous people
and of being disadvantaged (what a term!) is what is happening to the people of East
Timor right now. Others within the Pacific region who have also been disadvantaged in
the development process include the Kanaks in New Caledonia and the Bougainvil-
lians in Papua New Guinea.

In most of the Pacific countries however, the dominant people are indigenous people.
In Vanuatu, we have a term “man ples” to mean ni-Vanuatu or indigenous people of
Vanuatu. Similar terms apply to our neighbouring countries of Papua New Guinea and
the Solomon Islands. This paper therefore will discuss these issues as pertaining to
“man ples”.

Welfare or Wellbeing?

The most common understanding of the term welfare services is that it has to do with
the welfare of children, mothers and families.

In researching the issue of welfare services, it was sad to confirm that most people
define welfare as the handing out of money to impoverished people for food, education
and even rent, and furthermore, that it was the government’s responsibility to deliver
these goods. When asked where would the government get the money to provide these
handouts in these bleak days of huge foreign debts, the response was “Well, they just
have to find it somewhere”.

This type of attitude or mentality is unfortunately very common in the Pacific. It is
certainly a sad story when our people remain fixed in their minds that the government
is the only agency that must rectify our social diseases. It is also sad to discover how
quickly our people have forgotten that the provision of social services, such as looking
after our families who do not have sufficient food, or are sick or disabled, have been the responsibility of the family; that when some member of the family does not have enough to do this, other members help out.

Unfortunately, this little story tells us a lot about the state of our rapidly changing societies in the Pacific. It is quite apparent that we are not well.

Ideally, welfare is the state of faring well, of being in a state of wellbeing. When we talk of welfare services we are talking about services that enable us to attain a state of physical, mental, social and moral wellbeing. This state can be achieved through such things as gaining education, jobs, having clean water, shelter, food, spiritual fulfillment and being free from illness. One's wellbeing therefore, is not a matter of satisfying one or some parts of the whole; it is the satisfaction of the whole body that is of paramount importance when we talk about being in a state of wellbeing. If one or only some components of this whole is not fulfilled, or is in ill-health, then one is not in a state of well-being.

The types of services that are provided in your own countries will vary and influence your conception of what this word means. In this paper, welfare will mean more than the provision of welfare services to children and mothers and handing out money to the impoverished; it will be taken to cover the whole range of opportunities that exist to enable one to achieve the ideal state of wellbeing.

THE HUMAN DEVELOPMENT INDEX

Table 1. Human Development Index (HDI) for Pacific Island Countries, 1998.

<table>
<thead>
<tr>
<th>Country</th>
<th>Adult literacy (percent)</th>
<th>Combined gross enrolment percent</th>
<th>Life-expectancy at birth</th>
<th>GDP per capita (UN$)</th>
<th>HDI</th>
<th>Global HDI</th>
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<tbody>
<tr>
<td>Cook Islands</td>
<td>93.2</td>
<td>83.4</td>
<td>69.0</td>
<td>8 027</td>
<td>0.861</td>
<td>46</td>
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<td>FSM</td>
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<td>71.4</td>
<td>65.7</td>
<td>2 070</td>
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<td>Fiji</td>
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<td>81.3</td>
<td>66.5</td>
<td>2 684</td>
<td>0.667</td>
<td>101</td>
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<td>61.6</td>
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<td>0.515</td>
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<td>Marshall Is</td>
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<td>1 182</td>
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<td>Nauru</td>
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<tr>
<td>PNG</td>
<td>28.2</td>
<td>28.6</td>
<td>54.0</td>
<td>1 196</td>
<td>0.314</td>
<td>164</td>
</tr>
<tr>
<td>Samoa</td>
<td>95.7</td>
<td>85.7</td>
<td>66.6</td>
<td>1 060</td>
<td>0.590</td>
<td>117</td>
</tr>
<tr>
<td>Solomon Is</td>
<td>30.3</td>
<td>34.7</td>
<td>64.7</td>
<td>0.926</td>
<td>0.371</td>
<td>147</td>
</tr>
<tr>
<td>Tokelau</td>
<td>91.0</td>
<td>88.3</td>
<td>69.0</td>
<td>n.a</td>
<td>n.a</td>
<td>n.a</td>
</tr>
<tr>
<td>Tonga</td>
<td>99.0</td>
<td>83.3</td>
<td>68.0</td>
<td>1 868</td>
<td>0.647</td>
<td>107</td>
</tr>
<tr>
<td>Tuvalu</td>
<td>95.0</td>
<td>74.0</td>
<td>67.0</td>
<td>1.157</td>
<td>0.583</td>
<td>118</td>
</tr>
<tr>
<td>Vanuatu</td>
<td>33.5</td>
<td>57.4</td>
<td>65.8</td>
<td>1 231</td>
<td>0.425</td>
<td>140</td>
</tr>
</tbody>
</table>


Indeed, the HDI for all of these countries is worse than it was four years ago.
Out of 174 countries measured, three of the four Melanesian countries have the lowest ranking on the United Nations Human Development Index. Papua New Guinea which has the richest resources in this region is the worst in the Pacific: on average, Papua New Guineans have shorter lives, they have worse access to health and education service, lower illiteracy rates, worse unemployment and they are worse off for most other things. Solomon Islands ranks as the second last out of 15 countries in the Pacific with 147, Vanuatu as third last with 140. Fiji fares better although according to the August issue of Islands Business one-third of Fiji's population live in poverty (Keith-Reid, 1999, p. 15).

<table>
<thead>
<tr>
<th>Country</th>
<th>1994</th>
<th>1998</th>
<th>Ranking out of 14 Pacific countries</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fiji</td>
<td>59</td>
<td>101</td>
<td>4</td>
</tr>
<tr>
<td>Vanuatu</td>
<td>119</td>
<td>140</td>
<td>12</td>
</tr>
<tr>
<td>Solomon Islands</td>
<td>126</td>
<td>147</td>
<td>13</td>
</tr>
<tr>
<td>Papua New Guinea</td>
<td>129</td>
<td>164</td>
<td>14</td>
</tr>
</tbody>
</table>

Quite clearly, globalisation is not providing wealth and prosperity for all (Shiva, 1998, p. 8). These figures do indeed tell a sorry tale for our region. But we must also acknowledge that advances have been made in the region: there is a decrease in child mortality rates, contagious diseases such as leprosy have been eliminated, strides have been taken in gender balance and so on (see ESCAP, 1998; UNDP Human Development Report, 1998).

The Cost of Economic Development

What is of concern, however, is that development is taking quite a negative turn. Over the last 12 years or so, our various governments have been quite active in effecting moves that affect social development. Often the need to redress the consequences of such decisions cannot be made because we have basically cut off our nose to spite our faces. Structural adjustment programs, membership in various regional bodies such as APEC have all played heavily on the economic aspect of development at the expense of social development.

This may seem like a very cynical approach to what many would call development. However, when there becomes a need to address and redress so called development efforts because of the often dramatic and drastic effects left in their wake, then we must stop and reconsider whether this is indeed development. Again, we do not need to look far to see how we fare in the Pacific. The Human Poverty Index (UNDP, 1998) shows clearly the poverty that exists in this region. Poverty exists in all its various guises: lack of access to knowledge or the means to acquire it, lack of basic services and facilities and what the Report terms poverty of opportunities.
Table 3. Human Poverty Index for Pacific Island Countries

<table>
<thead>
<tr>
<th>Country</th>
<th>Percentage of people not expected to survive age 40</th>
<th>Percentage of adults who are illiterate</th>
<th>Percentage of people without access to safe water</th>
<th>Percentage of people without access to health services</th>
<th>Percentage of children &gt;5 years who are underweight</th>
<th>Human Poverty Index</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cook Islands</td>
<td>6.4</td>
<td>6.8</td>
<td>5</td>
<td>0</td>
<td>10</td>
<td>6.1</td>
</tr>
<tr>
<td>FSM</td>
<td>10.5</td>
<td>28.7</td>
<td>56</td>
<td>25</td>
<td>15</td>
<td>26.7</td>
</tr>
<tr>
<td>Fiji</td>
<td>7.4</td>
<td>7.1</td>
<td>23</td>
<td>0</td>
<td>7.9</td>
<td>8.3</td>
</tr>
<tr>
<td>Kiribati</td>
<td>16.3</td>
<td>7.8</td>
<td>20</td>
<td>0</td>
<td>12.9</td>
<td>12.6</td>
</tr>
<tr>
<td>Marshall Is</td>
<td>13.2</td>
<td>25.6</td>
<td>23.5</td>
<td>5</td>
<td>17</td>
<td>19.5</td>
</tr>
<tr>
<td>Nauru</td>
<td>17.4</td>
<td>5</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>12.1</td>
</tr>
<tr>
<td>Niue</td>
<td>6.7</td>
<td>3</td>
<td>0</td>
<td>0</td>
<td>2</td>
<td>4.8</td>
</tr>
<tr>
<td>Palau</td>
<td>7.3</td>
<td>8.6</td>
<td>14</td>
<td>20</td>
<td>8</td>
<td>10.8</td>
</tr>
<tr>
<td>PNG</td>
<td>22.6</td>
<td>71.8</td>
<td>76</td>
<td>5</td>
<td>29</td>
<td>52.2</td>
</tr>
<tr>
<td>Samoa</td>
<td>10.3</td>
<td>4.3</td>
<td>10</td>
<td>0</td>
<td>17</td>
<td>8.6</td>
</tr>
<tr>
<td>Solomon Is</td>
<td>13.7</td>
<td>69.7</td>
<td>36</td>
<td>20</td>
<td>21</td>
<td>49.1</td>
</tr>
<tr>
<td>Tokelau</td>
<td>98.3</td>
<td>9</td>
<td>6</td>
<td>0</td>
<td>0</td>
<td>7.6</td>
</tr>
<tr>
<td>Tonga</td>
<td>8.4</td>
<td>1</td>
<td>5</td>
<td>0</td>
<td>2</td>
<td>5.9</td>
</tr>
<tr>
<td>Tuvalu</td>
<td>9.8</td>
<td>5</td>
<td>15</td>
<td>0</td>
<td>0</td>
<td>7.3</td>
</tr>
<tr>
<td>Vanuatu</td>
<td>12.2</td>
<td>66.5</td>
<td>13</td>
<td>20</td>
<td>23</td>
<td>46.6</td>
</tr>
</tbody>
</table>


Economic sovereignty can be reduced down to the possibility that more exports may be able to gain access to international markets, but without people’s sovereignty, without constitutional arrangements which are based on solid and just foundations, without support for people’s full economic, political, cultural and social rights, without participatory democracy, our line of defence against the onslaught of transnational capital will be very flimsy. The World Bank 1997 World Development Report (p. 8) states that about half of the developing world’s people are left out of current globalisation developments. This does not mean, however, that these people remain unaffected. It is more common to believe that such people are likely to be disadvantaged by current trends.

Plans, policies and programs to advance social development can succeed ultimately only in the context that upholds the dignity of the individual, provides for the full participation of all social groups, and acknowledges that the proper role of the state is to serve the needs of the society (Action, P. 4-5).

Obstacles to Social Development

The ability of many governments in developing countries to promote long-term economic and social development is gravely weakened by crippling levels of debt. Further debt relief initiatives are essential and renewed pressure should be put on wealthy countries to honor their previous agreements to increase development assistance on a sustained basis. It is also important to continue promoting and trialing
the so-called 20/20 initiative by which donor governments agree to give 20 percent of their funding, and donee governments 20 per cent of their expenditure, to provide for basic human needs.

In Vanuatu for example, 48 percent of the budget is spent on wages and salaries, leaving very little for maintenance or development purposes. In fact, actual proportions allocated to development have declined. It is unlikely that budget allocations to social services will increase greatly in the future. The priority of governments is to avoid fiscal deficits and to encourage the growth of micro enterprise without jeopardising the delivery of basic services. This should be done by coordinating government resources and community programs which is sustainable human development strategy (Sustainable Human Development in Vanuatu, p. 41)

Concern about social development has been on the regional agenda for a long time. Social development, like welfare refers to the development of society as a whole. development is not concerned only with the economic sector, the political sector, the cultural sector, legal sector or social sector alone. All these dimensions have a crucial role to play and can be seen as a holistic or integrated model of development. This is a people-centered understanding of development, in that the wellbeing of people is assured only when all aspects of society are conducive to their wellbeing. This understanding of social development, unfortunately, is not reflected in the planning and practices of most of our governments.

Over the past decade or so, the region has undergone tremendous upheaval ranging from natural disasters to man-made disasters, such as the so-called Asian Crisis in 1997, to human rights abuses and wars we have been experiencing in our regions, West Papua, Bougainville, Solomon Islands, Kanaky, Tahiti, New Zealand and at this moment, the strife in East Timor. These upheavals, in nearly all cases, are the result of economic development at the expense of people.

In attempting to discuss social development in the region, these realities must be borne in mind. Although the relative significance of the three themes of poverty, unemployment and social exclusion will vary among countries in the region, the range of social issues that each country must address is common to all and governments must pay equal and simultaneous attention to the issues of health, education, shelter and social protection, among others (Disney, 1998, pp. 2-3).

The Copenhagen Declaration

In 1995 the World Summit for Social Development was held in Copenhagen where governments signed what is known as the Copenhagen Declaration. At this Summit, three major problems were discussed: poverty, unemployment and social exclusion. As Disney (1998) reminds us:

The Copenhagen agreement focused on the need for what they refer to as an “enabling environment” for social development. They recognised that this applies especially to economic, political, legal and cultural environments at both national and international levels. [Furthermore] the ESCAP Regional Agenda gives prominence to the importance of what it calls “an enabling context” in which it includes peace and social harmony, human rights and civic responsibilities, governance for promoting social development, sustained and equitable development, and a favourable international economic environment.
Prior to the endorsement and subsequent adoption of the Copenhagen Declaration, governments in the region were quite aware of the possible consequences which could result from the very rapid progress of development in the region through adopting policies which would strengthen fiscal returns at the expense of people. In the Pacific, Papua New Guinea has experienced the destructive aspects of structural adjustment over the last decade; Vanuatu and the Solomon Islands have now had to bend to the wishes of those in power to readjust through downsizing of their public sector; in Asia, the rupee has crashed and last week saw the beginning of armed conflict in East Timor. These examples are used not to create an image of disaster: these images are a fact of our reality today.

No longer can an island in the Pacific be content to be just an island. Today an island in the Pacific is a village in the world. Being part of the village on the periphery of the world, how loud a voice do members of these villages have in the world community? How much influence can they expect to have when the chief is often too far removed from the voices of the people? Where our voice is not only not heard, but worse, not required.

When we talk about social isolation, when we talk about welfare services for indigenous people, when we talk about poverty, when we talk about development of our society, we do not have to go far to find an analogy: the small Pacific village in the whole global community seems most appropriate. The so called Asian crisis which erupted in 1997 has highlighted the crucial importance of these issues, especially in relation to the international economic environment and to governance.

**ROLE OF CIVIL SOCIETIES**

Over the last decade, we have seen a phenomenal growth in the number of NGOs in the Pacific. For example, in 1991, the Pacific Islands Association of Non-governmental Organisations (PIANGO) had six countries which were members. In July of 1999, there are 20 countries who are full members of the organisation which represents some 600 organisations throughout the Pacific. These figures represent only those organisations that are members of PIANGO. There are countless others who carry on working without actually registering with their national umbrella organisations or feeling that they need to register.

Prospects for social development will depend on the level of resources directed to social development goals, the nature and quality of governance achieved, the extent of capability-building of the region’s total population, and the strength and vitality of civil society. We have already witnessed that resources directed to social development have been drastically cut back in recent times; we have already seen that the quality — the integrity, principles and directions — of our government is questionable, and we have already seen that the capability of our people to direct their own future is limited. We have yet to see the strength and vitality of civil societies.

**Working Together**

The need for governments and NGOs to work together cannot be stressed too strongly. Concerns raised at the 1997 Commonwealth Regional NGO Workshop for the Pacific strongly point to the willingness of NGOs to work closely with governments by detailing what various countries can do, for example:
• getting governments to include the NGO sector in developing national policy framework — not just consulting with NGOs on policy details after it has decided on the framework (Australia & Aotearoa/ New Zealand);

• establishing a mechanism for dialogue with government;

• looking at accessing specific government departments such as a planning department;

• establishing relations between NGOs and line ministries;

• strengthening involvement of NGOs and government in project development and implementation.

At this meeting, two regional organisations, the Pacific Concerns Resource Centre and the Pacific Council of Churches were asked to:

• monitor government/ NGO implementation of agreements at international meetings;

• seek to have mechanisms for dialogue with regional intergovernmental bodies;

• seek observer status at all regional intergovernmental meetings;

• invite regional governmental organisations to their own regional meetings;

• seek to have independence movements of colonised countries represented at regional intergovernmental meetings.

At the 3rd PIANGO Council meeting held in July 1999, this message was further emphasised. The roles that various NGO5 play in the region is becoming more pronounced and valuable to the region as a whole. Civil society organisations can strengthen the effectiveness of agreements that governments sign by insisting that their governments honour their obligations to report on their compliance with it and by presenting their own independent reports to the UN Monitoring Committee. They can campaign for the right to an investigation by the committee of their specific complaints about breaches of the conventions and for the committee to be given sufficient resources for its tasks. Too often though, we tend to delay taking these actions.

In 1994, at the NGO Symposium on a Social Development Agenda for the ESCAP Region into the Twenty-first Century, the collective voice of 115 NGOs in the Asia Pacific hoped for:

... a fundamental change of course from a growth-centered model of development towards a people-centered vision which recognises and places people at the centre, as both the end and means of all development interventions. Clearly, economic growth should no longer be used as the ultimate measure for development, and its pursuit must be checked effectively by mechanisms that promote equity and ecological balance.

**Following through on International Conventions**

In calling for strengthening of relationships with governments to be partners in the consultative and implementing stages of development, those of us in the NGO sectors must be fully prepared to follow through what we start. It is not good enough that the
government signs Conventions and then we leave it up to the government to implement those Conventions. We too must take a part in the implementation stages.

For example, in Vanuatu, the Convention of the Rights of the Child was ratified in 1993. The Convention on the Elimination of all forms of Discrimination against Women was ratified (without reservation) in 1995, just prior to the UN World Conference for Women in Beijing. To date no official reports have been released.

In another example, the Proclamation for the Full Participation and Equality of People with Disabilities in the Asian and Pacific Region was signed in April 1999, seven years after the proclamation was agreed to in 1992. To date, no consultation has taken place between the government and NGOs involved in providing services to our people who are disabled, to work on how to implement the actions required.

In Fiji, NGOs and the churches have taken a direct approach to remind their government about people-centred development by producing a joint statement on a people-centered budget:

People-centred development demands concern for the growing number of the poor and the vulnerable. Provisions to essential social services such as poverty alleviation schemes, water, health-care, education and housing must be prioritised. Governments must not introduce into these areas of essential services, policies and principles, such as privatisation and “user-pays” that will ultimately mean an abandonment of its social responsibilities...

We would like to remind the government that these are absolutely necessary because of the increasing number of the poor and worsening state of their deprivation and we do not see any improvement in the foreseeable future. We also iterate that the health and social wellbeing of the nation is measured, not only by economic growth but also in the redistribution of benefits that should be visible in the lives of all citizens, in particular the poor and the disadvantaged groups in our society (Submission to the 1999 National Budget (from Churches & NGOs in Fiji), p. 11).

Collective actions such as this have an impact on the course that governments take. Governments must be reminded that as we are being signatories to various Covenants concerning social development, it is our collective responsibility to effect actions they have signed. For too long there has been a sense of suspicion that NGOs are working against the government; for too long, there has been a neglect in bridging gaps that may have existed due to these negative, often incorrect, images of NGOs. Civil societies now have an added responsibility to take a more proactive approach to dispelling this myth, in order to place people first.

NGO/Donor Relations

Historically, the community and private sources have been the main contributors to NGOs. As responsibility for the care and welfare of individuals has shifted from the family and the community to the state, there has been a parallel trend for NGOs to depend more on financial assistance from the state, particularly NGOs in the category of service providers or facilitators. In many countries, the system of government grant-in-aid constitutes a major part of the financial resources provided to NGOs.
At the same time, many NGO have become increasingly dependent on funds from foreign sources. This trend has caused concern, especially from governments in some countries, where external funding is seen to influence the way it is used and distort the role of NGOs in national development. It has been stated, “No matter how well conceived in terms of local priorities and standards, virtually every NGO project seeking foreign funding requires adjustment to fit the preferences of the donor” (ESCAP, 1994).

At the recent PIANGO Council meeting, we are seeing a change in this attitude from aid donors. Participants at this meeting were heartened to hear the following response to PIANGO’s agenda:

From a donor perspective and the worry about donors driving the agenda for sustainable development, development needs to be grassroots driven. Donors have a responsibility to be proactive in developing effective partnerships that meet the needs articulated by local communities. This is in everyone’s mission statements, although the reality is quite different. I would like to suggest to other NGOs and government donors to convene their own meetings for the purpose of thinking through how they might respond to the PIANGO agenda, rather than vice versa” (Don Clark, NZODA, 28 July 1999).

Conclusion

It is not our duty today to be preoccupied with arguing whether or not structural adjustment is right or wrong. Structural adjustment is here. It has affected our people. It is difficult to expect governments to have political will when the agenda has already been set up by external players. NGOs must think about having:

- the will for us to be ready at all times;
- the will to be clever, to fill in the gaps to ensure that the grassroots are catered for;
- the will to highlight and ensure that those responsible meet their obligations — be it government, community or family.

More and more, government is looking to NGOs to fill in the gaps. More and more governments are recognising the roles that NGOs play. One important example of the recognition of the work done by an NGO in the region occurred recently. We pay tribute to PCRC who in July 1999, received observer status in the United Nations. No longer can governments see NGOs as cheap alternatives; we are an effective alternative.

As we deliberate and review the situation in the Asia Pacific this week and see how we have fared, in preparation for the Special Session of the General Assembly in the Year 2000, which will also review the implementation of the Copenhagen Commitments, we feel honored to be part of this great wave of hope: a hope that is based on the will of people, a hope that is based on the will of civil societies, a hope that is based on a change in the hearts of our leaders. This hope can only come about if our governments, civil societies and people collectively have the social will to move as one. For there is great need for practical collaboration and sharing of resources between all parties for the common wellbeing of our society. We, collectively, are society.
TEN COMMITMENTS OF THE WORLD SUMMIT FOR SOCIAL DEVELOPMENT

Among the agreements made by the world's leaders in the Copenhagen Declaration on Social Development, adopted in 1995, are ten commitments to:

- Eradicate absolute poverty by a target date to be set by each country;
- Support full employment as a basic policy goal;
- Promote social integration based on the enhancement and protection of all human rights;
- Achieve equality and equity between women and men;
- Accelerate the development of Africa and the least developed countries;
- Ensure that structural adjustment programs include social development goals;
- Increase resources allocated to social development;
- Create an economic, political, social, cultural and legal environment that will enable people to achieve social development;
- Attain universal and equitable access to education and primary health care; and
- Strengthen cooperation for social development through the United Nations.

References

This paper has relied on a number of publications, some of which have not been referenced in the text yet were thought-provoking and are provided here as useful references.


Disney, J. 1998. Implementing the Copenhagen Commitments. ESCAP.


ESCAP. 1998. Agenda for Action on Social Development in the ESCAP Region.


Shiva, V. (February 1998). The Economic Crisis of South East Asia: How Nature and the
Alleviating Poverty in Jordan

By Munif M. Abu-Rish

Munif Abu-Rish is the Director of the Social Development Department, Hashemite Fund for Human Development in Jordan. He holds a Masters in Economics from California University and a doctorate from the Sorbonne, France in Sociology of Development. He has worked in the field of social development in Jordan for the past seven years; first with CARE-International as Director of Community Projects and presently with the Hashemite Fund.

BACKGROUND

It is not possible to write about Jordan without describing Jordan’s geopolitical role as a buffer state in the Middle East region and the different political events that negatively affected this small country’s economic growth and development. To start with, the creation of the state of Israel in 1948 resulted in Jordan’s population trebling over a very short period. Historic lines of trade and communications westward were cut off and the country had to rely more on the north-south routes instead. At that time the Jordanian government had limited financial resources and its ability to raise taxes in sufficient amounts was extremely restricted. This led to an increasing dependency on foreign financial aid during the difficult and politically turbulent years the Middle East witnessed in the 1950s.

The calmer and more stable years of the early sixties allowed the country to proceed with economic planning and an expansion in the private sector’s investment. This was, however, disrupted by another setback in 1967 when Israel occupied the West Bank. Overnight, the country lost a large proportion of its land, agricultural and industrial resources and historic sites. In addition large numbers of refugees fled their homes to settle east of the Jordan River, especially in the areas of Amman, Zarqa and Irbid, the main urban areas of Jordan. The events that followed the 1967 war had adverse effects on the country, and it took about five years to go back to normal. By 1973, however, Jordan was able to embark upon an ambitious Three-Year Development Plan, followed by several Five-Year Development Plans. In 1990, the country faced a third setback. Approximately 350,000 Jordanians and Palestinians, who fled the Gulf countries as a result of the crisis there, converged on Jordan within a two- to three-month period. The infrastructure and public service apparatus of the country were not able to meet their needs for housing, schooling, health services, etc.

In spite of the above-mentioned events, Jordan has succeeded from 1952 to 1982 in achieving a relatively rapid rate of economic development. During the period of 1952-66, Gross Domestic Product (GDP) grew at a rate of 6.5% in real terms and from 1973-76 at a rate of 5.9%. But it was the period of 1976-80 that triggered Jordan’s economic expansion with a growth rate of 12.1%. In comparison, growth in the period from 1980-86 averaged a mere 4.2%. During the last ten years, real growth fluctuated between 1
to 5%, with different sources, national and international ones, citing different figures for particular years.

The recession that has hit Jordan since the mid-eighties can be attributed to several unfavourable factors:

- The retreat of Jordanian exports on world markets due to the sharp fall in the prices of phosphate and potash worldwide;

- The decline in Jordanian exports to Iraq. During the early years of the Iraq-Iran War, Iraq could pay for large imports from Jordan. Towards the end of that war and after the Gulf Crisis, Jordanian exports to Iraq were, and still are, limited due to obvious reasons;

- The drop of world oil prices affected the demand of the Gulf States for Jordanian manpower. On the whole, numbers decreased slightly and the level of remittances remained unaffected until 1984. Remittances reached their peak in 1984, $1.299 billion, but decreased sharply by more than 70% after 1990;

- Related to the above, Jordan has become an importer of workers since the early eighties. More than 300,000 workers and housekeepers are in Jordan now, resulting in a reverse outflow of capita;

- A dramatic decline in budget aid. Until 1981, foreign loans and grants constituted over 54% of Jordan's government revenue. The drop in oil countries' revenues, and the political events that have occurred since 1990, led to a reduction in the aid extended to Jordan. From a high point of over $1.1 billion in 1983, this figure dropped to nearly $500 million during the nineties.

The combination of all these factors paved the way for the economic recession and spurred the government to resort to less relaxed measures of export subsidies, import control and economic protection. The economic recession in 1985 led to a major decline in real estate and land prices, a dominant economic sector in Jordan. The Central Bank reserves dropped from over $1.2 billion in 1980 to $186 million in 1988.

Salient features of the 1980s were the aggravation of Jordan's outstanding debt which soared to $6.5 billion in 1988, rising as a percentage of GDP to 109% compared to 35% in 1982 combined with aggravation of unemployment among the educated as a consequence of the slackening demand for Jordanian manpower in the Gulf. The declining economy could not create the 30,000 jobs needed annually to absorb university graduates and those who complete their military service. Since 1985, hundreds of engineers, doctors and other professionals have been left without jobs, at the very time when the traditional outlets for these potential emigrants (U.S., Europe and the Gulf) are becoming inaccessible.

It may be concluded that by 1985, the recession in the region had filtered to Jordan. The country was caught, like the rest of the region, unaware of the new conditions, having drawn up its plans on the premise of the continuation of the then existing positive trends.
The inability of Jordan to depend on its own internal capabilities is basically due to its limited natural resources. The most important available natural resources are phosphates and potash. The arable land does not exceed 50,000-55,000 hectares, of which only one-tenth is irrigated. Shortage of water and the poverty of most of the useable soil are also structural constraints.

Besides assuming the development planning, economic and civil service functions, the government has, until recently, taken upon itself major responsibilities in the areas where it felt there had been market failures. It supported prices of wheat, sugar and rice by means of subsidies and through monopolising the importation of these commodities. This was in addition to subsidies on petroleum products, which were then sold domestically at lower than world market prices. A substantial part of these subsidies was not reported in the government budget because of accounting difficulties.

On the whole, Jordan’s performance is quite remarkable in view of the fact that, besides the scarcity of natural resources and arable land, the country had to overcome other major handicaps of a geopolitical nature: being in the eye of the Arab-Israeli conflict, deprived of its West Bank in 1967 and since 1990, losing the remittances of more than 350,000 skilled and highly qualified Jordanians who held jobs in the rich oil countries of the Gulf.

The country’s main targets during the past fifty years have been, and still are, a just solution to the Palestinian question, regional stability and cooperation and rapid economic, social and cultural development.

The problems of poverty and unemployment became more acute during the late 1990s. Before that, the general outlook in the country was tilted more towards achieving greater equality in the distribution of wealth. Such an objective was achieved during the 1970s when the share of the highest 10 percent of the population decreased to 35.85% of GDI in 1973 and to 28.2% in 1981.

The UNDP Human Development Report that concentrates on life expectancy, knowledge and a decent standard of living, rated Jordan in 86th position in 1997 and in 94th position in 1998 among the 174 countries evaluated. The negative change is mainly due to the new revised data. It is however a position of high achievement considering the available resources and history of the country.

This paper will not evaluate the internationally known methods of measuring poverty. It will instead concentrate on the Jordanian experience and the difficult task of measuring and identifying poverty as well as the constraints that hinder setting uniform national guidelines for poverty alleviation programs.

While leading studies on poverty listed at the end of this paper show serious concerns regarding poverty, the following observations can be made:

- None of the surveys gives exact or actual justifications or explanations for the rising poverty and unemployment. All poverty studies show that abject poverty rose from 1.5 percent in the mid-eighties to 5 percent in the early nineties, and that at least one-fifth of Jordanians live under the absolute poverty line;
• Technical committees and groups who carry out the surveys end their task with the publication of the results. This lack of continuity hinders efforts to develop common and advanced criteria of poverty evaluation;

• Only one survey dealt with the status of the sectors living above the poverty lines. Thus, the others do not give any indications of the general conditions of the economy or the country as a whole. Discussing poverty without addressing wealth distribution may highlight poverty but it does not show the relative poverty situation or the causes of poverty in the country;

• Figures show that low income among the employed is the important factor in poverty and not unemployment. The unemployed are 6 percent of the poor while the employed are 14% or more. This is largely attributable to family size and the ratio of dependency within Jordan at large, a fact ignored by most studies;

• The average size of a poor rural family is larger than the national average family size. It is nine persons compared to 6.4; thus the total number of the poor in the rural areas should be approximately 500,000 people, or 10.8% of the total population, or 54% of the rural population in the country;

• Last but not least, there is still an ongoing debate about whether the abject poverty percentage indicated in the studies commissioned by the government is included in the absolute poverty one, or whether it is over and above that. According to one senior government official it is the latter. Hence the total percentage of poverty is greater than that indicated in most surveys.

• A recent presentation (June, 1999) by a previous Minister of Social Development unveiled the following statistics: abject poverty at 8.2 percent, absolute poverty at 14% and limited income at 16% (income of those who barely have basic necessities but don’t have basic services, social needs, communications, transportation, leisure time, and so on).

The causes of poverty in Jordan can be attributed to the following:

• The rate of population growth at 3.4% is one of the highest in the world;
• The unbalanced distribution of wealth and income;
• Low per capita income from GDP;
• The continued existence of vulnerable social groups;
• Low per capita productivity of workers;
• Unemployment and low wages;
• Inefficiency and ineffectiveness of social programs and projects implemented.

THE JORDANIAN GOVERNMENT PROGRAMS TO ALLEVIATE POVERTY

These programs offer immediate sectoral initiatives which include offering direct financial and material support to the poor. Government policy is to liberalise the national economy and do away with obstacles and bureaucracies that hinder development. This aims to improve and facilitate investment in the country and to
privatise most of the government enterprises with the aim of achieving more efficient production and services. It will also generate additional income to cover the debts of other public enterprises.

In the context of direct government intervention to alleviate poverty, the government implemented the following programs:

**The National Aid Fund**

Established in 1986, this fund is concerned with extending direct financial help and loans to those classified under the absolute poverty line. The NAF granted direct financial aid to 32,000 families and gave 6944 loans to the end of 1998. The total cost up to that date was $104.8 million of which 85% were direct grants, 10% loans and 5 percent administrative expenses.

The NAF has re-evaluated its policies and lifted the ceiling of the monthly grant per family from $85 to $116. It is estimated that NAF has reached only 24% of those recognised as poor in the Kingdom.

The technical capacities of the NAF to reach those who really need assistance are weak. Most beneficiaries depend on their own initiatives and efforts to secure approval for direct assistance or loans. Social workers do not seek poor families or carry out earnest fieldwork to determine the real status of the families in question. The Fund does not extend any support to those who are employed regardless of their income and economic situation. The minimum wage set by the government (August 1999), the first in Jordan’s history, is $113. The support extended decreases according to a given ratio if the beneficiaries receive any other type of support. Thus, some beneficiaries hide their actual income or do not seek employment or other sources of support. The beneficiaries of NAF are mainly orphans below the age of 18, divorcees and widows, non-working women above 18 years old with nobody to support them, the handicapped, families of prisoners and elderly people with no income or support.

**Subsidising Basic Commodities**

This program was started in 1974 and enabled any family with a monthly income of less than $705 to buy basic commodities, such as rice, sugar, and milk, at lower prices than those of the market. In 1994, the estimated cost of this program was $22.56 million. The program was criticised for its inability to identify those who really need such support and subsidies. The government gradually ended the subsidies in 1998.

**Medical Services Program**

This program is supposed to extend free medical services to the public at large. In 1998, it covered only 12% of the population. Due to the complicated procedures of this scheme, the program does not cover 60% of those who are in need of such services.

**Wheat Compensation Program**

This program delivers direct financial support of JD15.3 per person annually. It was adopted as an alternative to the policy of providing subsidised wheat products to individuals, bakeries and others involved in the production of related commodities. It is estimated that only 20% of the poor benefited from this program.

In addition to these programs, there are many small income generating projects designed to alleviate poverty and there are many government and non-government, national and international agencies and organisations working in this field. The
number of organisations involved in funding small income generating projects is an expression of their belief that micro and small finance measures are the more effective ways to alleviate poverty. There are more than fifteen NGOs and government agencies that carry out such programs with an estimated annual funding of $20 million. It is useful to look at the objectives and activities of the main government agency dealing with credit schemes.

The Development and Employment Fund (DEF)

The Development and Employment Fund (DEF) commenced its operations in 1991 under the umbrella of the Industrial Development Bank (IDB), a largely government-owned entity. Its objectives were set to extend credit to the poor and unemployed. During its first year it extended credit of $1.41 million. In 1992 it became independent from IDB and is run by a Board of Directors headed by the Prime Minister. It is recognised by some as the most important national organisation dealing with the issues of unemployment and poverty.

Unemployment is the major criterion to qualify for a loan from DEF. This organisation has, since its establishment and up to 1998, funded 5,106 projects with an overall value of $31.6 million. These loans created approximately 10,000 job opportunities! The cost of each job opportunity amounts to approximately $3,525. Compared with private sector capital-intensive industries this is a much lower cost per job opportunity. The repayment rate of DEF loans was 76% to 1997 and improved to 84% in 1998. This increase was mainly due to the new terms of lending set by the DEF and other intermediary organisations that cooperate with it.

The more important criteria to evaluate the effectiveness of these loans are the sustainability of the projects, the ability to create job opportunities, the enhancement of productivity and alleviation of poverty. The results of an assessment study carried out by the Royal Scientific Society released on 30 January 1999 showed that only 51% of the beneficiaries from DEF loans indicated that they generate more than $280 monthly from the projects funded. Seventy-five percent allocate some of the income for family consumption. Sixty-eight percent allocate amounts from their income to repay the loan, while only 12% save some of the income generated. 32% of the beneficiaries reinvest some of the income in the same project funded. Fifty-two percent indicated that the project funded improved their living standard, 38.2 percent indicated no effect on their living standards and 7.8 percent indicated that the project funded affected them negatively. Seventy-nine percent of the repayments made are on time. This is mostly due to the collateral demanded by DEF and the intermediary organisations working with it. Only 26.3% of the beneficiaries received training before launching their projects. Of those who received training, 31% received professional training in fields related to their projects, 16% in public and private hospitals, 12.5% in the public schools and Vocational Training Centres. The rest claimed training through their previous work experiences.

The more successful projects were those in the services sector (especially the clinics and pharmacies), not a surprising result considering the share of this sector in the Jordanian economy.

Each funded project created an average of 2.5 job opportunities at a cost of $3500 for each job. Beneficiaries employed by their own projects accounted for 37% of the total jobs, those who employed or hired others accounted for 37%, unpaid family members employed by the projects for 19% while paid family members represented 6%. The
projects' employees were represented in the economic sectors by 48% in the services sector, 37% in vocational or industrial projects and 6.6% in agricultural projects.

Jordanian nationals employed by these projects represented 92%. Average wages for the employed in these projects were very low: 22% received less than $70; 62% less than $140; and 7.5% received $354 and above. The previously unemployed among the beneficiaries were only 27%. The rest had jobs or received the loans under the names of other family members. University graduates constituted 32.5% of the beneficiaries. New projects represented 86% of those funded by DEF. The rest were existing projects that received funding to expand or to meet needs and the total amount of loans extended amounted to $45.25 million up to the end of 1998.

The Effects of Economic Adjustments Programs on Poverty

The increase of poverty during the past three years is seen by many as the result of the economic adjustments program implemented by the government. It is worthwhile to review the program and government efforts to overcome the negative effects resulting from it.

The objectives of the program on the short-term level are to adjust the imbalances in the balance of payments and the general budget of the government. It also aims, on the long-term level, to strengthen the development potential and hence enhance economic growth. Most of these measures depend on supply and demand.

Policies regarding demand include the monetary aspects as they concentrate on improving the general budget through increasing revenue (increasing taxes and decreasing expenses, lifting subsidies on commodities, decreasing consumption and depreciation and government investments).

Monetary policies aim also to decrease the inflation rate and improve the balance of payments, improve financial reserves of foreign currencies, increase the interest rate and decrease the demand on loans domestically. The overall objectives are to decrease consumption and imports and thus improve the balance of payments.

These policies are described as stabilising factors that will positively influence the economic structure of the country and improve the supply axis.

Policies regarding supply are intended to decrease the role of the government in the economic life or cycle of the country and depend more on market factors to determine prices. Most important among them are:

- liberalising financial and commercial activities;
- restructuring government organisations and entities;
- policies across sectors;
- restructuring and reorganizing social policies;
- privatising public enterprises on the assumption that the private sector is more capable and more efficient in managing the economy and the distribution of available resources.

Although the Economic Adjustment Program was adopted initially by the government in the mid-eighties, implementation started in 1996. The program's achievements have so far been limited to the economic stability and growth aspects. It has not resulted in
the economic boom predicted by the government. Privatisation and lifting of subsidies resulted in price increases of main food commodities and services (electricity, water, and so on) which negatively affected the poor and the middle class, thus causing an increase in the percentage of those living under the poverty line. In order to curtail these results the government adopted a special poverty alleviation program in 1996.

The Social Productivity Project (SPP)

The plan was announced in 1998 with the mission to eradicate poverty and unemployment and increase productivity. It has been labelled as The Safety Net that will not only address these issues but that will also end them. It will be implemented through two phases, the first of three years and the second of seven years.

The objectives of the first phase (1998-2000) can be summarised as being to alleviate poverty, to create job opportunities and to combat the causes of poverty in the medium and long terms.

In order to accomplish these objectives, the plan specified four approaches.

The first was to restructure the National Aid Fund (NAF) with the aim of covering a larger number of beneficiaries through reviewing the criteria and increasing the financial support extended. The income of poor families would be supplemented to cover the gap between income and real need; Second, to develop infrastructure in the poverty pockets in a way that will improve the living standards of the community, through providing schools, health centres, retaining walls and renovating the water and sewage systems; Third to extend small and micro credit to the poor with the purpose of establishing or expanding small income generating projects. In addition, the intermediary organisations, which implement the extension of loans, will receive assistance to strengthen their institutional capacity and fourth, to train the poor through special programs and subsidise their employment in the private sector companies.

Government Ministries and agencies started implementing the first three approaches in 1998. Small and micro finance schemes have been allocated to three intermediary national NGOs and one private bank and were mostly initiated in 1999. For the first phase of the Social Productivity Project, the first three years, the total cost will be $251 million.
Table 1: Social Productivity Project (SPP) Financial Plan
First Phase 1998 - 2000

<table>
<thead>
<tr>
<th>Item</th>
<th>$ Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Infrastructure</td>
<td>137,900,000</td>
</tr>
<tr>
<td>Micro and Small Finance</td>
<td>33,700,000</td>
</tr>
<tr>
<td>National Aid Fund</td>
<td>36,600,000</td>
</tr>
<tr>
<td>Vocational Training</td>
<td>6,900,000</td>
</tr>
<tr>
<td>Surveys and Coordinating Projects</td>
<td>3,200,000</td>
</tr>
<tr>
<td>Medical Centres</td>
<td>9,900,000</td>
</tr>
<tr>
<td>Total</td>
<td>228,200,000</td>
</tr>
<tr>
<td>10% Reserves</td>
<td>22,800,000</td>
</tr>
<tr>
<td>Grand Total</td>
<td>251,000,000</td>
</tr>
</tbody>
</table>

The allocations in the above financial plan speak for themselves when compared to the set objectives of alleviating poverty and eradicating unemployment within three years. Only $70 million is allocated for direct assistance as grants or loans, an amount far below the poverty gap. In addition, there are two other issues debated regarding the design and implementation of the SPP.

The first concerns the exclusion of the non-governmental sector from three venues: national aid, infrastructure activities and training. The previous experiences in Jordan are witnesses to the important role of the NGOs in terms of cost effectiveness, capabilities and creativity. The partnership between the national NGOs and the grass roots in Jordan, represented by community based organisations, has resulted in better and more effective outcomes. This is not a matter of promoting the NGOs but a fact that has to be realised, focused upon and enhanced by the government. Unfortunately the old view that the government and NGOs compete still exists in Jordan. This should be bypassed for a stronger relationship for the benefit of all, especially the vulnerable poor sector of our society.

The second issue relates to micro finance and what is described as “best practice” and “sustainable.” No one disagrees about the need for best practice and sustainability. The difference is whether these are alternatives to other methods of development and whether they will be acceptable to the targeted groups. To charge high interest rates and duplicate the experiences of other countries is not necessarily best for everyone; it might even be catastrophic for some. There are enough experiences in Jordan and the region to build on. This remains a point of debate between the funding parties and some national NGOs who have expressed their willingness to participate if some conditions are met.

It is still premature to judge the Social Productivity Project since there are not as yet tangible results to measure.
Characteristics and Analysis of the Poverty Alleviation Programs

It is possible to identify the common features and characteristics through the following points.

It is estimated that $48 million is spent annually in Jordan on poverty alleviation and unemployment eradication programs. In spite of that poverty is on the rise. There are a high number of government agencies, NGOs and other organisations (in total 52 entities – the main ones are six, three government and three national NGOs) that address this issue but there is a lack of coordination among them. Most of the programs offer temporary solutions to poverty and do not provide the adequate necessary resources and efforts to eradicate poverty. The private sector contribution is minimal and limited to 5% of the overall capital spent. There is a lack of specialised technical expertise in the areas of feasible economic projects and poverty alleviation. There is an institutional weakness in the government agencies involved in poverty alleviation. Contrary to official claims, studies have proved that more than 50% of the projects funded by DEF and NAF failed economically. The repayment rate on loans is less than 50% at NAF and is between 60% to 75% at DEF and other government agencies.

There are other considerations that become apparent when reflecting on the effectiveness of the various programs.

Poverty and unemployment problems will not be solved except through medium to long term plans. The state of the economy is crucial for solving these two problems, otherwise we will be only putting band-aids on a wound that needs major treatment to heal. The role of the private sector and its enhancement is essential for a healthy and stable economy, thus enhancing poverty alleviation. The distribution of wealth (a World Bank study of 1996 shows that the poor 20% in Jordan receive only 5.9% of the GDP, while the rich 20% receive 50.1% of the GDP) should occur in a more equitable way and the guarantee of basic services is a human right that will alleviate poverty automatically and continuously. This can be assisted by the protection and expansion of the already existing achievements in Jordan in the fields of education and health. More cooperation and coordination is needed among the NGOs themselves and among the three sectors of the society, government, NGOs and the private sector.

THE JORDANIAN HASHEMITE FUND FOR HUMAN DEVELOPMENT (JOHUD)

JOHUD is the leading national NGO in Jordan that addresses the basic and essential issues of development. It has been able to maintain its pre-eminent role and position through continuous upgrading of its efforts and the development of its strategy. This is accomplished through a process of evaluation that identifies both its shortcomings and achievements. JOHUD, through its programs and projects, considers the process of development on the community level, qualitatively and quantitatively, as an integral part of the overall development efforts on the national level. It supports the activities of community-based organisations and entities and strongly advocates citizens' participation on all levels.

We point out the three stages of JOHUD’s development since its foundation in 1977 (JOHUD carried the name, The Queen Alia Fund for Social Development till February 1999).
Initially, from 1977 to 1984, it provided relief which was underpinned by a welfare approach. This was followed – 1984 – 1995 by a social development approach which shifted emphasis from 1995 to the present to a socio economic development approach.

Although the three stages differ in their main characteristics, this does not mean the end of all other activities of different kinds that were introduced at an earlier stage. JOHUD strategy, objectives and work are not limited to a certain field of development but are holistic in nature, as JOHUD implements projects in all areas of development. These projects are connecting circles within its overall national development mandate and are by their nature integrated and aggregate.

The nature of each stage reflects the type and level of relations between JOHUD and the beneficiaries represented by their local societies. It should be emphasised that the relations with national or local NGOs represent a cornerstone in its outreach program. This approach represents a method of work on one level and an objective at the same time, since it strengthens and supports local entities while at the same time it affects the targeted sectors of national society.

JOHUD supports both national NGOs and Community Based Organisations or Entities that represent the Interests of a Specific Community. The national NGOs carry out services, research and projects, and advocate certain policies related to specific fields. We can cite the example of organisations that specialise in the following fields: women's issues, childhood, health, agricultural development, productive projects, people with special needs, environment, literacy or rural development, and so on. On the national level these independent national organisations promote and spread certain concepts and values that relate to their field of work. They depend for their funding on the support provided by international agencies or organisations, whether in a direct or indirect way.

The Community Based Organisations are run by local groups. The entities can be voluntary societies, clubs, cooperative societies, neighbourhood committees or other groups that are part of the civil society. For their support they depend on local resources and on what they receive from national agencies or organisations. They rarely receive support from foreign or international bodies.

**Multi-dimensional Objectives and Cooperation with NGOs**

JOHUD has exerted much effort to increase effectiveness and widen the sphere of cooperation in order to achieve distinct sustainable development which it believes happens when you:

- Support and enhance the efforts of the active specialised national and local development leaderships. These have a distinguished role in the process of building solidarity relations through voluntary work;

- Form active functional committees based on the needs of the targeted community or national domain. Their tasks begin with the implementation of the appropriate awareness programs and specified training that will meet the needs of each targeted sector;

- Assess the needs and identify the appropriate projects that will maximise the available local resources and capabilities. Hence, implement the social and economic programs and projects that will alleviate the living conditions and enable the individual and the community to be more productive;
• Establish and develop the income generating projects that will enhance the achievement of self-sufficiency, autonomy and self-reliance. The sustainability of any project is essential for the augmentation of the community and targeted groups’ capabilities;

• Achieve self-financing in order to invest the additional revenue that will broaden the basis of partnership and upgrade the level of work, quantitatively and qualitatively;

• Concentrate support on local integrated projects with the aim of achieving sustainable development;

• Extend support and aid on the basis of poverty level, need and ability to manage successfully the programs and projects;

• Base the level of support on common interests, joint efforts and degree of effectiveness;

• Advocate awareness, training, education and discussions regarding the policies of development;

• Expand support with the purpose of building and strengthening institutional and technical local capabilities that are not limited to a specific topic or project;

• Institutionalise development support within the overall integral national outlook, efforts and strategies.

JOHUD’s Structural and Functional Approach

It is clear from the literature of development and the experiences in many countries that to make development active and effective, the concerned parties must adopt organised and clear participatory methods. JOHUD has realised this fact from its experiences and implements this principle through several means and on different levels. Its work in this area represents an ideal frame of partnership that enables all concerned to learn and teach participatory action methods in the fields of human, economic, social and administrative development. More importantly, JOHUD’s critical outlook enhances the level of partnership, especially when it comes to decision-making. Thus the ideal relationship among the national, local and the specialised organisations becomes one that considers the necessity of equal say and participation among all groups, instead of patronising “the receiving parties.” Partnership is essential to determine the different methods of work and to assess needs as well. This approach enabled JOHUD to specify and select the proper programs and projects and in many cases transform the people from recipients to active planners, implementers and monitors. This would not have been possible without active participation and the strong belief that the targeted groups are able to specify their needs and achieve them as well. On this basis we can define four methods through which JOHUD implements its participatory approach of support for national and local NGOs and entities.

The Community Development Centres (CDCs)

JOHUD has established a network of integrated community development centres that total forty-eight so far, along with three centres for people with special needs. These centres have become centres of responsibility for integrated social development within their areas of operation. They are managed in partnership with local NGOs and supervised by regional councils that represent all the active local entities in the field of
development. The centres are spread over eleven Governorates; thirty-nine of which are located in the rural and Badia areas while nine are located in the main cities of the Governorates.

These centres set an example that can be and has been replicated by other entities. Projects and programs that have solid feasibility and effectiveness are implemented. Each centre is moreover an outreach post to other areas.

Examples of the programs and projects implemented by the CDCs are:

- Community development: social services, infrastructure, rehabilitation of cisterns, irrigation canals, public parks, environmental activities and agricultural projects;

- Childhood programs: kindergartens, nurseries, children's clubs, sports clubs and youth committees;

- Women's programs: women's committees, awareness and education, vocational training, home gardens, food processing, rural markets, nutritional programs, literacy classes;

- General health and medical clinics: health awareness, medical campaigns that include vaccination, treatment, preventive medicine, family planning clinics, dental clinics and mobile clinics;

- Economic empowerment: training on needs' assessments, design of small projects, project management, feasibility studies, financial management and monitoring, technical training on specific projects and credit funds schemes;

- Productive projects in partnership with local entities: ceramics, rug weaving, industrial sewing, sheep raising, plantation planting and food processing.

JOHUD has adopted the structural approach of outreach and permanent presence in the different areas of the country in order to achieve the common objectives with the local entities. The programs in partnership with the local entities both address needs and guarantee progress.

**Support of National and Local NGOs**

JOHUD supports other NGOs and members of the civil society through financial, material and/or technical assistance for specified programs and projects. This primarily targets NGOs that are not JOHUD's partners in the management of CDCs. JOHUD does not limit its assistance to its permanent local partners but acts as an umbrella organisation that sustains many activities and programs.

**Pre-school Education**

JOHUD, in cooperation with the Ministry of Education and UNICEF, designed the national curriculum for kindergartens in Jordan, the “learning through play” approach. JOHUD, with these partners, published the theoretical and application guides for KG teachers.
JOHUD has furnished more than four hundred kindergarten classes (in addition to the 135 classes at its CDCs) in different areas of Jordan. It has also, for the benefit of local governmental agencies, societies and communities, trained hundreds of teachers that work in this field.

Special Education

JOHUD built three centres for people with special needs. These centres are managed by three specialised societies and JOHUD provides technical and financial support to the three centres. In addition, JOHUD supports financially a number of other societies in the field of special education with the aim of improving the level of their services and activities.

JOHUD, in cooperation with other societies, studies the cases of disabled individuals who need assistance and provides them with ancillary medical equipment (such as wheel chairs, visual and hearing aids, palsy equipment, crutches, and so on). The program also includes lending out this medical equipment to citizens who need them for temporary periods.

Each year JOHUD provides special treatment units for cerebral palsy patients. This is implemented at some of JOHUD’s CDCs or at the locations of other societies. JOHUD covers the cost of necessary equipment and pays the salaries of the physiotherapists working at these units.

JOHUD furnishes resource rooms for students with special needs at the schools of the Ministry of Education.

Support of NGOs

JOHUD has given this aspect great importance in order to improve the capabilities of the different NGOs and entities. We approach this in a range of ways.

The training of trainers on projects and programs identification and implementation raises the awareness and administrative and technical capabilities of the societies’ members and enables them to better implement the different development projects.

JOHUD provides social societies and centres with the necessary equipment that enables them to implement the different programs and projects. This is done after thorough examination of the society’s needs and status assessment. It is also done with the aim of enabling the particular society to achieve self-reliance.

JOHUD implements workshops and training sessions that relate to specific subjects. Among these subjects are environmental issues, field research, communication skills, special education and fund raising.

JOHUD provides the societies with the necessary information that helps them improve their performance and level of project implementation, and facilitates the exchange of experiences and other opportunities to examine projects with the purpose of making this knowledge available to all.

The above-mentioned activities are implemented in stages. Many national and local NGOs benefit from these programs. It is worthwhile mentioning that JOHUD implements such projects in cooperation and collaboration with international bodies. This type of support requires continuity, monitoring and evaluation in order to
maintain a status that is up to date with the changing economic and social conditions, and in order to achieve better results in the process of institutional strengthening.

The benefits of this approach will be to:

- facilitate the exchange of information;
- reduce the level of replication of programs or projects that have been proved ineffective and to unify, at the same time, the different points of view in the domain of social programs and projects;
- Confront the challenges by an integrated and participatory approach that can reduce competition and prove that societies can complement one another in objectives and special interests. Such objectives can be better achieved through cooperation and coordination than through competition.

National Campaigns

JOHUD realises the dire situation and needs of certain segments of the society. These demand the implementation of special programs on the national level. As such, JOHUD organises national campaigns in partnership with the largest number and widest scope of participation on all levels: government agencies, NGOs, cultural organisations and the private sector. Two examples of these campaigns follow.

The good will campaign

This campaign started in 1990 with the objective of addressing the needs of the increasing number of the poorest of the poor, those segments of society that cannot wait until the programs implemented through the CDCs meet their needs and include them. The campaign has developed into an annual event that covers all of Jordan. More important is the fact that JOHUD delegates national and local NGOs, each according to its geographical location or specialisation, to implement the activities of the campaign through the following:

- local NGOs and other entities choose the beneficiaries of the campaign. They prepare lists of the names and conditions of the beneficiaries as well as the aid needed for every beneficiary, whether it is a productive project, material support or a scholarship;
- all the activities are implemented with the aim of strengthening the NGOs’ relations with the targeted groups and communities;
- financial and material support is provided to many local NGOs. This helps them achieve their objectives and improve their level of performance on both structural and functional levels;
- JOHUD tries to include all aspects of the development work through this campaign. The activities provide assistance that meets economic, cultural, medical, educational, agricultural, environmental, women’s and childhood needs. The campaign is participatory and integrated as well as encompassing in its work.
The Queen Alia Contest for Voluntary Social Work

For the fifth year in a row this contest is being held with the objective of spreading knowledge and raising awareness regarding people with disabilities. The objective is to create positive attitudes among the general public towards this sector of society.

This campaign lasts for four months and is supervised by a Higher Committee that represents the different sectors of the society, predominantly the voluntary societies active in the field of special education. The main portion of the income generated by this campaign is allocated to the activities of these societies.

Queen Zein Al-Sharaf Institute for Development (ZENID)

JOHUD realised through its experience the importance of providing the necessary elements that enhance sustainable and integrated development. It is obvious that financial resources are a means to achieve objectives and not objectives by themselves. This is contrary to what many NGOs believe and it explains to some degree why some give the material issues greater consideration. They strive to meet their financial obligations and achieve continuity instead of trying to achieve the sustainability of the effective development programs and projects.

Effective NGOs should have proper and sound planning. These NGOs do not operate in a vacuum but each is one of many that have common objectives and interests. To secure funding, a measure of success from different points of evaluation should be implemented.

Emphasis on the technical aspects of the programs and projects while ignoring the capabilities of the implementing agency leads to failure. It is not because of the type of program or project but due to the weaknesses in the administrative, technical, institutional and leadership capabilities of the NGO.

Based on the above, the concept of human development has become the main concept for all aspects of development. Related to this concept, ZENID was founded to serve the different NGOs, government agencies and the private sector by strengthening their capabilities, a step that enables them to draw up their strategies and priorities. It is easier to solve financial problems than to solve the more acute problems that relate to the capabilities of society.

ZENID’s main activity is to train trainers as well as members and employees of the NGOs. It provides the necessary advice in the areas of organising training programs and preparing training packages, methods of training and techniques. Through exchange of experiences, information and visits, the training offered is not limited to the national and local levels but is on the Arab and regional levels as well.

ZENID’s role in building capacity, technical and administrative capabilities is to:

- advocate and support participatory management as the most suitable method to achieve the objectives of development on the national and local levels;
- exchange experiences among the training entities concerned with implementing all types of development programs and projects;
- implement special training for national and local NGOs’ members;
- train trainers from Arab countries in related fields of development;
• implement studies that assess the priorities in the field of training;
• design the necessary training programs and packages for NGOs;
• develop the concepts and contents of training material;
• prepare the guides and training packages to expand the circle of beneficiaries;
• spread awareness regarding the importance and values of training;
• make special efforts in training the younger generation.

Technically, the Institute offers training in the following areas: project management, especially income generating projects designed for the women's sector; methods of communications with the supporting and funding agencies; marketing techniques and evaluating marketing and financial policies; community development and training of supervisors and teachers in pre-school education.

This Institute has become a reference for all of those interested in development work and activities in Jordan. It offers its services and facilities to them and to interested parties in the region as well.

Summary of Efforts to Alleviate Poverty

It is more significant to elaborate on methods and tangible achievements than to involve the reader in quantitative data. JOHUD’s efforts in the areas of its operation are not exclusive, but have been complementary to those of the public sector and the local communities who are the real initiators and achievers. The Fund, over its 22 years of work, took development to rural residents in their areas, a method ignored by many public and NGO agencies and organisations. It established a permanent presence with the aim of enhancing the productive potential of the poorest in their specific local, social and economic milieu. The achievements of these localities and their community based organisations can only be appreciated through material contact. The accomplishments are not temporary but stable and diversified; thus they can be protected. Experience has shown that investment in the poor is a good investment and can have greater economic as well as social impact. The attainments of JOHUD's approach can be summarised in the following:

• Sustainable and replicable rural development at the grassroots level has been established;
• A surplus of basic resources such as land, water and credit, to secure imports, has become accessible and expandable;
• The productive activities of the rural poor, and the integration of them in various poverty alleviation and growth schemes, is an ongoing activity;
• Market opportunities and bargaining power of the rural poor have been enhanced.
• People's participation as a means and an end in development, where the poor become self-reliant and decision-makers, has been firmly incorporated and secured.

All these factors show the necessity of institutional strengthening at the grassroots level. The challenge was, and still is, to enhance the ability of the people to develop
fundamental policies and management skills necessary to build their community’s human, economic, social, political and cultural structures so as to take their proper place in the country’s affairs. Sustainable development requires guidance from trained personnel to assist with the technical skills and the knowledge needed to build institutions. Two major areas that need to be addressed are policy analysis and development management and the starting point to fill these gaps is capacity building. Above all, a bottom-up or grassroots effort for sustainable development was encouraged at community level. Capacity building, as promoted by the Fund through its CDCs, addresses all areas of economic, social, cultural and environmental processes through a holistic approach.

It is obvious that the Jordanian government investments to alleviate poverty are not humble. They have been more successful in increasing the human capital of the poor. Public spending on education in Jordan is relatively high (7.1%). So is expenditure on health. Yet these investments have yielded poor return in terms of social indicators, increasing poverty and high unemployment among college graduates. The problem in Jordan is clearly not a problem on the scale of social investment but of the effectiveness and quality of social programs and project spending.

The actual social spending per capita in Jordan is on the increase despite the low GDP growth during the recent years. The present range of programs adopted by the government is a clear indication that it is more than serious about addressing poverty directly. The programs of direct assistance to the poor as well as the Social Productivity Project are clear signs of that. It is difficult to measure absolutely to what extent these programs have been effective in alleviating poverty. The data lack the potential to carry out a full poverty measure or cost effectiveness analysis; more searching work will be required to determine how public spending affects the poor in Jordan. But it is possible to identify certain traits which characterise government assistance and poverty alleviation programs:

- the design of extensive poverty alleviation programs that can effectively guarantee a minimum standard of living for everyone has proved to be remarkably perplexing and difficult;
- some programs, such as direct financial aid to the poor and public social security schemes, are likely to reach part of the truly poor;
- general subsidies usually occur with flow-on, so the non-poor will also benefit;
- the financial costs of these programs are generally high and unsustainable.

RECOMMENDATIONS REGARDING POVERTY ALLEVIATION

The partnership between the government, NGOs and the private sector is a prerequisite for social and economic development. Recognition of complementarity among the three sectors should replace the competition that characterises the present relationship. A new social contract among the government, private sector and civil society should define the methods of cooperation, role of each sector and means to engage the public at large.

Economic development needs to be labour-intensive and thus lead to an expansion of job opportunities. Labour productivity should also be increased through flexible wages and emphasis on skills enhancement and training. Social security for the unemployed
should be guaranteed, a measure that will allow employers (public, private or others) freedom to hire according to actual needs and changing economic situations.

Scientific, technological and technical education needs to be promoted through provision of adequate schooling and equipment that will enhance practical skills as determined by market forces.

Direct financial aid should replace all forms and programs of subsidies. This should be accompanied by precise identification of the target group and restricted to the unemployed poor. This should also be as a complement to other anti-poverty measures and not an alternative to development projects.

Objective evaluation is rarely carried out in Jordan. All entities concerned, government and others, should adopt a policy of monitoring and evaluation that will include impact evaluation, beneficiaries' satisfaction and rating those implementing it.

Gender equality and equity is basic for development and poverty alleviation. The needs and role of women, in particular, should be well defined and supported. Despite recent achievements, there are still long strides to take and many objectives to achieve in this domain.

Social productivity programs should not be seen as short-term but as tools for long-term alleviation of poverty. Their effectiveness also requires the following:

- autonomy and political support;
- qualified personnel;
- simple and effective implementation policies;
- ability to provide training and consultation;
- modern and innovative approaches to development management.

**Conclusion**

The issue of development and poverty alleviation is a permanent and complex challenge. Strategies for poverty alleviation have achieved many important changes and there are still many points of disagreement, especially regarding growth and development. At the same time, we are witnessing a more humane approach towards development and poverty with an emphasis on providing for basic human needs and the establishment of social safety nets to help the poor. Social expenditure should be planned on the basis of necessity in a changing and dynamic environment. Meeting the needs of the poor can also promote the expansion of productivity and not conflict with it.

**Studies**

- Poverty Pockets in Jordan
- Towards a Nutritional Balance to Alleviate Poverty
- The Poverty Study Report: Status and Characteristics
- World Bank, Hashemite Kingdom of Jordan Poverty Assessment, 1994, Report No 12675-Jo
• ESCWA: UN Economic and Social Committee for West Asia – Assessment of Poverty in Member States, 1996

• The Royal Scientific Society: Poverty and Unemployment in Jordan, September 1998

• Living Conditions in Jordan at the Eve of the Century, 1998

The views presented in this paper are those of the author and do not reflect views of any of the participating organisations or participants in the conference, nor the government of Jordan.
The Challenge of Food Security

By Antonio B. Quizon

Antonio “Tony” Quizon served as Executive Director of the Asian NGO Coalition for Agrarian Reform and Rural Development for eight years (1990-1998) and was elected to its Board in 1998. He has spent his entire working career with Philippine social movements, and with NGOs in the Philippines and Asia. He is currently involved in three local community-based Philippine NGOs engaged in an environmental and anti-logging movement; a resettlement program for displaced families of lava flows in Mt Pinatubo; and a sustainable agricultural development for small farmers.

Asia is home to half the world’s population, and two-thirds of the world’s poor. Over 500 million Asians live in chronic poverty, the majority of them in rural areas. Each of these are individuals with their unique God-given potentials, as well as needs.

Across most of rural Asia, we witness a continuing paradox where it is hungry people who till the land, and feed the well-nourished. And everywhere, the story seems familiar. Much of the resources and capital are controlled and determined by a few. Land is a basic resource, yet up to 70 percent of rural populations in Bangladesh, Indonesia, the Philippines and Malaysia remain landless.

Governments and NGOs have tried various approaches in addressing rural poverty, but with limited success. In the end, it is those approaches that build on community needs and capacities that spell the difference.

This article is focused on the Philippines, but the context may be similar to many Asian countries as well.

AGENDA FOR PEACE

In just the past 50 years of relative global peace since the Second World War, it is estimated that an equal number of people have died – not through wars between nations, but through internal strife – through insurgency wars, ethnic, religious and social conflicts in many countries of the world.

It was twelve years ago, when peace negotiations first began between our Philippine government and armed groups, under a common working agenda: “Food and Freedom, Jobs and Justice, Land and Labor”.

Today, this Agenda for Peace continues to echo the deepest hopes of our people. Yes, over a decade has passed since we toppled a dictatorship through a peaceful People’s Power Revolution. We may have regained our fundamental freedoms, but our basic problems remain.

Every day, a fourth of our children still go to bed hungry. Poverty stalks nearly half of our population. One-third of our families have no access to safe drinking water. A fourth of our children pass away at birth or before reaching the age of five — nipped in their prime by disease, poor nutrition and sanitation and lack of medical facilities for themselves and their mothers.

Yes, we may have succeeded in doing away with political detention centers. But hunger is itself a concentration camp and malnutrition is a form of torture. There is no image more heart-wrenching than that of a mother, pacifying her infant by letting her suck on a piece of moistened cloth because the mother’s breasts have dried up from lack of food. Or the picture of a grieving family gathered around the lifeless corpse of a child, carefully laid down in a wooden vegetable crate.

One can never grow too familiar with the persistent images of poverty. For the same poverty that causes massive suffering also breeds revolution and violent change. As there can be no development without peace, there can be no peace without justice.

The poor echo the Oracles of Isaiah that cry out for Peace:

“And they shall beat their swords into ploughshares, and their spears into pruning hooks; nation shall not lift up sword against nation, neither shall they learn of war anymore.”

In fact, there is an underlying principle that gathers us today, namely: that wealth carries social responsibility. We convene here because of this common belief. Our security is inextricably bound up in the well-being of the poor. Assistance to the poor is not a question of charity, but of justice. And justice should be the insurance that we take out on our lives.

**PORTRAIT OF RURAL POVERTY**

Despite modest economic growth, between 35 to 47 percent of all Filipino families (about 4.5 to 5 million families) live in poverty. Poverty remains predominantly rural: two-thirds of our country’s poor live in rural areas, and 68% of all rural families fall below the poverty threshold.

Statistics may tend to hide the real story. But from statistics, one can re-create the picture of a typical, poor rural household:
"The household is headed by a male aged 30-50, with an elementary education or less. It is larger than average, often with more than eight members. A quarter of the children aged 13-16 are not attending school, mostly due to lack of interest. Eighty percent of the ever-married women do not want any more children. The typical poor rural household is employed in farming. The head is a landless agricultural worker or an upland farmer on heavily sloped land, cultivating a small plot planted to maize, coconuts or sugarcane. The average area cultivated by the family would have fallen by one-third over the past seven years. The household is heavily under-employed. There is only a one-in-ten chance that an agricultural extension worker will visit the family this year, and the family does not have crop insurance. The family has a one-in-two chance of having a sanitary toilet. One or two members of the family have probably migrated to rural areas, and they send substantial money home."

Yet poverty has other less tangible, but equally destructive features. The poor are isolated; they are remote from centers of power and government. They remain largely unorganised, and lack power. Often, they are manipulated. Their access to land, water, technology and other services are tenuous at best. They are the first victims when disasters strike. They are the battleground of political upheavals. And when droughts or typhoons strike, the poor starve; the rich merely rearrange their menus.

The small farmer’s income, as you know, comes mainly from working long hours. If there is anyone who understands the Scripture — “by the sweat of your brow, you will eat your bread” — it is the small farmer. Yet malnourishment often saps the farmer’s very capacity to work which in turn aggravates the very poverty that breeds it.

Rural women suffer from a double disadvantage. A Filipino woman earns only 47 centavos for every peso that a man earns across the different sectors. In agriculture, where women’s labor is rarely compensated, it is worse. She receives only 9 centavos for every peso that a man earns. Women continue to have little access to land, farm implements, and payments for productive work. Despite laws that guarantee equal access to land, women today constitute only 18 percent of all land titleholders.

More than half of rural households are absolutely landless. Most work as marginal farmers or landless agricultural workers. Some 18 million people now live in the uplands, often with no security of tenure. Many are seasonal workers, often unable to find jobs especially during those annual periods of starvation (panahon ng tagsalat).

The majority of rural people are still engaged in agriculture. Most are plagued by low incomes and chronic underemployment and their numbers are increasing. Rural populations have increased between 2.2 percent and 3.9 percent per year, over the past 15 years. Yet, per capita agricultural productivity has remained stagnant, or has even declined.

Land remains the dominant form of wealth that determines power and prestige. It remains in the duchies of a miniscule elite. This elite tends to quash any reform that threatens its well-entrenched position of power and economic privilege. Resistance to

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1 Statistics say that some 12 percent of Filipino rural households are headed by women.
2 Only one percent of Filipino farmers have crop insurance.
change often comes from generals, legislators, loggers, traders and local politicians. Thus, we have “Institutions where the powerful extract what they want, and the weak grant what they must.”

Impoverishment saps the poor of life itself. As a result of skewed incomes, the elites in our countries live, on average, a decade or longer than the poor. To see this, one needs only to review infant mortality reports or to disaggregate life expectancy tables according to income. Many therefore have come to ask the bitter — but justified — question: “Have the affluent bought a franchise to life itself?” My former ANGOC chair, Dr. Umali called this, quite aptly, “the scandal of abbreviated lives.”

OUR CONTINUING STRUGGLE FOR FOOD SECURITY

For many poor rural families, food used to be a relatively simple household affair. You reaped what you had sown; you ate what you had harvested; and you traded what was left over. What the term “hand-to-mouth” existence meant was not a pitiful existence, but a noble life.

Yet, more and more, over recent years, the market has come to intervene in-between farmers and their harvests. Farmers were taught that, to ensure food security for themselves and their families, they had to sell what they planted, and to buy what they ate.

Today, our markets are swamped with cheap food imports from China, Taiwan, the US, Australia, New Zealand, Canada and Thailand. Our fruit industry has practically been killed. The deluge of advertising and fast foods is rapidly changing urban food tastes and diets, causing a massive market disincentive against our farmers to produce. Recent decades show a rapid growth in consumption of wheat and wheat products such as bread, pasta and noodles, all imported and none locally produced. Only two rich families control the country’s wheat importation and flour production. And while domestic price controls hold down the local farmgate prices of rice and corn (to ensure a cheap and docile urban labor force), our farmers are forced to absorb the ever-rising costs of agricultural inputs and foodstuffs.

Even our local food and agricultural markets are dominated by monopolies. Traders, middlemen and industries continue to rake up over half of the profits that should accrue to farmers and local producers. The coconut industry is one prime example. In 1992, more than eight million coconut farmers depended on the operations of only 114 coconut processing plants and five coco-chemical factories. Five family-owned trading cartels control the lucrative rice trading in Metro Manila.

In fields that used to grow food, today we find golf courses, housing enclaves for the rich and cut-flowers being cultivated for export. In this maddening rat race, small farmers are continually sacrificed at the altars of industry, leisure and commerce. Over the past decade alone, at least 56 thousand hectares of prime agricultural lands have been approved for conversion to other uses, but the Philippine Senate itself estimates it at ten-fold that number, or half a million hectares, to include those illegally converted. Entire families and rural communities are being uprooted from their lands and livelihoods. Indeed, in the name of progress, we have reduced our capacity for food security, degraded our environment, and have made our poor even more dependent on the external market over which they have no control.

Over the past 10 years, our agricultural yields in the Philippines have dropped dramatically. In 1994, our agricultural yields were only 88 percent of the past 1985-87
period, forcing the country to import 2.2 million tons of rice for that year. Our fishery yields reached their peak in 1984, plummeting dramatically, and then only slowly increasing over recent years. All these have been mainly due to government neglect and to massive destruction of our forests, mangroves and coral reefs in scandalising proportions. Our forests dwindle by over four percent each year, and could be wiped out over the next decade; only 30 percent of our coral reefs remain. Our resources are continually being exported and the dollars salted away abroad.

Due to decades of government inaction and neglect, small farmers and fisherfolk have long remained in the margins of existence. At best, government has adopted varying economic growth strategies that stress on “trickle-down” effects. Yet this long-debunked theory of trickle-down, as Dr. Umali used to explain, is just as if we “allowed sparrows to merely peck on the leftovers of what has already passed through the digestive tracts of cattle. “For the reality is, “trickle-down” is really more of a “suck-up” — as land, resources and cheap labor are systematically extracted from the poor rural communities which depend on these for their survival. Ninety percent of all rural bank deposits are invested — not in agricultural loans, which businessmen consider as risky, but in portfolio investments in urban capitals such as stocks, real estate and treasury bills which do not directly create real goods and jobs.

For as long as food security continues to be measured by money and markets, it will continue to pull young people away from agricultural life. Every rural family now has one or two members working in urban centres, filling in the growing ranks of congested urban slums. One in every five Filipino families now depends on remittances from a member who works abroad. Labor has replaced copra and cane sugar as our prime export. Overseas contract workers — construction workers, domestic helpers, entertainers and maritime workers —now account for five percent of our country’s labor force. Filipinos now constitute 27 percent of all seafaring, maritime workers around the world. Such outflow has increased tensions within families and has disrupted community life. Meanwhile, we witness a massive drain of our human talent, and a gradual aging of our farming population.

LESSONS FROM THE PAST

What hopes remain for food security, looking into the future? The Chinese have a proverb appropriate to our question: “Consider the past, “they say, “and you will know the future.”

It is good advice. If we are to grapple with the challenge of food security, we must look at longer term trends — 25 years over our shoulders, into the past —so we can look 25 years forward into our future.

As no government wills starvation among its people, we now ask, what are some lessons we can take from the past approaches of government?

The Seduction of Science

The first major Philippine government effort came with the “Green Revolution” of the 1960s and early ’70s. New hybrid rice varieties were introduced that broke records on irrigated farms with good soil, adequate fertilisers and pesticides. They bought us time in our race between food and population.

Technological innovation may be essential and exciting, but it can also be seductive. We later found that the new varieties did little to help small farmers; nor were they of
much help to those who tilled hilly, arid, heavily-sloped or swampy areas with poor, leached soils, seared by drought or submerged by floods. The poor were by passed; benefits gravitated toward the better-off farmers in the well-endowed areas. Moreover, even as chemicals poisoned our land and water, hundreds of thousands of farmers soon found themselves deeper into debt, and thus ineligible for formal sector loans.

Non Government Organisations, too, share the blame. In the 1970s and 80s, NGO-backed cooperatives served as channels to peddle government loans to farmers to buy pesticides, fertilisers, seeds and agro-chemicals. Today, many are coming back, under the new label of micro-credit. Yet, in a recent encounter with farmers in Quezon province, a farmer told us off bluntly: “Many years ago, you NGOs talked about miracle rice, and you gave us loans to buy all these inputs. Now you are talking about sustainable agriculture, and saying that what we’re doing is bad for our health and environment... Can you NGOs make up your mind?”

In reality, the loans — much of which were provided by the World Bank — were not subsidies for farmers. Instead, they were cheap subsidies for transnational chemical companies that created for them a huge market in the agriculture sector.

Today, land-based tenancy arrangements are being replaced by a new form of “technological tenancy.” Farmers become increasingly dependent on agro-chemical and seed companies for their harvests and on industry, for their markets. The new technology does not allow farmers to re-plant the hybrid seeds that they saved from their previous harvest — as had been their long, traditional practice. They must apply chemical inputs in ever-increasing amounts, further depleting the fertility of their soil. It takes nature one hundred years to create one inch of topsoil and just a few cropping seasons to destroy it. Surely, this new technology is not sustainable.

Meanwhile, if we are to win in our battle against hunger and malnutrition, part of that battle must be fought in less-endowed lands, among marginalised farmers. There may be scope for more socially sensitive and responsive technologies that emphasise multi-cropping, agro-forestry, ecological area-based planning and restoration of our rivers and watersheds.

Scientists must learn to work more closely with farmers, and to learn from them. “Farm-to-lab “ — not just “Lab-to farm” adoptions of pre-packaged technology —could well define the new pedagogy of a “reversed form of learning.”
The Lure of Markets

Why the economic theory of “Comparative Advantage” cannot apply to Agriculture and Food Security.

ONE: It is money and technology that move across boundaries — not farmers nor agriculture’s real capital: land, soil, water and climate.
Agriculture itself is built upon “rooted” ecological capital which cannot be transported nor commodified.

TWO: Farming is an ecological, not just an economic activity.
Land that is converted for use in housing or industry can no longer be regained.
It takes nature 100 years just to produce one inch of topsoil.

THREE: Agriculture is a “culture” not just a business.
Asia’s agriculture has been about meeting food and basic human needs, not about money and trade. Asia’s food security and survival have precisely been based on Asia’s rich culture and community life. Indigenous farming systems that have been nurtured through generations, represent humanity’s collective knowledge of how to live sustainably on this planet. Once lost, the knowledge of this “living library” is gone forever.

FOUR: One cannot put an economic price on the loss of biodiversity or one’s indigenous knowledge systems.
On biodiversity stands the very foundation of our life today. The current diversity of species has allowed life on this planet to survive blights, pests, illnesses and various weather and climactic changes.

In the early 1990s, our government embarked on a new approach to agriculture that stressed market-led interventions, privatisation and the breaking up of state and private monopolies.

On the whole, however, there have been inherent contradictions in official policy and implementation has been a mixed bag.

Acting on the advice of the World Bank and the country’s creditors, credit subsidies for agriculture were gradually withdrawn and the Bureau of Agricultural Extension was abolished. This forced our farmers to borrow at a high 18 to 24 percent bank interest rate, with interest even higher from informal moneylenders. Without capital or collateral, few could access commercial credit. Extension services became more scarce, even absent — the province of NGOs, local governments, and “extension agents” who pitched sales for commercial agricultural products.

Towards the ratification of the General Agreement on Tariffs and Trade (GATT) which opened agriculture to global market competition in 1995, new economic policies were introduced. Tariff and trade barriers were broken down, causing a massive influx of consumer products and foreign capital. Direct imports competed with and discouraged local production.
Meanwhile, the ratio of portfolio investments (that is, speculative investments on real estate, stocks, and moneymarket trading) to direct investments rose from 2:1 to 6:1 between 1992 and 1995. In effect, we had a “ballooning economy”, with financial figures propped up by short-term speculations that did not bring in the real and essential goods and services. We merely had an illusion of economic growth whose side effect was to drive up land prices —thereby increasing landlessness and tenurial insecurity among our farmers and urban poor. But our policymakers didn’t seem to mind. All that they understood was the language of money.

And when this “economic bubble” finally burst — in the Philippines as in the rest of East and Southeast Asia — we experienced the twin effects of having a crisis itself, as well as the reduction of much needed revenue to finance domestic development.

One should note that, today, speculative trading worldwide reaches five times the total amount of real goods and services now traded on the global market. In effect, we are creating nations of “gamblers” — with the real losers being the poor who are caught unaware when prices rise and when the value of their hard-earned money tumbles.

As an activist-friend once remarked, "Their lives burn out, like candles lit on both ends."

Thus, when the peso-to-dollar exchange ratio drops by 50 percent, the net effect is the doubling of our foreign debt. In real terms, this means that we double the amount of foreign claims made on our land, minerals, timber resources and cheap labor — for present and future generations of Filipinos.

Why do we keep running after the rushing train of globalised markets? Instead of shifting policies, the dominant thinking of our economic planners continues to stress markets as the prime mover of goods and services. In 1996, one plan of government was to reduce even further the area currently devoted to rice production by 2.2 million hectares. This drew such howls of protest from small farmers and NGOs, that they caused the plan to be aborted. But as history has shown, markets are not the best allocator of resources. Pulled by profit, businesses even thrive in periods of crisis. Many periods of famine across Asia were marked — not by empty granaries — but by the growing ranks of hungry people unable to afford them.

The New Promise of Social Safety Nets

Noting how there will naturally be gainers and losers under the new rules of global economic competition, our wise men now promise a new package of “safety nets.” Everyone knows that open competition naturally favors the rich and powerful. Thus today, “safety nets” is the new development jargon that has gradually replaced official concerns for “social welfare” and “poverty alleviation.” What they seem to say is this — “we’ll push you over the cliff, but assure you that you won’t hit rock bottom.”

On paper, safety nets target those who are likely to be displaced under global market competition. But in practice, they invariably focus on the middle-class and the middle-poor, rather than on the poorest of the poor, under a stated objective of “building global competitiveness”. The newly-instituted Philippine rural development program, known as the “Convergence” approach, for instance, focuses on those provinces with potential for growth, effectively excluding 16 out of the 20 identified poorest provinces in the country.

If the recent Asian financial crisis proved to us anything, it was also the noted fact that none of the promised social safety nets were in place. This observation was noted by
the IMF itself. Yet an interesting observation was the fact that — while urban dwellers
were hard hit by the crisis, rural communities got away relatively unscathed. Thus the

crisis revealed to us what the real safety nets of the rural poor consisted of — that is, the
security, support and comfort provided by extended familial and community
relationships that remain dominant in many Asian cultures.

OUR SEARCH FOR A NEW FOOD SECURITY PARADIGM

Surely, there have been some successes, but performance has been uneven. And those
who languish in “hunger camps” continue to increase, albeit at slower rates than the
1970s. Perhaps one key mistake has been the illusion that “development” is something
that governments deliver to the people. Instead of enabling people to develop
themselves, government has tried to assume the entire burden of national
development. This has caused serious distortions in the economic flow of costs and
benefits. One has to appreciate the fact that government is not rich enough, not wise
enough, to do this job.

Yet, the potential to provide humane standards of life and food for all does exist.

Going beyond analytical tools, we find the Philippine agriculture is dominated by
small farms. Therefore, our hopes of filling granaries, and of plates of women and
children on the dinner table, rest on those fragmented farms — and on the men and
women who work them.

Four years ago, in March 1995, in preparation for the World Food Summit, ANGOC
convened 104 NGOs and farmer groups from 18 Asian countries, to examine
alternative approaches for food security for our countries and Region. Our ability to
reach consensus in just two days was remarkable. Working in small committees
through day and night shifts, we hammered away an 18-page consensus document,
calling for a new “social contract” to be forged between civil society and governments.

What were some of the fundamental principles that we raised?

First, we must build household food security, based on the organising principle of
“reducing food kilometers”— or the distance between where food is produced, stored and
consumed. Decentralise, and ensure the democratic control of people over their food
production and distribution. Food self-sufficiency must be pursued at the smallest,
local unit where possible.

Second, related to this, and at the global level, we would call for a review of the GATT
Agricultural Accord. Negotiate for a “food security” clause in the Agreement that would
recognize and strengthen the rights of communities and nations to protect and pursue
local “food self sufficiency”

Third, we must undertake effective agrarian reforms that consolidate ownership,
control and management of resources in the hands of small farmers, fisherfolk and
producers, on the principle of “land-to-the-tiller”. Tiller- and user-rights must precede
other property rights. We must institute clear guarantees on the rights of women to
land and resources.
Fourth, we would recognize and reward farmers as the main source of all intellectual innovation in agriculture and as caretakers of biodiversity for food, nutrition and medicine. Recognise all ex-situ seed, germplasm and genetic collections as common global property resources.

Fifth, we must create and ensure enabling policy environments that recognise and build upon the rights and capacities of primary food producers.

Sixth, for food emergencies and preparedness, we must emphasise community reserves, in addition to national and regional buffer stocks, also based on the principle of “reducing food kilometers”.

Seventh, we would institute decisive mechanisms for the protection of our dwindling agricultural resources of land, soil and water against incursion and invasion (especially by tourism and industry), and this would include the delineation of integrated protected areas for food security.

Finally, we would institute universal recognition of the right to food as the right to life itself. For, survival should take precedence over all other imperatives — including the right to profit, corporate opportunism and advantage.

As we look to the future, our success in food security will depend on three main abilities:

- to build local self-reliance, and especially food self-reliance at the household level;
- to build up support for local community actions; and
- to link-up local issues and successes with broader policy reforms.

I outline here some critical areas, which could well define the focus of our (civil society) actions for rural areas.

**Basic Rural Services and Welfare**

Among rural communities, welfare systems already do exist in the context of the family and the community. Families take care of their siblings, the aged and of persons displaced within the community. These local welfare systems should be strengthened. For there is no greater feeling of empathy and understanding than among those who live, and share, in a life of poverty.

Meanwhile, fundamental improvements in rural education and health will be crucial in our battle against poverty and chronic hunger. These will ensure the long-term sustainability of local development efforts.

**Agrarian Reform**

The Comprehensive Agrarian Reform Program in the Philippines is now in its twelfth year. It is a reform with wide-reaching possible effects. It seeks to transfer control and access over 8.1 million hectares of agricultural lands to their actual tillers. NGOs and farmer organisations have played an active role in its implementation.

Yet, over the past decade, only half the targeted scope has been achieved —significant in coverage, but still a long way to go. Little or no support services have been provided to just barely one-fifth of all land reform beneficiaries, and thus, production has
increased only slightly, if at all, for all crops. Most remain in poverty. Only 16 percent practise some form of multi-cropping, and 12 percent are in immediate threat of losing their lands forever—due to sickness, poor productivity and capacity to pay, combined with lack of basic extension services.

The Program faces a tougher, uphill battle over the coming five years. The year 2004 has been set as the new deadline for all land transfers. The remaining lands to be distributed consist mainly of private lands, where there has been greater landlord resistance and even occasional violence. The lands are also more fragmented, and thus, more costly to survey and transfer.

Crucial issues faced by the small farmers today are land conversion and avoidance of coverage under the law, tenant-eviction, and even the lack of law enforcement. NGOs and farmer organisations must quickly develop new negotiation skills, improve our organising capacity, harness agricultural extension and support and develop an ability to monitor and advocate for policy.

Sustainable Agriculture

Many NGOs and farmer organisations have initiated sustainable agriculture (SA) programs that utilise organic and chemical-free systems, indigenous varieties, and multi-cropping farming systems directed towards meeting household needs. Yet, such SA initiatives must be broadened beyond a few, isolated programs and need to be mainstreamed in a more systematic way.

As someone once said, “small may be beautiful, but it can also be insignificant.” Thus, in addition to qualitative indicators, NGOs may need new success measurements in terms of expanding SA’s scope, hectarage and its number of practitioners.

We must emphasise pedagogical tools that are culturally sensitive and take on the farmers’ perspective. We must “learn by doing” and “teach by showing” —in a new kind of school without walls or teachers. For both NGOs and farmers must re-learn the ways of nature. We must recognise that no farmer is likely to risk his/her family’s welfare by experimenting on a new farming system. One bad harvest alone could sink the family into deeper poverty and indebtedness.

Meanwhile, our expansion of sustainable agriculture practice is likely to raise a whole new set of second generation field challenges that we must be prepared to grapple with. From experience, multiple rice varieties and multi-cropping may require increased demand for farm labor, shifts in farming schedules and new systems for grain and food storage, classification, certification, marketing and pricing. Even technology needs to be adapted. Threshing machines, for instance, may need to be recalibrated for each rice variety — to fit the husk, size, density and moisture of each type of grain.

For, whereas the Green Revolution taught us mono-cropping under pre-packaged technologies, sustainable agriculture unleashes a whole new range of community activities and technologies which, in turn, can serve to re-animate rural life. Indeed, biodiversity lays down the foundation for socio-cultural diversity and community vibrancy — essential for human survival today, as it ever was before.

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4 Data from a 1996 survey of the Institute of Agrarian Studies, University of the Philippines.
Community and Peasant Organising

Farmer and community organisations must be built-up and strengthened for mutual support and to enable them to become a potent force in local and national politics. Ultimately, the small farmers will have to articulate their sectoral and community needs and interests in the public arena of political life.

For NGOs, we need new forms, approaches and skills in community organising — seeking new ways by which to involve support groups from the larger community in issues of the poor. The situation demands us to take on new roles — as negotiators, mediators of conflict, consensus-builders, advocates and communicators.

Law Enforcement and Policy Reform

Over recent years, and due to government inaction, community groups have moved from "claim-making," to "claim-taking" — shifting from protest to direct action.

Organised groups of landless peasants have begun to till idle and abandoned lands, and have set-up "people's checkpoints" and road barricades against illegal logging trucks. In Macajalar Bay in Cagayan de Oro, local fisherfolk now patrol their waters against pirates, illegal trawlers and dynamite fishing. By directly enforcing the laws, the poor protect their livelihoods, police their own ranks, and in many cases, even increase their harvests and income. For indeed, direct enforcement is often an urgent act of survival.

Meanwhile, we NGOs must continue to break out of our isolated projects — and engage government directly through advocacy, direct action and even cooperation, where possible. Despite all successes and good intentions, we must remain humbled by the fact that even our combined efforts are a mere "drop in the bucket" compared to the magnitude of the poverty around us.

Community Enterprise and Alternative Trading

We must continue to build community enterprises, which balance off profit with social responsibility. Yet, creating profitable ventures has never been a particular strength of NGOs. People often ask us the cynical — yet valid — question: "if you're really so good, then why aren't you rich?"

The truth is — we haven't got much beyond credit programs, cooperatives and livelihood training partly because we often try to fit people within the narrow confines of our "projects." Instead, we need a new approach that emphasises entrepreneurship, that allows people-to-people sharing by successful local entrepreneurs and that is based on a clearer appreciation of how the informal, that is, the people's economy operates.

Self-reliance — although no longer fashionable in today's development jargon — remains relevant to poor families today, as it has always been. For community enterprise must — first and foremost — ensure food security for the household.
Building Leaders and Sustaining Them

In the Philippines, many of our First Generation NGO and PO leaders, now in their 40s and 50s, grew up in the earlier anti-dictatorship struggles under the Marcos Martial Law era. Many have since left for other more lucrative careers. But those who continued on in NGOs have kept alive in NGOs its sense of a “social movement” — with a continuing passion for people’s struggles, and a genuine celebration in people’s victories.

Yet, after having spent their past 15-25 years in “development work” — many now ask: “What future roles await us?” Without job security or retirement benefits, what happens when one’s body, health and energy can no longer keep up with one’s idealism? If universities have professorial chairs to keep their scholars active, what support systems have we prepared for our social movement leaders?

As with most countries, Philippine NGOs have always been oriented towards the youth. In turn, NGO development workers — usually in their 20s and early 30s — have given the NGO sector its youthful energy, idealism and vibrancy.

Yet, many of our younger development workers of today have come up during the post-Martial Law period, and have thus been spared the grim experience of struggle. Further, as there has been a continuing trend among NGOs to professionalise development work as both a career and a profession — we have seen the entry of many new university graduates who have had neither the benefit of field experience nor of direct involvement in people’s struggles. Thus, many committed NGO workers (from both generations) now ask: “Are we losing our fire and passion as a social movement?” Another long-time activist laments, “Are we fast-becoming just a group of project consultants, managers, technicians and credit collectors?”

To sustain our efforts, we must consciously build new, younger NGO leaders among our ranks — imbued with commitment and a greater sense of urgency. We must support efforts that seek to re-energise field work and to directly involve students and youth with rural communities. And in so doing, we of the first generation activists must cede greater space for the young to take on their rightful leadership.

Building from Below

Finally, we must continually draw our vision and inspiration from local people. We all have to continue working on the personal conviction that “there are extraordinary possibilities in ordinary people.”

Let me end by sharing two personal stories — not from NGOs but from people themselves. One of the most celebrated land cases over the past year has been that of the Mapalad farmers in Bukidnon Province who, one year ago, went on an unprecedented 28-day hunger strike — to win, and only to lose again, the 144 hectares of land awarded to them. 5 The farmers belong to a lumad (indigenous) community. Chiquita Redosendo, a mother, spoke of her hunger-strike experience (as translated):

5 In August 1999, the Supreme Court in a final decision threw out the petition of the Mapalad farmers to re-open their case, thus leaving the Mapalad farmers landless, as they were before. The Supreme Court decision cited purely technical grounds.
“We started our hunger strike on October 9. The first day seemed okay, though we felt weak. But as the days wore on, especially on the third day, our stomachs became very painful. We no longer could understand what was happening to us. We felt like we were going crazy because of the hunger...

“After a week, our body seemed to have learned how to be hungry. We no longer felt the hunger, maybe because we collapsed most of the time. And when we woke up, we had dextrose attached to our arms. But we never forgot our purpose. We were weak, but we drew strength from the many people who came to visit us and expressed sympathy to our cause.”

My second story brings us to a poor, upland village in Cagayan de Oro City, one of the sites assisted by CART, a local NGO. This is my story:

“In one of our project visits sometime ago, we chanced upon a grieving family in a remote forest area in the outskirts of Cagayan de Oro City. A man had died mysteriously in his sleep, and he remained unburied for three days. He was one of our community forest guards, a poor upland farmer who had risked his life each night, guarding one of our anti-logging people’s checkpoints. He left behind a wife and three children who could not even afford a poor man’s burial.

“I asked a neighbor, “How much would they need for a decent burial?” “Just 500 pesos (US$12),” he replied. As I handed over my money, the villagers quickly dispatched a boy on a bicycle to the next barrio, to fetch the local embalmer.

“Just after we paid our last respects and were about to leave the hut, an old man tugged at my companion’s arm, and whispered, “Could we have permission to use the illegal wooden flitches that we seized (from the illegal loggers), to build a decent coffin for the man? My friend said nothing and just nodded in agreement. Just as quickly, the men and boys moved to fetch the treasured lumber. And as we walked away towards the roadside, we could hear them pounding away.”

In life, and even in death, this poor family and community showed great reverence for nature and their community. It is truly an inspiring tale of dignity and hope in the midst of poverty.⁶

“Blessed are the poor,” the Scriptures say, “for they shall inherit the Kingdom of God.” Similarly, we recall when Mahatma Gandhi, in an anguished cry, once said, “To a people famished and idle, the only form in which God dares to appear is work, and the promise of food.”

As we undertake development work, we must truly believe the extraordinary possibilities that people bring. For in the end, development is not about money. It is about people.

⁶ Even as this piece is being written, over 100 farmers have been camping out for three weeks in Lumbia, Cagayan de Oro City, to protest against illegal logging, and to prevent the entry of illegal logging trucks from the surrounding provinces. Among those involved in this “people’s barricade” are members of the upland community cited here.
Homelessness in Indonesia

By Hendro Sangkoyo

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THE MAKING OF THE URBAN POOR

Fifty households in the village of Pelambuan West Banjarmasin, South Kalimantan, Indonesia, found out that they will not get what they have been promised when fire destroyed the kampung a week before. The municipal government had promised them that by 30 August 1999, the city’s Public Works agency was going to help reconstructing their burnt houses. Instead, during a meeting that involved all local agencies (held on 31 August 1999), it was decided that the fifty households must move to a piece of state land somewhere else, because the city public works agency is going to build and widen the road segment through the burned down area. (Banjarsamin Post, 1 September 1999)

On 16 July, 1999, the representatives of the Urban Poor consortium of Jakarta and the Government of the Capital City of Jakarta represented by the Governor, his staff, and the chairpersons of the City’s Peoples’ Consultative Council (DPRD) held a meeting and agreed that there will be no “disciplinary action” including eviction and arrest of the informal economic actors until the end of the General Assembly of the House of Representatives (MPR) next November. However, only a week later, the Mayor of South Jakarta ordered the street peddlers at the Taman Puring location in South Jakarta to leave within twenty four hours. On 24 August 1999, the Road Traffic and Transport Agency of Jakarta arrested 37 jockey-passengers in the “three-in-one” high-density passenger-car zone. The police had also arrested street peddlers in many other locations. (UPC Press Release No. UPC/adv/08/99, 25 August 1999)

These two excerpts hardly make news any more for the Indonesian national and local media. They prove, nevertheless, that no change in urban social management has taken place since the starting day of the current provisional government. Under the General Soeharto administration, chasing and harassing the urban poor for where and how they live and what they do for a living is a daily routine, as mundane as the street sweeping
and garbage collection chores. In the theatre of urban development and industrialisation, the poor are sometimes staged happily in a pipe-and-pavement Kampung Improvement setting, a-new-home-with-a-farm transmigration success story or tragically, in a looting-spree drama catered for uninformed media consumers which, as in May last year, ended up with their mass entrapment, by the thousands, inside the Molotov-torched department-store buildings. Still, their silenced bodies get much of the bad press in the gang-rapes and physical terror to the Chinese Indonesian that culminated with Soeharto’s resignation. This violence and intimidation according to the investigation of the Indonesian National Committee for Human Rights (KOMNASHAM) and the Legal Aid Institute (LBH), was a highly planned and organised action.

Central to all that is a silent agreement among those in the apex of the urban power structure, in particular the national planners in the National Development Planning Board (BAPPENAS), the National Land Agencies, the Ministries of Home Affairs and Public Works, as well as the majority of the two thousand-odd alumni of the country’s flourishing planning schools, that the poor, in particular those living in the urbanising region, are a problem. This reflects a dominant image that the city is, and must be, an orderly and sightly living place conforming as much as possible to the world metropolitan standard, in which an out-of-standard mode of housing, work, and transport identified with the poor is a nuisance. However, the basis for such a conspiracy of silence is a well-established social policy that treats the city, or for that matter, any jurisdiction, as an economic space at the disposal of the State. This particular policy is, in fact, one of the underlying rationales for the state endorsement and facilitation of the land reallocation and spatial restructuring over the last three decades.

Such a policy had, in Java alone, converted productive land into real-estate housing complexes, industrial estates, dams and roadways at the rate of 40 thousand hectares per annum. Yet the drive in Java to expand the capital circuitry in urban property and to tap the outmoded, polluting manufacturing opportunity, part of the industrial relocation from Northeast Asian economies, hardly means an industrialisation of the labor force. The total foreign investment, mostly in manufacturing, from 1967 to 1991 absorbed just over 300 thousand local workers, which is roughly one-tenth of the annual growth rate of the labor force. As the Jakarta Metropolitan Area (JABOTABEK) absorbed more than half of them, it also absorbed the lion’s share of the agricultural drop-outs and the new entries to the labor force. As this dramatic process of change proceeded, the notion of rural area lost much of its social and economic meaning, especially to its younger population. The drained resources as well as the traditional, seasonal, agricultural jobs in the rural villages also mean that the time proven survival strategy of circular migration is losing its utility.

**Industrialisation**

In the Outer Islands, the stipulation of three fateful Laws in 1967, that is, the Foreign Investment Law (UU 1967/1), the Basic Forestry Law (UU 1967/5), and the Basic Mining Law (UU 1967/11), soon transformed the four big islands of Sumatra, Kalimantan, Sulawesi and Irian Jaya/ West Papua into frontier regions for resource-

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1 Siswono Yudohusodo, ministerial speech, Gajahmada University, 1997.
based industrialisation. In contrast to what happened with their counterparts in Java, the peoples of those islands which included a large proportion of ethnic minority groups experienced an abrupt transformation of their way of living with the swift and massive forest opening, hydrocarbon and mining exploration and the equally massive influx of skilled and semi-skilled workers from outside the region.

Over the same period, the need to open up new rice plantation areas under the green revolution scheme, the concern over the increasing numbers of the poor in the main cities of Java-Madura and the spontaneous drive to migrate out of Java also brought in the excess landless peasants and the new urban poor from Java and Madura to those islands, introducing an uneasy, and now volatile, demographic mix to the frontier region. The smaller island complexes received their turn later on in the Eighties, if in a more difficult local condition, as in the occupied territory of East Timor, the two Nuas Tenggara provinces, the Moluccas, the Mentawai and the Riau Islands.

The social processes of change outlined are certainly not unique to Indonesia. In fact, the dismal labor absorption of the industrialisation scenario in Latin America, Africa and much of Asia in the Fifties and Sixties was the impetus for the International Labour Organisation (ILO) in launching its “World Employment Program” in 1971. More over, the concomitant growth of open unemployment and subsistence jobs in the urban area also created a scholarship identified with the ‘neo-populist’ thinking in the Seventies.3

These proposed programs agreed upon two things: it is desirable to accelerate the ongoing industrialisation and to expand the circuitry of capital in those countries; yet in order to increase the elasticity of the labor demand, such an expansion needs to take a more decentralised, more “spatially equitable” form, rather than to adopt a socially-responsive organic composition of capital. The latter criteria should be measurable by the reduced level of spatial disparities in the level of living.

Weary of what would happen in the absence of such a major shift, Friedmann warned of the phenomenon of “hyper urbanisation”, that is, “the concentration of populations in dense urban settlements at a rate that, except on a basis of inequality and exploitation, renders their integration into the emerging social order impossible”. Yet, such a phenomenon “forces governments to adopt policies that undermine the basic premises of the (strategy of accelerated industrialisation) by shifting resources to pacify social demands or lead to political repression”. (Friedmann, 1973, 1976). In retrospect, we can say that, at least in the Indonesian case, such a call to decentralised industrialisation was in the agenda of neither the State nor the corporate sector, the latter including the multi-lateral banks. It took a decade to realise that the “go-east” campaign to boost more investment to the eastern region attracted only a very meager response. It comes as no surprise that when much later in the fifth Five-Year-Plan, the state managers and the multilateral banks hastily agreed upon a “spatial correction” through the Left-out Villages block grant facility for tens of thousands of villages nation-wide (Inpres Desa Tertinggal), the outcome was at best, inconclusive, and in most cases, socially disastrous to the target communities.

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3 The term ‘neo-populist’ in this context is Kitching’s, which he likened to the pre-revolutionary Russian concept of nurturing small-scale agricultural production and artisanal industries to counterbalance the effects of industrialisation (Kitching, 1982). Other initiatives included USAID’s “spatial policy for equitable growth” (Rondinelli and Ruddle, 1978), which was implemented in the Philippines, Bolivia, and Peru; EAJ Johnson’s proposal for rural growth centres (Johnson, 1970); John Friedmann and Mike Douglass’s “agropolitan development” (J. Friedmann and M. Douglass, 1976); and Sohr and Todtling’s “spatial equity doctrine” (Sohr and Todtling, 1979). For a critical discussion of some of these proposals, see Gore, E. (1984: 146-171).
The caveat on the link between industrialisation and repression proved to be partly correct for Indonesia, if due to a different explanation. Already in the late Sixties, the military strategists of the Soeharto regime developed the concept of “floating mass” for the population at the village and subdistrict levels, which deprived them of any formal political activities amid the process of pauperisation. Political repression in the Indonesian case does not bear meaningful correlation to demographic change, as it persists and arguably escalated even when the urban population growth substantially slowed down in the Nineties. As with the more industrial economies in Northeast Asia, open state violence in Indonesia is part and parcel of the industrial policy of the State, rather than its outcome.

The new poor, now alien to both the shrinking rice villages and the beautifying cities, develop their new collective urban identity and transient style of living against overwhelming odds. The urban region particularly, but not limited to those in the industrialising Java, received the highest military attention in the agenda of bringing “peace and order” to the urban and industrial centers. It is only logical that the survival-settlements of the poor as well as their residents in the inner city and in the peri-urban areas are guilty by suspicion; they are subject to persistent harassment and are prone to eviction at anytime. Wedged between the unsaturated quest for urban land and the tightly supervised spatial structuring of the city, the ever-growing urban poor acquired their pariah status. In the process, the use of absolute terms in measuring poverty simply betrays the increasingly complex and inhuman state of poverty. This in short is the basic condition of their collective presence to this day.

THE MAKING OF THE HOUSING PROBLEM

Explanation on the current state of urban development and management, which is airbrushed deceivingly as neutral processes of rapid urbanisation, shifts of employment structures and the inability of the regional or municipal governments to provide sufficient basic services, adds insult to injury for the urban poor. In the same vein, the problem of housing for the urban poor finds a technical explanation in the limited capacity of the construction industry and the government, local and central, in catching up with a more rapid growth of urban population. We shall discuss two key issues by way of understanding the problem differently: the cycle of housing delivery and its relevance to the urban poor, and the dynamics of the housing condition of the urban poor. The Jakarta Metropolitan Area will be much of the focus, if in a cross-reference to other locations and cases, for it has been the role-and-process model for the other urban centres in the country.

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4 In 1998 the Central Bureau of Statistics (CBS) estimated that the poor population for that year increased from 22.5 million (11.34 percent) in 1996 to 79.4 million, 39.1 percent of the Indonesian population which is roughly similar to the 40.1 poverty incidence in 1976 (Aris Ananta et al., 1998: 319). Yet by using a more sensible yardstick, the figure for 1994 of 27 million should be read instead as already around 75 million (Sangkoyo, 1999: 171). Still, the absolute terms of poverty in measuring the increasing numbers of the poor in 1998, which the CBS used by adjusting the poverty line from Rp38,246 to Rp52,470 does not tell much other than a ‘financial suffering’.
Cycle of Housing Delivery

Late in the Seventies, the central government established the State Housing Development Corporation (PERUMNAS), which operates as a housing developer, specialising in “modest” (RS), and later, “very modest” (RSS) housing market. In the late Eighties, when the PERUMNAS had contributed only about two percent of the annual demand for low-income housing, and the private capitalist venture into housing was developing fast, the government stipulated a regulation, requiring that for each luxury unit built, a developer should build three standard units and six low-income housing units. The latter reflects a shift in social policy on housing, treating it as mass commodity most efficiently provided by the market. The prime task of the central and local governments is to innovate some “cost-recovery financing” scenarios, developing joint-production schemes with private housing developers and finance institutions, and facilitating the latter with regulation and access to state-guaranteed credit. The only other direct intervention of the State in the housing industry is the establishment of a credit facility for the low and middle-income buyers (KPR), with a state-subsidised interest rate of eight to eleven percent. It is subject to heavy criticism for, like the case of PERUMNAS its credit worthiness criteria simply excludes the urban poor from even filing an application. In August 1999, at a time when credit access to housing has never been so difficult, the International Monetary Fund required, as part of its classical structural-adjustment recipe of shrinking the state social expenditure to a minimum, the abolition of the credit facility altogether on the basis of efficiency.

How would the official state intervention in housing and the available housing options fare among the urban poor? A Becak (trishaw) operator, invariably male, earns between ten to twenty-five thousand rupiahs (1.25 to 3 USD in August 1999) a day. In the case of Gopur, a member with the Urban Poor consortium in Jakarta, he usually gets fifteen thousand rupiahs in a four-hour operation. With about eight thousand rupiahs daily disposable income, after paying the becak rent and meals, he could afford to rent only a two by three square metres room for four, with each sharing 40 thousand rupiahs monthly rent. As for the rest of his income, he usually remits 75 – 150 thousand rupiahs fortnightly to his family in Pemalang at the border of West and Central Java. To make ends meet at home, his wife pecks for any seasonal agricultural job she can get for another five thousand rupiahs a day at the most. In such a hand-to-mouth situation, a monthly installment of 100 thousand rupiahs for an RSS unit is simply out of question. Yet at present, the average income of a becak operator is about two and a half to three times that of a factory worker, and certainly is of an even higher ratio to that of the other main actors of the street economy, who can not recount what they earn in an orderly fashion.

The dismal contribution of the PERUMNAS and the impossibility to offer sensible pricing for “low-income housing” owe a great deal to the absence of a meaningful, let alone sensible urban land policy in Indonesia. It is only logical that based on such an undergrid, the resultant spatial plan of the Indonesian cities, including its many layers of infrastructural networks, hardly makes any sense as a home for all, except on the basis of conformity to the geometric order. It is a problem accumulated over the last generation, under the aegis of the State. Even if a shift in resource allocation takes place

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5 The “modest” unit (RS) ranges from 36 to 70 sqm floor area. The “very modest” unit (RSS) offers a very basic or substandard configuration with only 15-20 sqm floor area.

6 Kompas, 23/8/99.
in the near future, which amid the modalities in the IMF rescue package is very unlikely, any municipal government will be hard pressed to develop some land-banking mechanisms. Nor is it feasible to secure land in a sufficient amount as a living-space of the growing poor, even it it’s done incrementally.

The case of Jakarta metropolitan area is instructive for that matter. More than 180 thousand hectares of land, roughly three times the area of the city of Jakarta, is now in the hands of merely a few companies. Sixty percent of it has turned mostly into huge real-estate housing complexes and industrial estates. However, the other unbuilt forty percent is not going to be easy for either the local governments or the central government to buy back, for the obvious reason of exorbitant prices.\(^7\)

**The Role of the State**

The other side of the slow strangulation of the urban poor is the en masse destruction of the poor kampungs of the inner city and the peri-urban belt, which brings the much praised Kampung Improvement Program in the main cities of Java into serious question. The process started in the second half of the Sixties, when the first New Order Governor of Jakarta popularised the use of arson for kampung clearing. During the Seventies, two decrees of the Minister of Home Affairs, Permendagri 1975/2 and Permendagri 1975/15 gave tremendous power to municipal governments to seize urban land on the pretext of safeguarding the public-interest. Such direct attacks on the poor resulted in a series of internal displacement of the kampung communities, with Jakarta as always taking the lead.

During the following decade, with the liberalisation of capital low and further endorsement to the property industry, the destruction occurred at an unprecedented level. In Jakarta the kampungs, comprising more than ten thousand hectares within the so-called Golden Triangle area that is so centrally located, disappeared in less than six months. The resultant exodus dramatically changed the landscape of North and West Jakarta into a swarming emergency habitat for the poor. By 1987, the main ditches and tributaries in the area became new kampung complexes, each small cluster on average accommodating more than two thousand people.\(^8\) Yet during that decade, the State introduced two other regulations, first, Presidential Decree 1988/26, which established a new National Land Agency (BPN) accountable only to the President and secondly Presidential Decree 1989/53, which offered incentives and facilities to industrial estate development. The latter resulted in a rapid land-grab and kampung destruction in the peri-urban belt of Jakarta, on average of twenty hectares a day, until 1995.\(^9\) The second half of the Eighties was also a disastrous time for the poor of Jakarta for another reason, that is, the abolition of becak, a most popular, non-motorised mode of public transport throughout Java, from the jurisdiction of the City of Jakarta, on the basis of its causing traffic-jams and being unsafe and dirty. By the time the regulation, Perda 1988/11 was stipulated, there were 65 thousands becaks operated daily.

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\(^7\) The government of Jakarta needs Rp1.2 Billion (about 800 Million USD before the crisis) just to free the land for 23 kms of flood-canal in East Jakarta. (Governor’s press statement; KOMPAS, 23/2/1996).

\(^8\) Sangkoyo (1996).

In 1992, the Peoples’ Consultative Body (MPR) passed a new Law on Spatial Planning, which, while it contained some important elements, escalated the State Authority even more, by allowing the Government to designate arbitrarily an area for anything it considered appropriate, with only minor space for objection and alternative designation by the people. A year later, as part of further liberalisation of land control, Soeharto stipulated the Presidential Decree 1993/23 (Pakto 23), turning the National Land Agency at the local level into the instrument for eviction and land clearing. Within two short years, the Pakto 23 ruling managed to secure investment land of 81 thousand hectares in the Jakarta Metropolitan Area.

While a senior bureaucrat in the BAPPENAS praised the orderly and gradual liberalisation of investment in Jakarta Metropolitan Area as having “positive impacts on the development of Jakarta”, only the urban poor experience how such “positive impacts on the development” bite into their survival. The official statistics on the impacts of the current economic crisis on the poor, which are shocking, hardly compare to the impacts of the pre-crisis expansion of capital in the urban area on the poor, which have continued over a span of three decades.

LIVING SPACE FOR THE POOR

The preceding discussion shows that in the current Indonesian context, the housing problem for the urban poor links directly to the State’s very active role in the processes of spatial restructuring and land acquisition. This has resulted in a housing problem too complex to be resolved only partially. In the light of such a complexity, a fundamental change in treating the urban resources, of which land and space are crucial, should be the eminent part of the demand. Conversely, understanding the poor and how they develop and maintain their living space, as opposed to explaining them away in the form of some financial proxies, should also be a condition to win their cause in the long run.

Consortium for Agrarian Reform

Over the last five years, the consortium for Agrarian Reform has developed three lines of action, of utmost relevance to this situation. The three-pronged agenda is as follows:

- the socialisation of agrarian reform ideas that are orientated towards the well-being of the peoples and gender equality;
- agrarian policy change, from a social policy that supports the strengthening of capital into one that is dedicated to the interests of the people’s majority;
- building the capacity of the peoples’ organisations.

In the proposed revision to the Indonesian Basic Agrarian Law, the Consortium for Agrarian Reform (KPA) and the consortium for the National Legal Reform (KRHN) under the heading of Sanction of Rights to Agrarian Resources dedicated a subheading to the urban poor. Consisting of four articles, the subheading IV.5.2 “guarantee for the urban poor population to get land tenure certainty to build their settlement” delineates the demands of a tenurial condition for the Indonesian urban poor and the specific role

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of the State in setting up limit to the permitted land possession in the city. A complete translation of the Article is reproduced in here.

IV.5.2 Guarantee for the urban poor population to get land tenure security to build their settlement.

(i) The state guarantees that every poor settler (pemukim) in the urban area will get land-right certainty on which to build his/her residence.

(ii) The state guarantees the designation of a settlement area for the urban poor and guarantees to not displacing them from the designated place for whatever reason.

(iii) The state guarantees (to stipulate) an upper-limit on land possession for settlement that individuals and settlement companies can have.

The development of new settlement areas in the urban area cannot take place over the poor’s settlement land and the productive agricultural land.

Crucial as it is, the four-point Article above is at best defensive, and at worst, meaningless in the face of the social displacement which has taken place over the last three decades during the making of the current urban centers. For fairness, however, it is also clear that the “urban question” is hardly developed in the whole text, in contrast to the proper-agrarian domain of agriculturally productive lands and the slippery domain of adat-lands especially in, but not limited, to the Outer Islands. A few issues are in order.

Towards Meaningful Reform

First of all, the labor absorption and social integration problems of the early Seventies are still with us in Indonesia, due to the ongoing economic and political crisis. Bringing down the set conditions to a hypothetical implementation will introduce an unprecedented security to the poor’s life. Yet these four conditions refer almost exclusively to the notion of settlement. No mention of the possible and actual productive use of land in its urban context. Resorting to the established notion of residence, let alone housing will shrink the decent size of land that the urban poor in general need for their social reproduction. The use of the term settlement may refer to social reproduction by including the notion of workplace in it. Yet the urban poor’s mode of collective space-use differs significantly from that of the rest of the urban residents, which makes a unit-by-unit or individually based measurement and redistribution self-defeating in the short run. In Jakarta for instance an opening up of its riverbank lands to accommodate the poor, which in first approximation should yield between 200 – 400 hectares, may simply escalate the problems that have had no solutions until now, such as safety from flood, domestic pollution and over-congestion.12

By building upon the established mode of redistribution that gives land to households, the second crucial problem may also be inevitable, that is, the reintegration of landholdings in the hands of the urban-rich a few years down the road. Rent in its classical sense is the core issue in here. A very complex map of how the major actors of change

12 The hectare is based on the hypothetical release of half the total length of the main tributaries that feed the Jakarta Bay (ie. Half of just over 200 kilometres, times 10 to 20 m on each side) to accommodate the poor.
use the differential and monopoly rents and coalesce with one another has emerged during the long reign of the New Order regime. While a further discussion on the issue falls beyond the scope of this paper, in order to beat the odds of such a reacquisition, the reform must be an alternative model of the urban economy and the social processes that go with it.

The third issue of importance is the links between the strictly urban and the largely resource-based condition of land-use, which has seen in the Asia Pacific region the emergence of the so-called desakota mix of the two, or their amalgamation in an emerging metropolitan region. Such a blur between the once clearcut domains makes a Reform agenda with city-proper problematics questionable. As we discussed earlier, the transient mode of producing and living of the urban poor makes it unrealistic to expect an “adequately sedentary” mode of space use. On the other hand, there is an increasingly productive mode of urban permaculture in the inner-city kampungs, particularly in Indonesia’s largest cities. The poor of Jakarta, in yet undefined environmental jobs subsidise the whole city in waste management. Unless a more satisfactory context for urbanism develops, the Article IV.5.2. of the proposed Reform may indeed be a hollow call.

Policy Reform from Below

The Urban Poor consortium (UPC) is an outgrowth of core activist groups with various types of small-scale groundwork over the last decade. Over the last three years however, the core activists realised that their previous approach to solutions which was to work and live directly with the urban poor in the kampung, while ethically correct, needs an integrating framework at the city or regional level. This ambitious shift also means more rigorous networking, more cross-cutting not only with organisations of similar work or concerns but also with the various branches and levels of the State bureaucracy, schools and universities, the media, and so on. In the light of the whole topic of housing for the poor, the enormous lessons from their previous engagement with the poor convinced them to defend the rights of the urban poor in their totality. Being mainly based in Jakarta, the UPC is at present focusing its groundwork on the Jakarta Metropolitan Area, albeit in a constant co-working with supporters from various urban centres, including exchanges with its foreign counterparts form the Philippines, Thailand, India, Australia and so on.

With an enlarged support from university student activists, progressive community based organisations, trade unions, and the urban poor themselves, the Consortium, back in 1998, started its humanitarian work by defending the incoming becak operators in the city of Jakarta from being ping-ponged and kicked out by the city’s authorities. Days after the Governor revoked his own invitation for becak operators to operate in the city, the UPC ran a poll in the five mayoralities of Jakarta, comprising 1,000 respondents in twenty housing complexes and five traditional marketplaces. Out of the 997 returned questionnaires 860 voted for the becak to stay, while the 137 rejected becak on the basis of “dirty”, “disturbing the traffic”, and the “potentially trouble making” attitude of the becak operators. Besides conveying the poll results to the City’s DPRD, which received a lukewarm response from the Council memberships, the becak operators with the UPC also managed to reclaim thousands of confiscated becaks directly through some uneasy dialogues with the local authorities. After a huge protest in front of the City Hall which involved about three thousand becaks from all

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13 See, for example, Lo and Yeung (1996), Watters, McGee, and Sullivan (1997).
over the city, the Governor was finally willing to meet the becak operators to listen to their demands.

The UPC has also managed to bring to the public attention the irrelevance of and the corruption in the administration of the “Social Safety Net” (JPS) block-grant, amid a rush among the non-government organisations in the country to get the opportunity to distribute the funds to the poor from some substantial consultancy-service fees. From the UPC’s investigation into JPS funds in various kampungs in Jakarta, it is clear that a large portion of the urban poor are directly excluded from getting the funds because they don’t carry a Jakarta identification card (KTP). However, the real scandal is that in most cases, the local ruling group, usually involving the kampung head and staff, and the mock consultative body at the kampung level, the LKMD, decided among themselves how to allocate the funds. The timing of the JPS distribution was exactly on the eve of the General Election campaign. The UPC also unveiled the money politics involved at the national scale, involving top bureaucrats at the Central Government.

The UPC is, until now, the only peoples’ organisation that protested and organised rallies on behalf of the 10,000-odd kampung members who died miserably during the three days of organised disorder in Jakarta in mid-May 1998. While filing a class-action in the current judicial system in the country is next to useless, the multi-talented artists in the Consortium take pride in being able to realise in the artistic realm such a class-action with the survivors of the killings themselves involved throughout the whole process. Committed to reformasi as voiced by the students who managed to press Soeharto’s resignation, the UPC has always been involved in the fateful rallies which have occurred over the last two years.

A City for All

At present, it organises a call for all interested parties to join a campaign for “the City for All” agenda. Running in the first stage until next October, the campaign is now developing through the Internet, the print and electronic media and on the sites, into a productive dialogue of those working with the urban poor in various parts of the country. Issues we touched upon in the discussion are circulated and explored. While it is premature to judge the outcome of the campaign, as well as that of the other initiatives that the Consortium has taken in the past, it is clear that these efforts constitute a policy reform from below, and thus introduce a pathbreaking tradition in the country’s atavistic politics, including its urban politics.

References


Impact of the 1998 Drought on Fiji's Population

By M. Hassan Khan

Mohammed Hassan Khan is the Executive Director of Fiji Council of Social Services (FCOSS). He became the Executive Secretary of Fiji National Youth Council in 1975 and served till 1979. 1980 to mid 1985 he was the Executive Officer of the Fiji Muslim League. After a short stint with the Fiji School of Medicine on coordination of Reproduction Health Education he became the coordinator of Fiji Council of Social Services in 1987, became its first Director in 1990 and then first Executive Director in 1995. He is a former Executive member of International Council on Social Welfare, International Agency for Volunteer Effort, and has recently been elected the President of Asia Pacific Forum on Families.

Natural Disasters

Fiji is prone to natural disasters of which cyclones are the most frequent. Also common are other weather-related problems such as droughts, floods and landslides. Fiji is in an active earthquake zone, although destructive earthquakes and tsunamis rarely occur.

Because cyclones occur annually in some parts of the country, people know how to make preparations such as securing roofs and windows and taking shelter from high winds and rising water, so usually there are few deaths and injuries.

In the last six years, Fiji Islands faced seven major natural disasters, the drought of 1992, tropical cyclones Joni and Kina in 1992/93, cyclones Gavin and June in 1996 the drought of 1997/98 and the floods of 1999. Cumulatively, the socio-economic impacts have been worsening and were further magnified in the severe, record drought of 1997-98 and floods of 1999.

By contrast, the last major earthquake struck Fiji in 1953, an event very few people now recall. The seismic risk of earthquakes remains the same. However the vulnerability of people in Fiji has risen with the growth of population and the proliferation of modern buildings, many of them ill designed to withstand a strong shake.

Natural disasters are very expensive, with the social and economic costs they incur. Cyclone Kina which hit Fiji in January 1993 for example caused widespread damage and flooding. There were 23 deaths, and 5,500 people were left homeless, major bridges were lost, there was destruction of crops and farm equipment and damage to 300 schools, at a total economic cost of $F170 million (Situation Analysis of Women and Children 1996).
Drought

Drought strikes the western Viti Levu, Vanua Levu, the outer lying islands and most of the eastern islands regularly. Drought has a major impact on health. When there is insufficient water for washing and when people must rely on more hazardous sources for drinking water, there is an increase in water-borne diseases such as diarrhoea, skin diseases and eye diseases. Emergency food rations from the government prevent hunger but not necessarily malnutrition.

The cost of drought to Fiji is high in lost production and relief supplies. During six months in 1992, for example, 40,000 people depended on emergency supplies of water, and drought damaged 75 percent of crops in the Eastern Division. During the 1987 drought, government expenditure on water supply was approximately $F1.2 million.

The Fiji Drought Report 1998, prepared by the United Nations Disaster Assessment and Co-ordination South Pacific Team (UNDAC), cited at least 15,000 farm families with zero total income for nine months because of damage to the agriculture sector.

The team found that safety checks in the resilient informal sector, particularly the extended family system, support had been stretched leaving it exposed and vulnerable; the informal sector was the worst hit in the 1998 drought and the subsequent floods. The impact on the formal sector also resulted in slackening activity and investment stalled. The team observed the actual hours of work for employees in the service industries were reduced.

The western Viti Levu and Yasawa groups suffered the longest and were the worst hit regions of drought with ninety percent of the population receiving food and water rations. Agriculture was devastated, water was depleted and health problems were reported high. Impacts on western Vanua Levu and on eastern Vanua Levu were relatively milder.

Eastern Vanua Levu had food to eat but the main cash crops, yaqona and dalo, suffered damages ranging from sixty to ninety percent. The Eastern Division had water problems but had enough food on the ground, which was still cultivated. Coconut trees grown in coastal swamps had started to die. In summary, about seventy five percent of Fiji was affected by drought. Total loss in agriculture was estimated to be about $125 million.

The Impact on the Sugar Industry

The drought of 1998 and recent floods of 1999 ruined the crop of 1998, which further compounded the plight of cane farmers, many of whom are facing land tenure problems. Sugar production in 1998 was halved but is expected to improve in 1999.

The drought also affected food production to an unprecedented extent. As a primary consequence of this drought, real GDP was estimated to contract. The 1998 drought will continue to have an adverse impact on the economy for several years. It is estimated that the year 2000 will be the earliest that sugar production could return to normal levels.

The sugar industry, in addition to the daunting task of recovery from the great 1997-98 drought, faces the prospect of declining sugar prices from the year 2001. The current drought (though severe) is far from unique. Future droughts of similar severity should be anticipated (there have been five severe events within the last 30 years). This should reinforce the need for longer-term measures and community awareness and actions.
The Western Division is where all of Fiji's sugarcane is grown. Total loss in agriculture is about $125 million. The Fiji Government with the Fiji Sugar Corporation (FSC), has put together a $43.7 million Crop Rehabilitation Program (CRP) for the sugarcane industry.

**Marginal Lands**

Within the sugarcane belt, the areas worst affected are the marginal lands closest to the sea and those planted on slopes twelve degrees and steeper, which are not suitable for cultivation. These marginal lands, where sugarcane cropping is most vulnerable, yield much less than the national average. These farmers face chronic indebtedness, which has been made worse by the drought.

**Economic Hardship**

The loss in production is also felt on good soil that in normal years actually yields above twice the national average. Each grower, including his own family, has farm-dependent families totally reliant on the success of the grower. In Viti Levu, families who are totally reliant on the success of the growers, sons and daughters generally move on to non-farm occupation.

As a result, there is a relatively larger number of farm-dependent families replacing family labour. For the 12,000 growers surveyed by Government, there are 16,800 farm-dependent families. In Vanua Levu, family labour is strong on the farm. From the 5,500 growers surveyed, there are only 3,000 farm-dependent families. Each farm-dependent family has about three to five people.

These farm-dependent families and cane cutters average $3,000 annual income but each has access to a house and a small piece of land for a home garden. Even with access to these, they border on the poverty threshold for Fiji, which is pegged at an equivalent $5,000 annual income. During the drought, income was drastically reduced to $1,500 and below.

The total of farm-dependent families is 19,800 (16,800 on Viti Levu and 3,000 on Vanua Levu) and the total of growers with production below 50 tonnes is 12,489 (10,548 on Viti Levu and 1,941 on Vanua Levu). Specified farm-dependent families continued to receive food assistance until farm activities picked up enough to re-employ them again.

The Fiji Government has provided food rations to about 240,000 people (25 percent of the population) at a monthly cost of $2.7 million. It also supplied limited water for twice the number of households at a cost of $0.5 million. This ration though, is insufficient to address the requirements of special needs groups, such as weavers, elderly people and children in schools.

A very wide range of organisations in civil society played a significant role in the relief and comfort of those who were affected by natural disasters, including the drought, by providing food and cash to school children. The people of Fiji through the public appeals of local NGOs assisted over 3,000 school children with bus fares, food and other essential schooling requirements.

As a result of capacity building programs conducted by FC OSS over the last ten years, school committees and local community-based groups worked with schools on upgrading water systems and establishing food gardens. These are all very focused and worthwhile efforts much appreciated by the recipients.
The impacts of the drought were so severe that there was a need to continue to prioritise relief assistance of water and food into the first quarter of 1999. The budgetary requirements for relief and distribution were quite a huge burden financially at $3.3million a month. Relief supplies went only to those who were most vulnerable.

**Increase in Poverty**

The acute economic hardship gave rise to much broader dimensions of poverty and social problems. Government administration had not anticipated the rapid spread and growth in poverty-related hardships amongst an increasing number in the less advantaged section of the community.

Whilst the Government was positively framing its measures to address the vulnerability of the informal sector rooted in economic hardship, there was an immediate need to buffer indebtedness with direct cash assistance, thereby also increasing national capacity to participate in rehabilitation programs.

The direct cash assistance was:

- to those affected because of loss of farm income for nine month and without any alternative means of generating income;
- to the worst-hit owners of resources who had no capital to sustain them;
- to the recipients of social welfare as an increase in welfare amounts to compensate for the loss of usual familial support.

**Health and Nutrition**

Both malnutrition and anaemia rates showed an increase in drought-affected areas. Generally speaking, the drought had an exacerbating effect on previously existing malnutrition and micronutrient deficiencies. While there was no widespread severe malnutrition, data from affected areas suggest that nutritional deficiencies did rise in the Western Division. The result is a long-term effect on children.

From a household food security perspective, the drought was reflected in reduced access to certain foods by economically weak population groups. These foods include vegetables and green leaves, but also staple foods, such as cassava, dalo and kumala, the leaves of which also serve as an important source of micronutrients. More than nine out of ten households surveyed in the western division drought assessment exercise reported partial or complete failure of their food gardens and/or subsistence agriculture production.

Two surveys of drought-affected areas have been carried out by the Government of Fiji in May and July 1998. They indicated that the majority of root crops and other food crops had been severely affected.

The 1998 drought was perhaps the most catastrophic natural disaster to strike Fiji in this century. It was disastrous because Fiji’s narrow economic base is primarily driven by sugar (apart from tourism), which, like any other agricultural crop, is so vulnerable when exposed to extreme weather conditions. In fact, the limited structural composition of Fiji’s economy aggravated the economic situation, as growth in other sectors was not strong enough to offset the abnormally low growth in the sugar industry during the period of the drought.
Education

Education also suffered, especially in the western and northern divisions. Altogether 183 schools in the western division and 35 schools in the northern division were affected. The schools were supplied with either emergency water or food, and in some cases both food and water. About 996 students in the western division were provided with bus fares by civil society organisations. School management also suffered due to non-payment of school fees and other levies.

Family

The age groupings identified as most affected are those who are over 55 years and those younger than five years, recipients of family assistance and those who heavily rely on extended farming families. There is also a distinct correlation between small island communities and poverty. Assessment so far indicates an increase in anti-social behaviour amongst these vulnerable communities, where there is an acute shortage of government family assistance allowance, with those who are eligible for such allowances still wait-listed and unable to be assisted.

National Action

The Government and NGOs recognised that the basic needs of people must be met and that all people should have the opportunity to participate fully in society and the economy. Accordingly, there have been a number of initiatives and strategies of Government that have been designed and targeted towards the achievement of social and equitable development. The current drought situation in Fiji has revealed shortcomings and gaps in these development strategies.

It has also been observed that there are a number of vulnerable groups within the community, whose degree of vulnerability is determined by their geographical settings and income earnings. The drought has therefore been disastrous as Fiji’s economic base is primarily driven by the sugar and agricultural industries, which are vulnerable when exposed to extreme weather conditions. This has shocked the economy and has affected levels of investment and the social and economic status of a fair proportion of the population.

Coping with Drought Emergencies

The situation was closely monitored by the National Disaster Management Council, comprising representatives of Government and civil society organisations. Almost monthly assessments were carried out, analysed by District and Divisional Disaster Management Committees and fed to the NDMC. Every effort was made to meet the needs from internal sources and resources. Government agencies catered for supply and food rations and NGOs, which included religious organisations and other community based groups, supplemented food rations and bus fares and provided some cash contributions.

The extent of the emergency highlighted the precarious position of the most vulnerable groups in our society. We need to develop strategies to cope with the next drought.
WORK AND UNEMPLOYMENT

Employment and Social Exclusion

By Datin Paduka Zaleha Ismail

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BACKGROUND

The universal concern for poverty eradication, unemployment and social exclusion has never failed to capture the intellectual and professional interests and imagination among development planners and other related professionals, whether they are in the government, non-governmental organisations (the NGOs) or in the private sectors. Issues related to poverty eradication have been extensively discussed and deliberated in most international and regional forums for the past three decades or so. However, while it is true that in some countries absolute poverty has become a non issue today, there are still countries where absolute poverty remains a stark reality of daily living. Poverty in this form symbolises an inequitable distribution of wealth and a deprived state of access and opportunity among the affected population to productively participate in the mainstream of the national development programs and activities. Fortunately, Malaysia has successfully steered her way out of the absolute poverty scenario through her relentless commitment and effort in meeting the objectives and programs of her five year development plans in the last four decades or so. Therefore, Malaysia has been effective with her poverty eradication strategies of the seventies, resulting in absolute poverty becoming a fast fading scenario in the country today. Malaysia with its inherent structural and organisational strength, designed to sustain decades of growth and development, has recently managed to steer itself out of the recent economic downturn at an astonishing speed. Subsequently, issues related to unemployment and social exclusion have remained structurally and institutionally manageable and such favourable conditions immensely contribute towards the well being of the nation. This paper will highlight some of the poverty, unemployment and social exclusion profiles as experienced in Malaysia, and the related policies and strategies designed to optimally minimise their influence on social development effort.
An Enabling Environment

Conceptually, social development is an integral part of a nation building process. In spite of its fluidity, social development could still be institutionalised and operate as one of the effective mechanisms in the delivery of social services to the target groups concerned. Recognising the potential of the push for social development in balancing economics and physical growth, the Ministry of National Unity and Social Development was established in 1990. Therefore, Malaysia’s social development programs and activities have since been designed with the paramount concern of creating a united and caring Malaysian society. Our strict adherence to this goal coupled with forward thinking leadership, have enabled Malaysians to enjoy the benefit of the ongoing social and economic development efforts. The resilient quality of the general population to withstand and pull through the economic crisis with confidence has also been displayed. Indeed, the successful implementation of social development programs and activities in the country is made possible first by the positively generated dynamics of a pluralist society living in socially peaceful and harmonic surroundings; second by political stability and third by sustainably balanced economic growth for the past four decades.

From the policy designing perspective, the government does recognise that for the social development push to be effectively executed, it has to be beneficial to the general population especially the poor, the unemployed, those living in marginalised communities and the disadvantaged groups. Such a policy which achieves inclusion of the disadvantaged and the unfortunate groups of the population within the mainstream of economic development, itself enables social development activities to thrive.

The concept of balanced development as being practised by the Malaysian government is an all-encompassing one that considers the wellbeing of not only the current generation of Malaysians but also of future generations. Together with the concept of sustainable development, it ensures that scarce natural resources are used optimally while wastes are reduced to the minimum levels or recycled wherever possible. In relation to Malaysia’s economic growth, measures are taken by the government to address environmental issues so as to ensure that productivity and economic growth are not compromised in the long term. Integration of environmental considerations in the formulation and implementation of programs and projects, through a comprehensive assessment process, ensures that the poor, who are the most vulnerable and least capable of protecting themselves, will not be adversely affected by environmental degradation. Balanced development in Malaysia is an optimal mix of several important development components which function as a unit, but complement one another to result in the achievement of greater goals. These components include the following: economic growth and structural transformation; income distribution; regional balance; human resource development; technological competence; long-term sustainability and quality of life and societal development.

The overall thrust of social development in Malaysia is to strive further towards the achievements of the nation’s socio-economic objectives while consistently developing a caring society. The primary focus of social development as designed in the national development plans are in areas of education and training, health and population, housing, environment and conservation, family and women, and other social services such as youth and sports development, library services, social welfare, broadcasting and information.
Malaysia has also been successful in managing and utilising its unique socio-cultural mix and transforming it into an economic asset. The country has also managed to achieve national integration of the diverse ethnic groups through concerted efforts mainly implemented in the various development plans. To complement the stated policy on social development, the Federal Government spent 27.2 percent of the development expenditure on social services in 1996 and accordingly increased to 32.0 percent in 1998.

AGENDA FOR ACTION ON SOCIAL DEVELOPMENT

Poverty Eradication

Poverty eradication became a major concern in the policy design of the Malaysian Government. Poverty eradication among Malaysians was made the first prong objective of the NEP with specific targets to reduce the overall incidence of poverty from about 52 percent in 1970 to 17 percent in 1990. When the National Development Policy (NDP) was introduced to replace the NEP, some modifications were made to the anti-poverty policy but its basic features were retained. Under the NDP, the focus of anti-poverty strategy shifted toward eradicating hardcore or absolute poverty while at the same time reducing the incidence of relative poverty. Specifically, the objective of the NDP was to practically eradicate absolute poverty by the year 2000. To deal specifically with hardcore poor households, a special program was introduced in 1988. Commonly known as the Development Program for the Poorest of the Poor, it involved the creation of a register and profile of hardcore poor households and the delivery of appropriate projects to meet their specific needs, such as opportunities to increase their employability and income, better housing, food supplements for children and educational assistance. As a result of the implementation of this Program, the incidence of hardcore poverty decreased from four percent in 1990 to two point two percent in 1995. Presently, the population of the hardcore poor has decreased further due to government intervention with the ultimate objective of total eradication at the turn of the century.

By the end of 1990, there was a continuous growth of the economy which provided employment opportunities for all, including the poor and disadvantaged groups, and the implementation of various government programs and projects directly geared towards the needs of the poor. The proportion of households living below the poverty line declined from about 52 percent in 1970 to 17.1 percent in 1990 and further reduced to 9.6 percent in 1998.

In Malaysia, poverty eradication programs and activities are shared a responsibility, jointly addressed by the government, non-governmental organisations (NGOs) and the private sector. Through smart partnership and strategic alliances, programs and activities are implemented with the interest of the target groups as the paramount concern. These include small business loans to the poor, industrial training and job opportunities, educational support for children of the poor and better housing. Among the NGOs, the Amanah Ikhtiar Malaysia (AIM) or Endeavour Trust of Malaysia was the most successful. Between 1991 and 1996, AIM provided interest-free loans amounting to RM 77 million to about 36,200 poor and hardcore poor households, enabling them to venture into micro or small scale businesses and farming. Most of these ventures were successful as reflected in the increased household income of the participants (almost all of whom are women), and the loan repayment rate of almost 100 percent.
Employment and Unemployment

Malaysia’s labour market or employment policy has, since 1971, not only been a critical part of overall growth policy but has also had a crucial input to the success of the distributional targets of the NEP and NDP. The major objective of the labour market policy has for a long time been to expand productive employment at a rate sufficient to reduce prevailing levels of unemployment and ultimately to achieve full employment by the year 2000.

The rapid growth of the Malaysian economy since 1988 and the accompanying emphasis given to job creation during the seventies and early eighties resulted in a fast employment expansion from about three point four million in 1970 to eight point two million in 1996. This growth enabled the labour market to absorb most of the increase in the labour force. Consequently, the unemployment rate dropped from seven point seven percent in 1970 to just two point five percent in 1996. But in the face of the recent economic slowdown, the unemployment rate as at March 1999 was four point five percent which in economic terms is not an alarming percentage for unemployment. With the ensuing positive economic outlook, it is expected that by the turn of the century, unemployment will become a non issue in the country. Unemployment perhaps could be mostly due to job selectivity and preferences among the unemployed for both economic and social reasons.

Foreign Workers

In addition to the local labour force, there are currently about one point seven million foreign workers in the country, largely unskilled and semi-skilled workers. The employment policy on foreign workers is being constantly reviewed in view of the capital intensive and technologically focused development thrust. However, the labour intensive requirement will be limited only to the agriculture, construction and domestic services sectors.

Child Care

In the effort to improve working conditions among the Malaysian workforce, guidelines have been formulated for employers to set up child care centres. Employers are given a tax incentive (Industrial Building Allowance) towards recovering the cost of the physical building or rental of premise. Employers who build a child care centre are entitled to a tax rebate of ten percent of the total cost, for a period of 10 years.

Women

To further increase the female participation rate, employers are encouraged to adopt flexible work practices by introducing career breaks, job sharing and flexibility to balance their time between work and family. Further, the greater use of information technology will provide opportunities to women to be gainfully employed from their home, actualising the caring concept of governance.

Though there are no male-female wage differentials in the salary structure, gender differences continue to exist in labour participation rates. In 1998 it was 83.5 percent males to 44.2 percent females. These differentials have been narrowing steadily, particularly in labour intensive industries where women are well represented.
Age and Disability

In co-operation with the private sector, the Government is taking measures to encourage the retraining of pensioners so they can acquire the relevant skills that will enable them to participate in productive employment. One of the measures taken is the introduction of incentives to employers who conduct training for older workers and pensioners. Under this scheme, special reimbursement of 100 percent is given to the employer to cover the training cost incurred by them. With regard to the disabled, the Government has issued an administrative circular in 1989 whereby a quota of one percent of the employment opportunity in the public sector should be allocated to disabled persons.

Skills Development

As part of the measures to increase the supply of technically competent manpower the Government, through the National Vocational Training Council, is developing the relevant accreditation standards to enable skilled workers to progress towards the master craftsman level. In addition, the Human Resources Development Council has introduced the Industry-Specific Apprenticeship Schemes (ISAS) to overcome the shortage of skilled workers in the tight labour market.

Occupational Health and Safety

To provide the legislative framework to promote, stimulate and encourage high standards of safety and health at work, the Government has introduced the Occupational Safety and Health Act, 1994. This is to promote safety and health awareness and to establish effective safety organisation and performance through self-regulation schemes which are designed to suit specific industries or organisations. The Government has also introduced a program to counsel and educate Malaysian workers and employers in an effort to increase workers' and employers' awareness of their rights and responsibilities under labour legislation, to reduce conflicts and so to maintain harmonious industrial relations.

Social Insurance

Social protection in Malaysia is being provided by two major institutions, namely, the Employees Provident Fund (EPF) and Social Security Organisation (SOCSO). The EPF is a compulsory saving scheme and has now recorded over seven million members, of which four million are active contributors. The main benefit provided by the EPF is the withdrawal of the total accumulated balance in a member's account upon reaching age 55, on death, or incapacity or on permanent emigration.

SOCSO, a social insurance scheme, has been extended to enterprises with at least one employee. The scheme is compulsory for workers whose wages do not exceed RM 2,000 per month. Currently, over six million workers are registered with SOCSO. Contributors are entitled to cash and medical benefits for temporary and permanent disability due to work accidents and occupational diseases. In cases where workers are not covered by SOCSO, they have been protected under the Labour Law which provides employer liability scheme for sickness and maternity benefits as well as work injury. Medical services have been provided mainly through the network of public facilities, including services at minimal charges at third class level, which may be waived for the poor.
SOCIAL EXCLUSION

Social exclusion refers to the process of marginalising unfortunate and disadvantaged groups from actively and productively participating in the mainstream of national development. Social exclusion is anathema to Malaysia's approach to development. Instead, social exclusion should be replaced by the more positive perspective of social integration, demonstrating the development principle which the country is practising. Social integration has become the national focus of strategies and policies. It is an ongoing activity, a continual challenge which involves a delicate balancing act to ensure due recognition of the rights of individuals or communities against those of the larger society. Among other things, this means recognising that individuals may have multiple affiliations to their social, cultural, religious, family and other groups. In Malaysia we continue to stand by the principle that our nation is our responsibility.

The preparations currently being undertaken in Malaysia for the next millennium are guided by Vision 2020, the nation's blueprint to achieve the status of a developed nation by the year 2020. Malaysia's concern is not only with physical development, but also its moral, spiritual and educational dimensions. Towards this end, the creation of a united Malaysian nation has been identified as a main challenge for the nation.

Very broadly, the strategy of the Malaysian Government towards maintaining the social balance of the country is based on the twin approach of promotion and prevention. Under this strategy, Government efforts are geared towards promoting programs and activities that maintain, foster and promote social stability. The prevention aspect of the strategy involves specific actions that would ensure containment, reduction and elimination of issues which have the potential to destabilise the nation. Both aspects of this strategy are operated on a multi-dimensional approach and at present involve political arrangements, development policies and strategies, residential integration, regional integration, the Rukun Negara, National Cultural Policy and Vision 2020, the Education Policy, the inculcation of common values, administrative arrangements and finally, constitutional and legal provisions. While other countries may take their own action, in Malaysia this management of the challenges posed by ethnic, religious and cultural elements are addressed through affirmative Government action as well as the concept of the distribution of justice.

The National Social Welfare Policy

Children, adolescents, people with disabilities, women, the older persons and families continue to be the primary targets for social integration programs in Malaysia. Malaysia believes that a society that is socially integrated is one that is able to accommodate different and divergent individuals and group aspirations within a flexible framework of shared basic values and common interests. Towards this end, the National Social Welfare Policy (NSWP) was created. The NSWP, first introduced in 1990, is Malaysia's all-encompassing policy, which takes cognisance of the problems and pressures created by growth and modernisation on individuals and particular social groups. It aims to create a society whose members are imbued with the spirit of self-reliance, enjoy equal opportunities and care for one another, particularly for the less fortunate. The rationale for the formulation of such a policy is to:

- develop human potential to the optimum, as well as improving resilience to cope with the prevailing social changes;
- create various facilities to upgrade the ability level of the individual and group for self development; and
• instil and foster the spirit of mutual help and support towards enhancing the
caring culture.

In implementing the strategies, the NSWP requires that not just government agencies
be involved, as has mostly happened in the past. Instead it stresses that individuals,
families, groups and the private sectors be equally and actively involved, too. The
emphasis is on the whole society working together to help the less fortunate members,
thereby strengthening them and in the process, strengthening itself, to face life's
challenges. The groups identified by the NSWP as requiring some form of assistance to
integrate them into society and the policies, programs and activities that have been
upgraded and generated, together with some specific achievements are detailed below:

Children

The well-being of children has always been given priority in all programs and activities
undertaken to ensure their survival, protection, development and participation rights.
This is in line with the spirit and principles of the Convention on the Rights of the Child
(CRC) in which Malaysia acceded to with, certain reservations about aspects that
contravene the Malaysian Constitution, on 17 February 1995. Since then, various
programs and activities that are in line with the CRC have been implemented through
the various Government agencies, civil societies and the private sectors.

Malaysia became a signatory to the World Declaration on Survival, Protection and
Development of Children on 18 July 1991 and A National Plan of Action for Children
was formulated through the concerted efforts of various government agencies, civil
societies and international agencies like UNICEF and WHO. Under this plan of action,
the areas of development in health, education, protection and welfare of children were
given further emphasis.

(i) The Malaysian children have shown considerable improvements in terms of
their health and nutritional status in the last decade. Malaysia has achieved
the Mid-Decade Goals for the coverage of humanisation, safe water, and
sanitation while specific programs have been formulated to achieve the rest of
the Mid-Decade Goals for health in the near future.

(ii) In the field of education, Malaysia has achieved its Mid-Decade Goal of
strengthening primary education. Enrolment in primary schools is at 98 per-
cent and it is hoped that the rate of 100 percent will be achieved soon. At the
lower secondary level, the participation rate rose from 81.9 percent in 1981 to
87.4 percent in 1992. The transition rate of enrolment for lower secondary to
upper secondary level increased from 64.9 percent in 1981 to 91.2 percent in
1994. There is equality in access to educational opportunities as far as catego-
risation by gender is concerned. Currently, emphasis is also given to upgrade
the coverage and quality of education for pre-school children in an effort to
stimulate their physical, mental and social development. At the same time,
child care programs are designed to upgrade existing provisions for the care
of children aged four years and below in child care centres in the rural, planta-
tion and urban sectors. The minimum standards of the child care centres are
maintained through the implementation of the Child Care Centre Act 1984.

(iii) Presently, the legal system provides protection to children through the Child
Protection Act 1991. However this Act is being reviewed and a new Act known
as The Child Act has been formulated with the aim of giving more emphasis
on the protection, development and participation of children. This new en-
actment is based on the principles of the CRC and is scheduled to be tabled in Parliament later in the year. The new act is expected to give greater protection to children from abuse, neglect, labour, and media and sexual exploitation. Counselling and support services will be further strengthened through the legal provisions in the new Act.

**Adolescents**

Because we are essentially a young country, policies and programs targeting the adolescents are increasingly being given top priority in view of the myriad social problems affecting them currently. The rapid development of the country has brought along a new lifestyle for the younger generation, exposing them to a variety of unhealthy pursuits like loafing, promiscuous sexual behaviour, indulging in psychotropic drugs and involvement in criminal activities. Currently there are two main statutes that both address the problems of adolescents who are involved in crime or vice activities or who are beyond parental control and provide rehabilitation for those in need of such rehabilitation. The Juvenile Courts Act 1947 and the Women and Girls Protection Act 1973 have also been amalgamated into the proposed new Child Act. More emphasis is being placed on parental responsibility to ensure the healthy upbringing of this generation.

**Disabled Persons**

Malaysia's commitment to improving the quality of life among the disabled population was ensured through the signing of the Proclamation on Full Participation and Equality of People with Disabilities in the Asian and Pacific Region on 16 May 1994. The signing of the proclamation provided fresh impetus to the meeting of the agenda of Action for the Asian and Pacific Decade of Disabled Persons (1993 - 2002).

**Women**

Malaysia is committed towards the advancement of women. Recognising the need to ensure that women should equitably share the development process in all sectors of growth and national life, the National Policy on Women was adopted by the Government in 1989. Together with other major Government policies, the National Policy on Women chartered many important milestones in the status and advancement of women in the country. Malaysia has also acceded to the Convention on the Elimination of all Forms of Discrimination against Women (CEDAW) in 1995. Since 1998, most of the earlier reservations have been withdrawn, with the exception of those pertaining to existing laws that have not yet been changed.

In 1994, the Domestic Violence Act was passed in Parliament to provide protection for women against wife battery and other forms of domestic violence. Although the Act offers protection against all form of violence to all family members, it was viewed by many quarters, especially the civil societies, as an advancement of the rights of women to protection from abuse which has been an increasing social problem. With this law the Government, with strong support from the civil societies, undertakes wide ranging community education to raise awareness among the society at large, in particular women themselves, of the unacceptability of violence against women and of their legal rights.

**The Older Person**

With regards to the elderly who are destitute and have no relatives willing to care for them, the government has also provided financial aid and places to stay in homes for
the aged. Apart from these, tax deductions have also been given to taxpayers for the medical expenses of their aged parents. The wellbeing of the aged was further enhanced by the approval of a National Policy for the Elderly in October 1995. The policy aims to create a society of contented aged who possess a high sense of self worth and dignity. It aims to do this by optimising their potential and ensuring that they enjoy care and protection as well as every opportunity to participate as members of their family, society and nation. Implementation of future programs and activities for the aged by individuals, groups, voluntary organisations, local communities, government agencies and the private sector will be guided by this policy. Following the approval of the policy, a National Advisory and Consultative Council for the Elderly was established. The Council has developed the National Plan of Action for the Elderly, which focuses on a multi-disciplinary approach in promoting programs and activities for the aged and also in improving access and facilities for the elderly in the areas of health, housing, transportation and employment so that they can live independent and active lives.

Family

Malaysia holds the view that the strengthening of the family institution is vital towards contributing to and producing responsible citizens to face the challenges arising from rapid economic development and in maintaining stability and harmony within the family. The role of the family has been recognised as being very crucial in moulding and shaping the future generation. It is towards this basic institution in the society that the Government has now turned its attention in the hope of solving the present day social problems. Although the structure and role of the family has undergone tremendous changes, family ties are still considered very strong in the country. In Malaysia, the Family Policy is subsumed in the overall National Population Policy (NPP). The main aim of the Family Policy is to increase awareness, knowledge and practice of a healthy, stable and harmonious family life. In addition, the NPP's main objective is to create a quality population through strengthening of the family institution.

Because we recognise the family as the basic unit of society and the primary source of nurturing and caring, emphasis has been given to programs aimed at the establishment of strong and resilient families. Towards this end, six guiding principles for the National Family Action Plan have been established, based on the internationally proposed Guiding Principles for the Global Blueprint for Action on Families. The six guiding principles are:

- attainment of quality population;
- role of women in development;
- encouragement of family to take care of the elderly;
- educating Malaysian public on the benefits of family development;
- developing programs for the survival, protection and development of children; and
- encouraging family, community and Government support for the vulnerable and disadvantaged.
Future of Social Development in Malaysia

Social development in Malaysia will continue to form an integral part of the national development planning exercise. It is our ardent belief that through a well designed social development approach coupled with total commitment and acceptance by all sectors, the general population could be effectively reached and their needs served. This would expeditiously help the country meet the challenges ahead in the next millennium with a balanced perspective of the globalisation process but without losing its local values and strong familial and societal support. The current blending of a caring culture within the development thrust will inevitably nullify the notion of social exclusion and, in not a distant future, erase the absolute poverty and unemployment scenarios within the perspective of Malaysia's national development.
The Social Cost of Unemployment in Hong Kong

By Kay Y.K. Ku

Kay Ku is the Regional President of the International Council on Social Welfare. She is also Assistant Director of Development with the Hong Kong Council of Social Service. She has been involved in governmental and non-governmental committees in a wide range of areas including a Five year Plan for Social Welfare Development, a Rehabilitation Programme Plan review, Social Work Training, Social Welfare Manpower Planning Review and Tackling Unemployment.

“We commit ourselves to promoting the goal of full employment as a basic priority of our economic and social policies and to enable all men and women to attain secure and sustainable livelihoods through freely chosen productive employment and work”

(Commitment 3, the Copenhagen Declaration on Social Development 1995)

This Commitment reminds us that productive employment is central to social and economic development and the enhancement of human dignity and does not lie solely within the economic domain. Sustainable development and sustainable economic growth as well as the expansion of full employment should go hand in hand. Indeed, full employment is an effective mechanism to combat poverty and promote social integration.

Comparing the wide and intensive reporting by the media and government reports on employment/unemployment and economic growth, discussions and concerns over the social aspects of employment/unemployment have largely been inadequate, both within the society and the community of Non Government Organisations. Hong Kong is no exception. When we were enjoying remarkable economic growth and full employment throughout the last two decades, productive employment or unemployment seemed to be a non-issue for our society. Little attention has been paid to the pursuit of productive employment, one of the key areas in sustainable development. Even now that Hong Kong is suffering from the impact of the recent economic downturn and the problem of high unemployment rate, the social costs of unemployment are still being under-estimated, if not totally ignored.

This paper will discuss the following issues: first, the problem of unemployment or underemployment of youth, women and older workers when Hong Kong was enjoying full employment in the 1990s; second, the social impact of unemployment in Hong Kong since 1998, basing on research findings; third, some employment projects launched by local NGOs to support the vulnerable groups; fourth, the need for an integrated and long-term employment policy.
To start with, let me share with you the trends of unemployment in Hong Kong in the 1990s.

HONG KONG UNEMPLOYMENT TRENDS IN THE 1990s

The phenomenon of unemployment in Hong Kong did not manifest itself on the surface before the Asian financial turmoil but the latent impact of unemployment started long before the late 1990s.

The trend of unemployment in the 90s in Hong Kong can be divided into four stages. From the early to the mid 90s, the unemployment rate was around one to two percent. Unemployment seemed not to be a serious problem in Hong Kong at that time. On the contrary, labour shortage was defined as a problem in the early 90s. Due to the emigration of professional, managerial and skilled personnel in the late 80s, and the transformation of manpower training structures in Hong Kong as a result of the expansion of higher education, the supply of labour in Hong Kong had a sudden decline in the early 1990s.

From 1995 to 1996, the employment rate rose from 2.6% to 3.7% and then declined back to 2.6%. During that period, for the first time in the 90s, the unemployment rate was greater than 3%. The continuous structural change of the economy from manufacturing sector to service sector had sharply reduced the demand for labour in the conventional manufacturing sector. Besides, the increase of legal immigrants from China and returning emigrants from other countries provided a rapid growth of labour supply. These were the two main factors pushing the unemployment rate to a higher level, but with the suspension of large intakes of imported workers and the economy’s recovery, the unemployment rate came down again. This rapid rise and fall of the unemployment rate only caught public attention for a short period of time.

During 1997, the year of reunification of Hong Kong to China, the unemployment rate stayed at a low level of 2.1% to 2.3%. The successive climbing of the Hang Seng index and the GNP occurred in the euphoria before and after the handover. There was a generally high level of optimism within the community which was also reflected in the economy.

However, from early 1998, the unemployment rate increased drastically from 3.2% to 4.3% and then to a historic peak of 6.3%. Currently, it is standing at 6.0%. The problems of the bubble economy were manifested with the onset of the Asian financial crisis. It was the first time that the Hong Kong Government implemented a number of policies to tackle unemployment.

Throughout the first eight years of the 1990s, the unemployment rate in Hong Kong has been kept relatively low which implied that Hong Kong was enjoying nearly full employment. While it is important to understand unemployment from the macro level, we should not forget how unemployment would affect various groups of people. By taking a closer look at the unemployment rates of certain social groups during the same period, it was found that although the economy as a whole was enjoying full employment, some social groups such as the young, women and the older workers were in fact suffering from the problems of unemployment or underemployment, as were the traditionally vulnerable groups such as the disabled and the new immigrants.
Young Workers

The unemployment rate of youth aged between 15 and 19 is three to four times greater than the overall unemployment rate. When the overall unemployment rate was 1.4% in the first quarter of 1990, 2.2% in the first quarter of 1993, 3.5% in the third quarter of 1995, and 6.2% in the first quarter of 1999, the unemployment rate of youth was 4.9%, 7.2%, 16.2% and 23% respectively. About a quarter of young workers are unemployed at present. If we regard 6% unemployment rate as serious, then the youth unemployment rate had been serious from the very early 90s. However, the Hong Kong government had paid little attention to the situation of young workers until this year.

Women Workers

Women have had a lower unemployment and underemployment rate than men for the last decade. However, one must not conclude that the employment situation of women is better than their male counterparts. Women are still channeled into a limited number of occupations, which are often low paid, unpleasant and boring, although more employment opportunities are available to women at present. Lee (1996) stated that women have made advances into the managerial and administrative occupations, but women’s incomes in the same occupations are still lower than their male counterparts and women are still consistently occupying low status and low paying jobs.

Older Workers

When we look at the unemployment rate of the older workers who are aged 50 to 59, we find that the rate is slightly smaller than the overall unemployment rate before late 1998. Nevertheless, when we consider also the underemployment rate, the older worker had a higher underemployment rate than the other age groups. When the general underemployment rate was 1% in the first quarter in 1990, 2.5% in the second quarter of 1995 and 3% in the fourth quarter of 1998, the underemployment rate of the older workers was 1.6%, 4.3%, and 4.2% respectively. Although the older workers did not have a very high unemployment rate, they had a high underemployment rate instead.

Local economic restructuring accelerated the fading out of traditional skills possessed by older workers. More and more older workers, particularly those working previously in manufacturing industries, had to reluctantly leave their familiar jobs when the factories were closed down or relocated. Moreover, the study of Chan and Wong (1999) revealed that more than one-third of the people aged between 40 to 44 and more than 40% of the people aged 45 and above had experienced age discrimination. Without any compulsory retirement scheme, the majority of the older workers need to remain working to earn a living. Consequently, a substantial number of older workers is expected to fall into the lower income group in society.

SOCIAL COSTS OF UNEMPLOYMENT

One should remember that unemployment is not merely an economic problem. Unemployment as a social phenomenon can be defined by its social consequences, its impact on society, the family and the individual.

A number of studies had been conducted in the 80s and the 90s to find out more about the impact of unemployment on families and society. For instance, findings from the studies of Shamir (1986), Brand and Pullen (1991), Patton and Noller (1991) and
Larson, Wilson and Beley (1994) revealed that the threat of unemployment would damage the familial and marital relationship of the unemployed. It would also place stress in the areas of domestic division of labour and family function and cohesion. Norstom’s study (1995) indicated that the unemployed and those who are afraid of being unemployed had a higher risk of attempting suicide. Findings of Yang, Bijou and Lester (1992) and Lester (1994) stated that the unemployment rate is positively associated with the suicide rate and negatively associated with the homicide rate.

Studies conducted by Brenner (1984) estimated that a 10% increase in the unemployment rate would have the direct effect of increasing the mortality rate by 1.2%, the suicide rate by 0.7%, the homicide rate by 1.9%, admissions to psychiatric hospitals by 4.2% and the rate of incarcerations by 6%.

In order to scrutinise the relationships between unemployment and the occurrence of several social pathologies in Hong Kong, the official quarterly data on various areas in the 90s were used for analyses. The findings indicated that the unemployment rate is positively associated with the number of first visits to psychiatric out-patient clinics and the number of reported bribery and corruption cases, while negatively associated with the number of reported violent crime cases.

<table>
<thead>
<tr>
<th>Year (by quarter)</th>
<th>Unemployment rate</th>
<th>The number of first visits to psychiatric out-patient clinics</th>
</tr>
</thead>
<tbody>
<tr>
<td>1994 1st quarter</td>
<td>1.9</td>
<td>2856</td>
</tr>
<tr>
<td>1994 2nd quarter</td>
<td>1.6</td>
<td>2603</td>
</tr>
<tr>
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<td>1994 4th quarter</td>
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</tr>
<tr>
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</tr>
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<td>1995 3rd quarter</td>
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<td>1995 4th quarter</td>
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<td>1998 4th quarter</td>
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</table>

Correlation coefficient: 0.753 p<.01

Sources: Census and Statistics Department Hong Kong and Hong Kong Hospital Authority
### Table 2: Unemployment rate, the number of reported violent crime cases and the number of reported bribery and corruption cases

<table>
<thead>
<tr>
<th>Year (by quarter)</th>
<th>Unemployment rate</th>
<th>The number of reported violent crime cases</th>
<th>The number of reported bribery and corruption cases</th>
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<tr>
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<td>1999 1st quarter</td>
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</table>

Correlation coefficient:  
- Unemployment rate: -.452 p<.01  
- Violent crime cases: .599 p<.001  
- Bribery and corruption cases: .599 p<.001

Sources: Census and Statistics Department Hong Kong

Findings from local studies also showed that unemployment had significant negative impact on the unemployed persons and their families.

**Impact on Household Economy**

The most direct and obvious impact of unemployment is the reduction of income which often leads to economic hardship for the unemployed and their families. The household economy is likely to be affected by the reduction of income when one of the family members is unemployed. The problem of economic hardship is quite serious for the unemployed in a society like Hong Kong where there is no comprehensive unemployment security program. The unemployed are likely to fall into the trap of poverty.
The finding of a study of the Hong Kong Council of Social Service (HKCSS) (1998) revealed that more than half of the unemployed had faced cash flow problems. Around 85% of the unemployed said they had to cut their expenditure to tide them over their hard times. Over 60% of those who had to cut their expenditure indicated that they had been spending less, mainly on food, then on entertainment, clothes and allowances for their children. Another local study conducted by the Caritas Hong Kong Community Development Service in 1999 indicated that around 60% of the respondents aged 30 and above said they reduced their family expenses after becoming unemployed.

<table>
<thead>
<tr>
<th>Table 3: Duration of Unemployment and Family Expenditure</th>
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</thead>
<tbody>
<tr>
<td>Cutting family expenditure</td>
</tr>
<tr>
<td>Cutting family expenditure</td>
</tr>
<tr>
<td>Without cutting family expenditure</td>
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<td>p&lt;.05 df=2</td>
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</table>

Source: HKCSS (1998)

<table>
<thead>
<tr>
<th>Table 4: Expenses Cut</th>
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</thead>
<tbody>
<tr>
<td>Yes</td>
</tr>
<tr>
<td>Food</td>
</tr>
<tr>
<td>Allowances for children</td>
</tr>
<tr>
<td>Accommodation</td>
</tr>
<tr>
<td>Transportation</td>
</tr>
<tr>
<td>Clothes</td>
</tr>
<tr>
<td>Entertainment</td>
</tr>
</tbody>
</table>

Source: HKCSS (1998)

Research findings also indicated that the unemployed person would encounter greater financial difficulties than their family members. The study of the Hong Kong Catholic Commission for Labour Affairs (1996) revealed that nearly half of the unemployed said their family suffered from economic difficulty, but more than 65% of the unemployed said they had economic difficulties.
The attack of unemployment seems to influence the household economy of both the unemployed and the employed. The unemployed would lose their income, while the employed might also face salary cuts and reduction of fringe benefits under the pressure of the high unemployment rate in the society. Findings of a survey carried out by the Caritas Kowloon Community Centre in June 1998 revealed that the high unemployment rate had led to a decrease in family income and minimising of overall family expenses. Moreover, more than 15% of the respondents of the survey reported that they reduced their children’s educational expense when the unemployment rate is high. The study of HKCSS (1999) also indicated that more than 60% of the respondents (both employed and unemployed) tightened their expenses because of high unemployment.

| Table 5: Family Expenses Cut (includes families with and without unemployed members) |
|---------------------------------|--------|        |
| Yes                             | 286    | (61.8) |
| No                              | 177    | (38.2%)|

Source: HKCSS (1999)

**Impact on Family and Social Life**

Lack of income and contraction of expenses would affect the family and social life in a society which has both a high living standard and a high cost of living. The study of HKCSS (1998) revealed that the majority of the unemployed said they had engaged less in activities such as going to the movies, shopping and eating out. Slightly less than 10% of those married with children had stopped using childcare services and looked after their own children themselves instead. Findings of the survey carried out by the Caritas Kowloon Community Centre (1998) also revealed that the high unemployment rate in Hong Kong had produced several effects on Hong Kong people and their families, such as reducing recreational spending, cutting overseas trips and lowering the quality of life.

| Table 6: Impact on Social Life of the Unemployed |
|-----------------------------------------------|--------|--------|
| Engaged more                                  |        |        |
| Window shopping                               | 21 — 10.7% | 175 — 89.3% |
| Going to movies                               | 4 — 3.1% | 126 — 96.9% |
| Eating out                                    | 5 — 3.9% | 122 — 96.1% |
| Shopping                                      | 4 — 2.5% | 157 — 97.5% |
| Travel                                        | 3 — 5.2% | 55 — 94.8% |
| Night life                                    | 4 — 9.5% | 38 — 90.5% |

Source: HKCSS (1998)
Many of the routines and day-to-day activities of the unemployed and their families are being affected. The study of Hong Kong Catholic Commission for Labour Affairs (1996) found that nearly 70% of the unemployed reported that they had difficulty to manage their spare time. The HKCSS study (1999) stated that about 30% of the respondents had changed their plans due to the high unemployment rate.

Deterioration of Social Network

The impact of unemployment on one's social and family life might include the influence on the relationships with significant others. Findings of the studies of Hong Kong Catholic Commission for Labour Affairs (1996), the Caritas Kowloon Community Centre (1998), the Caritas Hong Kong Community Development Service (1999), the Hong Kong Federation of Youth Groups (1998), HKCSS (1998) and HKCSS (1999) indicated that the relationships of the unemployed with their family members had deteriorated. The HKCSS study (1999) also found that about 10% of the unemployed experienced poorer relationships with friends and relatives.

The reasons for the deterioration of these relationships are interesting to explore, but none of the present local studies provides any direct evidence. We could only interpret the reasons from some side findings. Financial pressure in the family might create high tension between family members which could harm the relationships. For instance, the HKCSS study (1998) revealed that more than 20% of the unemployed said they had quarreled with their family members owing to their unemployment. Besides, slightly less than 20% indicated that they had been blamed by their family members due to their unemployment. Tightening expenses of the family and the shameful feeling of being found to be unemployed might lead to the unemployed choosing to stay away from friends and relatives, which would worsen their relationships. The Hong Kong Catholic Commission for Labour Affairs (1996) study indicated that 35% of the unemployed reported a reduction of their gathering time with friends.

<table>
<thead>
<tr>
<th>Table 7: Relationship with family members</th>
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<tr>
<td>Quarreled with family members</td>
</tr>
<tr>
<td>Yes</td>
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<tr>
<td></td>
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<tr>
<td>No</td>
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</tbody>
</table>

Source: HKCSS (1998)

Impact on Mental Health

One important finding of the local studies revealed that unemployment is significantly associated with the occurrence of mental problems. By comparing the situation of the unemployed and the employed, the HKCSS study (1999) revealed that those who had the experience of being unemployed or those who were often in the state of underemployment endured poorer mental health than those who had never lost their jobs.

The studies of the Hong Kong Catholic Commission for Labour Affairs (1986), the Caritas Kowloon Community Centre (1998), the Caritas Hong Kong Community...
Development Service (1999) and the Hong Kong Federation of Youth Groups (1998) also found that the mental health of the unemployed was likely to deteriorate due to unemployment. Meanwhile, the studies of the HKCSS (1998), HKCSS (1999) and the Hong Kong Federation of Youth Groups (1998) noted that a significant number of the unemployed were reporting insomnia and low self-esteem. They had lower self-confidence and felt tense, frustrated and anxious. They also felt more pessimistic and nervous.

<table>
<thead>
<tr>
<th>Table 8: Feeling of Psychological Pressure</th>
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<tbody>
<tr>
<td>Had been unemployed or always suffering from under-employment</td>
</tr>
<tr>
<td>No</td>
</tr>
<tr>
<td>(28.8%)</td>
</tr>
<tr>
<td>Sometimes</td>
</tr>
<tr>
<td>(44.9%)</td>
</tr>
<tr>
<td>Always</td>
</tr>
<tr>
<td>(26.3%)</td>
</tr>
<tr>
<td>p&lt;.001 df=2</td>
</tr>
</tbody>
</table>

Source: HKCSS (1999)

It is also worth noting that 6% of the unemployed said they had considered committing suicide and 6.2% of the youth respondents reported that they saw unemployment as a reason for suicide (Hong Kong Catholic Commission for Labour Affairs 1986 and the Hong Kong Federation of Youth Groups 1998).

Unemployment for different vulnerable groups in the community has been a concern of the local social service sector for many years. The Employment Service of the Hong Kong Council of Social Service has helped socially disadvantaged people to secure employment since the late 1950s. Even at the time of an economic boom, the vulnerable groups were the least competitive ones in our labour market. In a research conducted by the HKCSS in early 1997, before the onset of the Asian financial crisis, about 26.3% of the disabled respondents were unemployed. In fact, many rehabilitation agencies have long been providing vocational and supported employment services to people with disabilities. With the economic restructuring from secondary to tertiary industry, lots of job opportunities in the manufacturing sector disappeared and many workers were displaced as a result. To assist the older and displaced workers to rejoin the labour force, some social service agencies joined the Employees Retraining Scheme in the early 1990s as training bodies to provide re-training and placement services to the clients.

In the past two years, many agencies have developed new services to provide support to the vulnerable groups with employment difficulties who were hard hit by the economic turmoil. For example, some youth centres provided work skills training and job trial placement for young job seekers, especially those with low levels of education. Some community centres also organised their clients who were single parents or social security recipients, to run co-ops as a source of income. The Council’s Employment Service helped single parents receiving social security and people newly arrived from Mainland China to become gainfully employed. In short, social workers in various
service settings have assisted their clients to tackle the problems arising from unemployment and economic hardship.

HKCSS, as the coordinating body of NGOs in the welfare sector, has also taken the initiative in responding to the serious unemployment problem. In June 1998, the Council forwarded a proposal entitled Integrated Project on Employment to the Government for consideration. Several project proposals were drawn up aiming at the creation of job opportunities and the provision of supportive services to people with employment difficulties. With funding support from the government, a service unit was set up by the Council in August 1998 which coordinates the efforts of the welfare sector in addressing the needs of people with employment difficulties, oversees Council's employment related projects, and develops further job creation and supportive programs. This unit also offers training to the workers in the social service field in relation to serving people with employment difficulties, provides information and support to agencies in the development of appropriate services in response to the local unemployment problem, and liaises with pertinent departments and organisations on matters relating to the needs of people with employment difficulties.

The Council is working closely with member agencies to meet the needs of the unemployed people. For instance, the Council has joined hands with 28 agencies to launch the District-based Employment Support Network in January 1999. The project aims to provide information on employment and training opportunities as well as supportive services to people with employment difficulties, by using a social networking approach to link up the person in need with appropriate service they required. There have been 41 Employment Information Centres established in various districts of the territory to create a service network. In order to disseminate useful information more effectively, a website <<http://employnet.socialnet.org.hk>> was especially developed for this project. People can either go to the nearby Employment Information Centres or use their computers at home to access information related to employment, training and relevant services.

Advocacy actions were also taken by the Council to urge the government to develop measures to assist the unemployed vulnerable groups. In the first quarter of 1999, the youth unemployment rate rose to an all-time high of 23%. The Council has liaised with concerned government departments to develop appropriate services for the unemployed youth. Finally, a large scale pre-employment training and placement program was developed and will be launched by the Government in mid-September with the participation of concerned NGOs. It will target young school leavers who have difficulties in finding jobs.

Many social service agencies in Hong Kong have so far been responsive to the serious unemployment problem. But what next? Many economists expect that the local unemployment rate will remain high in the coming few years. Furthermore, the future trend of economic development in Hong Kong towards a knowledge-based economy may further eliminate the job opportunities for people with few or obsolete skills. Hence, the employment problem of the vulnerable groups in our society may become a long-term social problem even when our economy recovers.
THE WAY AHEAD

Committing to the goal of full employment as a basic priority of Hong Kong’s economic and social policies is a first step. Government must make this an explicit and clear commitment. Analyses and forecasts in the economic and social situation have to be systematically undertaken. Related policy areas such as economic services, trade and industry, labour, education, social welfare, health, re-training, information technology etc. should establish clear mechanisms for interfacing and integration of policies and services, and most important of all, do it in a co-ordinate manner.

Labour Market Programs

A fundamental solution addressing to solve the problem of unemployment is to provide working opportunities for the unemployed. In adapting and working out indigenous solutions, we could learn from other countries. For example, the implementation of the active labour market policy in OECD countries have shown its effectiveness in tackling unemployment. This policy takes action on both the demand side and the supply side of the labour market and produces excellent results. It also involves assistance in proactive job seeking which is aimed directly at the needs of different unemployed people; complementary training and retraining including formal classroom training, workplace training, and individual practical training which suits the needs of each person; re-employment assistance and employment subsidies which encourage the unemployed to re-enter the labour market; and direct job creation and aid to the unemployed to start enterprises.

Changing Nature of Work

With society changing at such a speed, the future of work may alter enormously, hence we must look farther ahead. The job contents of most of our positions today will substantially change in a span of a few years. Employment can no longer be for life and one has to possess multi-skills and knowledge to survive in the workforce. The tendency of organisations to employ half the number of people, at twice the pay, working three times as effectively, will change the job market and the calibre of employees who fill the vacancies. Because we tend to live longer lives, the proportion of our employment life will be substantially decreased. What would people in the Third Age (that is after retirement) do? What are the social costs under the future work scenario? And how to address them? The Government, the private sector, the civil society and each and every individual will have to work together to live up to the Copenhagen Commitment 3. The search for answers should start NOW!

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Welfare Services for the Unemployed Under IMF in Korea

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EMERGENCE OF ECONOMIC CRISIS IN KOREA

Korea's foreign currency crisis in October 1997, with its devastating impact on the Korean economy as a whole, as well as on the daily livelihood of the Korean family, required an expensive and controversial bail-out by the International Monetary Fund (IMF) and the international banking community which became both a domestic and an international horror story.

Up until 1997, Korea evoked an image of a prosperous country growing at a breakneck speed, climbing on impressive growth curves for the previous three decades and leading many to see Korea as a model for other developing countries. Indeed the tiger economies of Hong Kong, Taiwan, Singapore and South Korea are the envy of many, including aspiring tigers like Malaysia, Thailand and Indonesia.

In 1960, South Korea had a per capita gross national product of $80 a year, a figure putting it on roughly the same level as Ghana and Sudan and a bit behind India. However, by 1995 South Korea's per capita GNP had increased to $10,030. South Korea was the world's eleventh largest economy.

For a mid-sized country, Korea is obsessed with big and capital-hungry industries. Korea is the second-largest shipbuilder, the fourth-largest electronic manufacturer and the sixth-largest steel maker. Korea, for a time, had the world's biggest single textile, tyre and shoe factories. Its Big Three car companies made it the world's seventh-largest auto manufacturer, ahead of Britain. Hyundai, Kia and Daewoo produced 3.3 million cars in 1996.

Yet these rosy growth statistics are not the complete development picture of Korea. Its trek to tigerhood entailed sizeable costs for the environment, equitable growth, individual rights, worker benefits and quality of life. Many development experts have been warning against Korea's blind pursuit of growth models as the answer to economic ills.
Thus far, Korean development models have failed to address the basic human needs of the poor because of an overemphasis on "economic growth" and "market mechanisms" that leave marginalised groups behind. The recent economic crisis revealed the structural vulnerability of a Korean economic model which was built on large foreign debts and government protection of "Chaebol" (a business conglomerate of a single owner-manager).

During the Copenhagen World Summit for Social Development, the independent daily Terra Viva (March 6, 1995) published an article with the title "Tigers Burning too Bright? Beware Asian Growth Model". M.L. Clifford, a former business editor at the Far Eastern Economic Review, published a book titled Troubled Tiger (1994, 1998) in which he argued that South Korea's mighty business groups (chaebols) were facing their worst crisis in nearly two decades, one that stemmed from fundamental flaws in the Korean industrial structure. The recent economic crisis was predicted indeed.

One of the major devastating consequences of the recent economic crisis in Korea is the emergence of mass unemployment caused by structural reform of large industries (downsizing) and mass bankruptcy of small/medium-sized industries at the rate of hundreds daily. Social problems have erupted at unprecedented rates: family breakdown, self-imposed homelessness, runaway wives or husbands, juvenile delinquency, suicide, violence and so on.

In order to combat these emerging social problems, the government, NGOs and social welfare sectors have exerted all their efforts together and separately. However, the results of the efforts have been less than satisfactory. Korea had no prior accumulated experiences, formulated theories or practical models for providing emergency social services to the mass unemployed both at home and on the streets. Social service policy and programs designed for the unemployed and their families were haphazard in nature, thus inefficient and non-productive. One of the most perplexing problems for government welfare bureaucrats and professional social workers has been their inability to conceptualise the nature and scope of self-imposed homelessness among the recently unemployed.

THEORIES OF THE ECONOMIC CRISIS

Analysing the etiology and background of the recent Korean economic crisis is a very complex task which is outside the scope of this paper. Nevertheless, it is necessary for us to sketch briefly the background of the recent economic crisis in order to understand the involvement of the IMF and current unemployment problems. For examining the issues at hand three theories, the Asian Model and Economic Crisis, the Chaebol Based Model and Economic Crisis and Structural Causes and Economic Crisis, have been chosen.

Asian Model and Economic Crisis

The Asian Model is an export-centred economic development model under the leadership of the government which aims at a high rate of economic growth. This model has three distinctive features. First, it is a bank-based rather than a market-based system (i.e. bonds, stocks). Second, the government determines certain strategic industries for national economic development and thus supports the designated industries with special favours through the tax system and financing mechanisms. Third, within these processes, banks, industries and government form a very close alliance which is controlled by the government.
There is a Pro-Asian Model Group and an Anti-Asian Model Group. The Pro-Asian Model Group claims that this model has positive elements for securing economic growth and stability. The economic crisis, it argues, arose not because of the Asian Model but because of the pressures of the IMF, the US government and transnational capital, which destroyed the positive functions of the Asian Model. The Anti-Asian Model Group insists that this model contains two major flaws, “moral hazard” and “crony capitalism” which formed the major causes of the recent economic crisis.

The moral hazard element of the Asian Model can be explained through the following example. The Korean government has always been willing to bail out troubled industries every time they invest recklessly or banks provide insolvent loans. Consequently, both banks and industries become ineffective and irresponsible in their management, resulting in heavy debts which are a major cause of economic crisis.

The Pro-Asian Model claims that this model has been the backbone of developing a stable and high rate of economic growth. However, this model became ineffective during the mid 1990s when liberalisation of the banking system was forced by international organisations. The liberalisation of financial systems meant that the Korean government had no supervision or control over overseas loans or investments by private Korean industries and banks. The results of liberalisation revealed speculative investments, over-investments and excessive foreign debts, which contributed to the current economic crisis.

Wade and Veneroso (1998) claim that Asian governments were forced to deregulate their banking systems because of the strong demands by the IMF, OECD, many western governments, international banks and industries. As a result, Asian governments were blocked from overseeing/controlling overseas loans and investments by private banks and industries. Thus, the Korean economic crisis was induced by outside involvement.

**Chaebol Based Model**

President Park Chung Hee, who took over the Korean government by military coup in 1961, was determined to develop the Korean economy based on the Asian Model, emphasising the development of heavy industry. Key business groups, particularly Hyundai and Daewoo, were favoured by Park during the 1970s because of their willingness to invest in heavy industry. They became major tools of Park's economic development policy which can be characterised as guided capitalism.

This forced investment policy boosted big business's share in the economy. In 1984, sales of the two largest chaebols alone, Hyundai and Samsung, equalled 24 percent of the GNP. It is indeed important to understand the context in which these huge, if often poorly managed, groups developed, and how they contributed to the recent economic crisis.

Historically, the desire on the part of Korean entrepreneurs to form groups of business chaebols, often in completely unrelated areas, was already established before Park took power in 1961. They were controlled by a single owner-manager and had several business lines. The Japanese zaibatsu of the 1930s provided the framework on which Korean companies modelled themselves. In a society in which business opportunities were almost unlimited but access to capital and government licences was difficult to obtain, large groups often had an advantage over their smaller competitors. Companies formed during the 1960s and 1970s followed the pattern set by the first generation of Korean business groups.
Size meant strength, and allowed the chaebol to cross-subsidise new activities. Without a minimum amount of capital, material resources, and business skills, the chaebol could not have gone into a wide range of new areas, let alone become internationally competitive. Size allowed companies to be able to afford the inevitable "donation" to the government for causes ranging from flood relief to political campaigns. Groups also had a greater ability to deal with the extraordinary bureaucracy of a government that was, after all, involved in virtually every part of the economy.

This chaebol model tends to bring an inevitable cohesion between government and industry and thus, corruption. Many economic experts insist that the chaebol system is a major cause of economic crisis and thus, the glory days of chaebol are over.

**Structural Causes**

Many economic experts believe that the current economic crisis is not transitory in nature, simply caused by deficiency of foreign currency, but rather a structural crisis based on the distortion of economic structure. The causes of the economic crisis can be identified by tracing the processes of the erupting economic crisis.

The foreign currency crisis in Korea, which accelerated the economic crisis, occurred when foreign banks not only stopped loans to Korean banks but also called in loans from indebted Korean banks. Comprehending the insufficiency of Korean banks which were on the brink of bankruptcy, international banking institutions refused to provide any further loans.

An important question needs to be raised: why did Korean banks fall into such pathetic insufficiency? It was because enterprises could not repay their debts to Korean banks. The insufficient funding of Korean banks became worse when many chaebols such as Hanbo, Jinro and Kia fell into a chain reaction of dishonour.

In conclusion, dishonour and poor management of chaebols affected the solvency of banks, which downgraded national credibility. Thus, the foreign currency crisis spread rapidly to the point of national dishonour. Therefore the fundamental causes of the economic crisis must be sought in the inadequacies and the insolvency of chaebols and banking facilities.

According to the Korea Memorandum on the Economic Program agreed upon between the Korean government and the IMF, it was diagnosed that the Korean economic crisis originated from structural problems caused by fundamental flaws in banking and industrial sectors. The government policy of excessive involvement created inefficient banking institutions and industrial sectors with heavy debts. Korea failed to reform the structure of chaebol and banks and this brought economic crisis.

**The International Monetary Fund**

The IMF lends money only to member countries with payment problems, that is, to countries that do not take in enough foreign currency to pay for what they buy from other countries. The money a country takes in comes from what it earns from exports, from providing services such as banking and insurance and from what tourists spend. Money also comes from overseas investment and, in the case of poorer countries, in the form of aid from better-off countries. Countries, like people, however, can spend more than they take in, making up the difference for a time by borrowing until their credit is exhausted, as eventually it will be.
When this happens, the country must face a number of unpleasant realities, not the least of which is often a loss in the buying power of its currency and a forced reduction in its imports from other countries. A country in that situation can turn for assistance to the IMF, which will for a time supply it with sufficient foreign exchange to allow it to put right what has gone wrong in its economic life, with a view to stabilising its currency and strengthening its trade.

Facing an unprecedented economic crisis, Korea had to turn to the IMF for financial assistance. On December 3, 1997, the Korean government and the IMF agreed upon financial assistance by exchanging the Korea-Memorandum on the Economic Program. This contract was considered by Koreans as putting Korea under IMF “trusteeship” and national humiliation.

Nevertheless, the Korean foreign currency situation was so desperate, to the point of a national moratorium, that Korea had to work with the IMF. Through Emergency Financing Mechanisms, the IMF with the IBRD and the ABD began to work with the Korean government. The following two tables (Bank of Korea, 1997, 1998) describe a feature of the Korean economic crisis, especially foreign currency problems in 1997.

<table>
<thead>
<tr>
<th>Table 1: Growth Rate and Foreign Debts</th>
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<tr>
<td>Growth Rate of GEP ( percent)</td>
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<tr>
<td>Foreign Debts (billion)</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Table 2: Foreign Currency Holdings and Debts Ratio</th>
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<tr>
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</tr>
<tr>
<td>Available Foreign Currency Holdings (billion)</td>
</tr>
<tr>
<td>Short-Term Foreign Debts Ratio ( percent)</td>
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</tbody>
</table>

The highlights of the Memorandum are a reduced government budget, early opening of capital markets, structural and managerial reform of chaebols and readjustment of banking institutions. The IMF strongly demanded structural readjustment of industrial sectors. Because of these requests, the national economic policy changed being from high growth-oriented to reduction-oriented. High unemployment rates, high interest rates and high tax rates are the inevitable realities that Korea has been suffering under IMF.

MASS UNEMPLOYMENT

One of the major devastating consequences of the recent economic crisis, followed by the IMF’s coercion of industry and bank reform, was mass unemployment. Major reform and readjustment first began in the field of finances by means of annexation, mergers and downsizing. Hundreds of small- and medium-sized industries went bankrupt daily and consequently, countless labourers lost their jobs. As major
structural readjustment began in macro-economic sectors, chain reactions soon spread throughout the entire industrial sector and rapid unemployment continued.

Up until the recent economic crisis took place in October 1997, Korea maintained an unemployment rate as low as 2.1 percent, and enjoyed full employment status. However, by the end of March 1998 the unemployment rate had tripled within five months. The Korean Development Institute (KDI) then predicted that by the end of 1998, the unemployment rate might reach 8.2 percent-8.3 percent (1.77 million-1.9 million). Many unofficial reports claimed that the actual number of the jobless was as high as 3.5 million. Considering 1.4 million were underemployed (27 hours work per week) many NGO leaders claimed that the actual number of the unemployed was five million.

The social consequences of mass unemployment became deadly serious social problems, for example, family breakdown, divorce, suicide, crime, juvenile delinquency, psychological problems and self-imposed homelessness. Korean society as a whole was forced to face extremely difficult times.

The visibility of the many homeless on the streets, subway stations and train stations all over the city demonstrated the severity of the economic problems under the IMF. Among the homeless, many had been laid off recently and lost their jobs permanently. Oddly enough, many street people were self-imposed homeless, due to the many psychological stresses which they couldn't bear, for instance, anger, shame, guilt, losing face, hopelessness and powerlessness.

According to a report by the Ministry of Health and Social Welfare, there were about 3,020 homeless throughout the nation (Sept. 1998) of which 2,320 (77 percent) were considered to be recently unemployed. It was then predicted that by the end of 1998 the number was expected to be around 6,000. Providing proper social services in terms of feeding, sheltering, bathing, medical attention and so on became an emergency task for both GO and NGO sectors. Vocational rehabilitation, creating jobs, job placements, expansion of public aid, revision of social security provision (unemployment compensation), a long series of new policies and programs were formulated and executed on a pan-national scale. Yet the results were less than satisfactory because Korean society had no experience in dealing with problems on such a mammoth scale within such a short period of time. Korean society had no idea of the grave consequences of economic crisis under the IMF, and were unprepared, defenceless and had a very weak social safety net, especially for the needy.

This paper attempts to share the experiences of the Korean social welfare sectors during the Korean economic crisis and tries to draw some valuable lessons for future courses of action.

**RESPONSES OF SOCIAL WELFARE SECTORS**

At the end of 1997, the economic crisis upset the labour market and destroyed the conception of constant employment in Korea. Unemployment causes great stress, and individual emotional responses to it vary by personality, social support and the duration of unemployment.

It is important for the unemployed to receive social support in order to return to society. Therefore the type and the degree of social support is an important factor in determining an unemployed person's emotional response. When the unemployed person expresses negative feelings, it is appropriate to provide emotional security and
self-esteem support. If the unemployed person is positive and self-sufficient, it is appropriate to provide information and instrumental support to maintain and reinforce self-efficiency. It is important and effective to acknowledge the individual's needs and provide appropriate social support.

When becoming unemployed, individuals experience frustration. At first, anger tends to be externalised, but after long periods of unemployment, it becomes internalised. It is difficult to recover self-confidence when there is limited job availability and a limited social safety net, such as unemployment compensation. Powerlessness postpones the opportunity for re-employment or chances for success and leads to a vicious cycle. Therefore, it is necessary to provide access to information and counselling. When it seems that unemployment will last a long time, it is necessary to have a professional program to address the individual's emotional frustration and develop a social safety net to overcome unemployment.

We need a long-term approach and intervention to prevent family discord and disruptions in social safety networks because of economic crises. To cope with unemployment issues there are two delivery systems of social welfare services. One is the government sector and the other is the NGO sector. Government and NGO provide different levels of social welfare services to the unemployed or those with low incomes caused by the economic crisis. Unemployment compensation is not well established in nations like Korea. These nations focused on social services such as public labour, meals and loans. When there is no support from the national government or local government, NGOs' resources and activities are important. Government and NGO programs and responses toward the unemployed are explored below.

**Government Sector**

According to the Ministry of Labor in 1998, there were four responses to unemployment: first, minimising the dispersion of industry and supporting the maintenance of employment; second, facilitating re-employment with job security and job creation; third, providing job training for the unemployed who were having difficulty finding a job; last, expanding the social safety net, for instance, expanding the duration of benefits.

The basic principle of the Unemployment Plan calls for an increase in unemployment insurance and public assistance. In the past, companies with more than 10 workers had employment insurance. In March 1998, companies with more than five workers had to have employment insurance. Since July 1999, it has been applied to temporary workers as well as part-time workers and the benefits have been open to many more unemployed due to easier eligibility qualifications. However, only 24 percent of the unemployed actually received benefits and the fund was in danger of being exhausted (Shin, 1998). Therefore, Korea was dependent on public work projects, like other developing countries (Park, 1998).

Many people's incomes were reduced to the poverty level or they became welfare recipients because of long-term unemployment. In the past, only 3 percent of the 10 percent of people who met the criteria for poverty actually received welfare benefits. Thus, with the onset of mass unemployment following the IMF crisis, the welfare system both was unaccustomed to the great numbers needing services and had insufficient resources to meet these demands. After all this, in 1999 the government revised the insurance policy through basic social security and devised the following programs for the homeless.
Unemployment Compensation which is a program to encourage management to shorten working hours, close down, train, dispatch, and temporarily lay-off to keep the workers employed when there is stagnation, restructuring and downsizing of businesses. Those companies will be reimbursed two-thirds of salaries (big business gets one-half) given to the workers and all training expenses for six months. In 1999, the eligibility and duration of benefits were improved.

Facilitating Re-employment encourages management to re-hire the unemployed, with business owners being reimbursed half of the salary (big business one-third) given to the workers for six months. Management gets higher reimbursement rates when they hire those who have been unemployed long-term (unemployed more than a year) or those who are over 55 years old.

Job Training in Korea is scarce. Because there is no principle of job training and little coordination among ministries it is difficult to have integrated vocational programs. In England and Germany, where job development and training is well organised, management review program content tailors training for a trainee in accordance with his or her capacity.

Expanding Social Safety Networks recognises that from a social welfare perspective, income, health, education and housing issues are extremely important. However, it is difficult to manage these issues due to poor coordination among ministries (Shin, 1998). Therefore, a committee directed by the President is necessary for well-integrated and effective management. Also, it is necessary for NGOs and religious groups to collaborate with government to provide services.

**NGO Programs for the Homeless**

According to the Korean Urban Research Centre, there are short-term and long-term programs for the homeless (Kim, 1998). The long-term plans involve the establishment of a social safety net; social services to improve family relationships; community centers; treatment of mental health and substance abuse problems and increases in low income housing and government subsidised housing. The short-term plans involve providing care facilities with a network model, work with volunteers, coordination of public, private and religious groups and the development of various programs to help clients return to their families.

The Ministry of Health and Social Welfare in 1998 suggested that NGOs such as religious and social groups take the lead and that government and local agencies support these programs. Religious groups accepted this idea positively (Shim, 1998).

Care facilities with a network model are recommended to bolster the emotional security and restore the dignity of the homeless. One of the suggestions for this is to use church or temple buildings to accommodate small numbers of homeless. Thus, when there is little support from government or local agencies, NGOs’ resources are crucial.

Individual case management is needed to provide appropriate services. When working with individuals, social workers need to develop their professionalism and become familiar with the issues of their low-income clientele (Kim, 1998). They should use community centres and mental health centres within local communities for easy access to services.

Some existing services have required improvement, for example Guest Houses. A Guest House is a shelter for the homeless and was so named in order to reduce the stigmatisation associated with the use of shelters. In the past, workers at shelters did
not consider their clients’ emotional condition. Additionally, the Guest Houses made many rules regarding the hour of rising and bedtime and controlled the homeless to such an extent that many people did not use them. Guest Houses have reconsidered these issues and have created atmospheres that better respect a client’s privacy and are now operated voluntarily. They also provide organised programs for the purposes of rehabilitation and a client’s return to the family. In addition they have established a Research Centre for Unemployed Homeless.

Content of the Program

- personality test;
- financial management education; computer education
- group sports for friendly relationships among local communities
- group counseling including psychodrama, mini-camps, group work for recovery of self-esteem, communication with family;
- Night Café, with all those who work for the good of the community invited;
- Recreation;
- self-support and income program which selects those homeless individuals who are identified as having a strong rehabilitation will and assists them to be independent and to inform their community about the problems of homelessness;
- information and referral service.

Alcoholism is often a by-product of being poor and homeless. Experiencing unemployment, and loss of housing and loss of income all at the same time increase one’s sense of shame and isolation. When anger and frustration are directed inward, these feelings become depression. Often, when a person feels emotionally abandoned by his family and society, he starts drinking to deny his increasingly negative self-image. During this process, someone who is homeless begins to accept this lifestyle as a “self decision”. In the end, alcohol problems cause the continuation of homelessness.

![Shame and Isolation through Homelessness]

The alcoholic homeless frequently start drinking again when there is no sober placement or no safe, clean environment. Therefore, it is urgent that they have a sobriety program in the community where they can be reached easily. In the
community, alcoholics can solve problems by improving socialisation as well as recovering confidence.

It is important to consider a client's need prior to attending the program. In the case of homelessness, housing, money, food and physical safety issues are basic needs. In addition, it is likely that the homeless may be afraid to receive professional services; some of the many reasons are “no freedom” (22 percent) and “can't do outside work” (10 percent). In the House of Hope, for example, alcohol dependency is high among the clientele, even though shelter is provided and many are temporarily employed. Clients have many different needs.

Prior to providing appropriate services to the needy client, a worker needs to collect basic information. In order to receive information and provide appropriate services to the client, researchers have suggested establishing a Homeless Intake Centre or using existing facilities (Kim, 1998). Community mental health centres can be used as existing facilities and it is recommended that a clinical case manager be employed at the House of Hope to coordinate services (Kim, 1998).

To deliver services easily for clients, there must be systematic relations among community agencies that provide for direct assistance. In addition, the homeless who may require much attention need to have a case manager. In Korea, most of the homeless have been so for less than six months, but it is easy for them to become alcoholic because social drinking is very acceptable in this culture. Therefore, both organised and individual approaches are important.

**Women in Unemployed Families**

Unemployment and decreases in income due to the IMF have significantly increased marital conflict within families. Emotional violence through verbal abuse and a husband's drinking habits due to lowered self-esteem amplify women's difficulty. In 1997, three to eight percent of women seeking counselling came with these problems. Within one year the rate increased to 10-15 percent. The main focus of counselling is battering, cheating, marital discord, unfair treatment at work and divorce. Battering and cheating are not new issues in Korean society. Rather, the stresses of the IMF appear to rationalise these behaviours. Divorce due to runaway, cheating, and battering husbands seems only to be exacerbated by the current economic crisis.

Leana and Feldman (1992) suggested that those who are older, have lower education, are female and belong to a minority, are more likely to feel greater pain after unemployment and experience greater difficulty finding jobs they like. According to counselling cases at the Women's Unemployment Office, the majority were treated unfairly at public work or employment settings due to lack of information. Information and instrumental support help unemployed women to become re-employed. To prevent limitation of information, it is recommended to have a special place only for women.
An-Yang Women's Club has a Coping Centre for unemployed women. They have programs such as emergency care, employment, education and counselling to prevent family breakdown, data collection, exchange, support, legal assistance, help with finding sponsors, public work mediation, and help in searching for job openings.

The An-Yang Hot Line for Women provides the following programs: financial support such as supplementary aid, connection sponsors and self-support groups and group programs for emotional security and self-esteem. They provide vocational programs for women including job search and placement, but, at this point, only five percent get hired.

Children of the Unemployed

Divorce rates have increased since IMF involvement in the economy and the number of “IMF orphans” has increased rapidly. In early 1998, according to the Ministry of Health and Social Welfare, starving and lost children were 6,353 in number and this was an 11 percent increase from before. Because there was little support from society, many children who had parents were left at care facilities. Half of the children who were at the facilities had at least one known biological parent.

There is a low correlation between children who were raised in divorced families and delinquent children, even though many people believe that divorce and delinquency are related. The age of children, emotional maturity, and financial problems after divorce are factors in children’s development, but the children who were continuously well cared for by parents had few problems (Pyo, 1997). Therefore, it is important to have a plan for maintaining families intact. The most important way to help the children at a facility is for them to have continuous contact with their parents, so that the children can return to their families gradually.

Religious groups and social service agencies have the following programs for children of low income or the unemployed. There are study room programs, which guide children in doing their homework and programs that provide emotional security, special activities and free lunches. It is more effective when study room programs are run by social service agencies and NGOs. It is also preferable to have free lunch programs within education programs to minimise children’s shame.

The Parangsae nest program is one such children’s program. Parangsae is a blue bird and is the name for the program. The program offers:

- summer and winter schools;
- sharing and sponsorship program;
- Unity Party, which organises events like mountain climbing;
- self aid union for the mothers of unemployed families.

A child attending the Blue School program would have free lunch, after school activities and may take part in special activities with other children of the unemployed.
Evaluation

We have looked into the responses to the unemployed by government, NGO and social service sectors. Due to the rapid economic crisis, Korea had social, economic and cultural problems. Prior to the IMF, the concept of the social safety net was weak. So after the IMF, Korean society has had to respond to unemployment in new ways. The following is an evaluation of the programs.

First, while experiencing economic crisis, we learned that the nation has a responsibility for an individual's welfare. That is, establishment and expansion of social safety networks is necessary. Maintaining the family is most important in Korea. If we had unemployment insurance during the IMF, as in the western world, we would have prevented much family breakdown.

Second, it is important to maintain a permanent unemployment plan. Public work and temporary payments were indispensable for many because there was no social safety net. However, this should not be the long-term unemployment plan. Well-organised programs are needed for a more permanent policy rather than temporary solutions.

Third, it is important to improve social work skills to assist in crises such as mass unemployment. Whenever the problem persists, society finally comes to realise that someone must become proactive: someone must exert the leadership, energy, time, resources and resolve to confront the problems. Thus, social workers need to improve their knowledge and skills, and appropriate crisis intervention methods need to be developed by professional social workers.

Clearly the Korean economic crisis provides an opportunity to learn many lessons. How can any culture or society survive that ignores the very people who contributed to its rapid growth and development, for instance, people who poured the cement and built the roads and bridges, the very foundations on which this country's wealth has been built?

IMPLICATIONS FOR SOCIAL WELFARE POLICY AND PRACTICE

Through the primary focuses of our discussion in social service for the unemployed, it becomes obvious from Korean experiences, as well as those of Thailand and Indonesia, that social welfare sectors must give their attention to the social development aspect of macro-economic systems both at the global and domestic levels. The causes of the recent economic crisis in Korea were diagnosed both at national and international levels.

Domestic causes identified were excessive loans from both domestic and international financing institutions, excessively high reckless investment and high economic growth policy based on the growth obsession of both government and chaebols, which ignored the principles of democracy and the market economy. It is encouraging that the current Kim Dae Chung government made a strong commitment to eradicating government's meddling in financial institutions which has led to the cohesion between the government and enterprises, unfairness and corruption. Social development implications of this new policy direction must be critically analysed by social welfare professionals.
Particular and critical attention to the international causes should be given, based on Korean experiences of economic crisis. In examining the background of the economic crisis in relation to the Asian Model, it is worthwhile for us to listen to the pro-Asian Model groups who claim that the economic crisis arose not because of the Asian Model but because of the pressures of the IMF, US government and transnational capital, which destroyed the positive functions of the Asian Model.

Korean NGOs and welfare experts as well as trade unions want an overhaul of Structural Adjustment Programs (SAP) imposed by multilateral financial institutions like the IMF and WB, used by donors to gauge the economic performance of developing nations such as Korea. Korean experiences indicated that through and during SAPs, the working classes were forced to bear much of the social cost and pain under a very mediocre social security system. The IMF must come up with a positive measurement for the innocent victims of SAP in developing countries. Social dimensions of the IMF's policy must be readdressed as they concern unemployment problems based on the current Asian experiences.

Korean experiences revealed that the social welfare sector must carefully monitor the effects of the domestic macro-economy in the light of the global economy, in order to safeguard the vulnerable classes. The Unemployment Insurance Act should be strengthened as a countermeasure against mass unemployment. Based on the experiences of providing social services for the unemployed, better plans to cope with mass unemployment and necessary social services need to be formulated, so we can develop a sound theoretical base for practices. In order to provide social services effectively, social welfare sectors must come up with a creative paradigm to coordinate the efforts of GOs, NGOs and social welfare sectors, especially for providing emergency services during crisis periods.
Women and Work — Building Capabilities for Leadership and Self Reliance

By Namrata Bali

Namrata Bali is the Co-ordinator of the Self Employed Women’s Association (SEWA), Academy, Ahmedabad, a position she has held since 1990. She holds a Bachelors degree in Home Science with specialisation in Clothing and Textiles, M.S. University, Baroda, and a Diploma in Textile Designing, Ahmedabad.

INTRODUCTION

“A sun has risen in my mind” — Jamunaben agarbatti worker after training at the SEWA Academy.

SEWA, is a trade union which was registered in 1972. It is an organisation of poor, self-employed women workers. These are women who earn a living through their own labour or in small self-run businesses. They do not obtain regular salaried employment with welfare benefits like workers in the organised sector. They are the unprotected labour force of our country. Constituting 93 percent of the labour force, these are workers of the unorganised sector. More than 94 percent of the female labour force in India, are in the unorganised sector.

SEWA’s main goals are to organise women workers to obtain full employment and to develop self reliance. Full employment means employment whereby workers obtain work security, income security, food security and social security (at least health care, child care and shelter). SEWA organises women to ensure that every family obtains full employment. By self-reliance, we mean that women should be autonomous and self-reliant, individually and collectively both economically and in terms of their decision-making ability.

At SEWA, we organise workers to enter the mainstream of the economy through the strategy of struggle and development. The struggle is against the many constraints and limitations imposed on them by society and the economy, while the development activities strengthen women’s bargaining power and offer them new alternatives. Practically, the strategy is carried out through the joint action of union and cooperatives. Gandhian thinking is the guiding force for SEWA’s poor, self-employed members in organising for social change, following the principles of satya (truth), ahimsa (non-violence), sarvadharma (integrating all faiths, all people) and Khadi (propagation of local employment and self reliance).

SEWA is both an organisation and a movement. The SEWA movement is enhanced by its being a sangam or confluence of three movements: the labour movement, the cooperative movement and the women’s movement. But it is also a movement of self-employed workers; their own, home-grown movement with women as the leaders.
Every movement requires an ideological framework and a clear direction. This framework must be understood by all its members and the direction must be clear to all. All participants in the movement must have a common understanding of the vision and the strategy. The messages of the movement must be taken to the public, to policy makers and to those persons whose help the movement needs. A movement also needs leaders. In SEWAs case, the leaders are working class women of villages and urban areas.

Capacity building becomes an essential need for activities, programs and management to be taken over by the local women. SEWA’s expansion is dependent on how active the local leaders are and what their capacity is to enroll members and to deal with the issues they encounter every day.

SEWA’s thrust has been organising workers for economic empowerment. Organising, that is the slow process of coming together for common goals and interests, has been the crux of our approach. It is our firm belief that poor women’s empowerment is only possible when we put aside our differences, unite and work towards our own development, through women’s leadership. SEWA is a membership-based organisation, a trade union. All women first join the union and then form their own producers’ group or cooperative. Rather than equipping ourselves with a ready blueprint, our approach has been to start with our members’ needs, demands and priorities. These have overwhelmingly pointed us to the goals of Full Employment and Self Reliance.

THE GOALS OF SEWA ACADEMY

The SEWA Academy was started in 1991 with the objective of offering training to the self employed members of SEWA to prepare them for being leaders in their field of work, as well as in the ranks of SEWA. Although SEWA had been offering a variety of training programs to these women since its inception in 1972, by the mid to late eighties, there was an increasing need to document these methods of training, as well as offer a training program that was relevant to the needs of all self employed women, regardless of their occupation. This led to the establishment of the SEWA Academy which both offers and documents various forms of leadership training programs.

The SEWA Academy was created with the aim of offering self employed women all the facilities which are available in an international training center. We believe that training is an effective tool for capacity building. Appropriately designed according to the workers needs, it goes a long way towards developing women’s leadership. Poor women have very little opportunity for their own education and development. Hence, they capitalise on any learning opportunity provided to them.

Over the years, as SEWA has increased in size and experience, its role has moved from merely being an organisation to a movement. This movement brings together unions, cooperatives and women’s demand for better skills and education. The Academy offers training programs in areas such as leadership and practical skills, as well as personal and professional development. It is the focal point for coordinating and implementing SEWA’s activities in teaching, research, planning, communication, advocacy and evaluation. The training programs improve women’s practical skills and increase awareness of SEWAs activities amongst its new members. All the training programs are a means of empowering the women of SEWA to utilise their new skills, increase their knowledge and develop self-confidence. SEWA’s training programs are tailor-made to meet the needs of its working class sisters.
The task of developing the capacities of its members and organisers is based on our central belief that everyone has potential and abilities but this potential is often untapped or lies dormant because of circumstances which keep women socially and economically powerless. Appropriate leadership training inspires participants to broaden their horizons and even take up new roles. Some start balwadis in their area, open bank accounts for other women or become health workers and group leaders.

Capacity-building for SEWA means increasing the income-earning capacity of its members so that they become self-reliant at SEWA. We believe that capacity building should support women’s efforts for obtaining full employment and self reliance. Self-reliance, in turn, means that the women take things in their own hands and seek or create the facilities to meet their basic needs as well as those of their families, make their own decisions, control their own organisations, develop productive assets in their own name and are economically independent and strong.

For training to be useful to women, their confidence and trust has to be gained, the training should be adjusted to their speed and learning abilities and should begin with what they know, that is, be relevant to their realm. Working with illiterate adult learners is a slow, steady process, which requires sensitivity and understanding of their lives. This is particularly true in the case of poor women. Our experience has been that women are eager to take leadership and develop into strong leaders when supported with appropriate capacity building efforts.

**TRAINING AT SEWA ACADEMY**

There are two types of training programs offered at SEWA; vocational and leadership. Vocational training is where one learns specific skills which may generate income such as block printing or dye-making, which are usually conducted by the concerned cooperative or trade union. Leadership or capacity-building training on the other hand, is aimed at improving the ability of grass root leaders to run and manage their own local organisation and the SEWA movement.

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<td>Report-writing Training</td>
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Basic Leadership Training

SEWA believes in a two-way learning process in which both the trainees and the trainers learn from each other’s experiences. This is apparent in the two-day leadership training course which is usually held at the Academy itself. The academy has conducted over 175 basic leadership trainings to date and has trained over 5,000 women in the process. The goal of this form of training is to stress the importance of one’s identity and value as a woman, increase group awareness, understand Gandhian ideology and comprehend SEWA’s goals and the place of working class women in Indian society.

The training process is very interactive and starts with a process of self-introduction followed by a discussion on gender identity. This requires the trainees to introduce themselves by their first names, their village’s name and their occupation. This process is also recorded by Video SEWA and shown to the participants the next day. This exercise is helpful as a means of providing the women with a sense of self-identity and giving them confidence to introduce themselves in front of a group. This is a significant step for most women because they rarely have the opportunity to identify themselves as being distinct from the male members of their family. They are usually known as the mother, sister, wife or daughter of their male relatives. This exercise distinguishes them from their patriarchal society and gives them a sense of independence and self-identity.

Furthermore, the use of the video technology by the crew of Video SEWA, which consists of women of similar backgrounds to the participants, gives them a sense of hope and confidence and also introduces them to a form of technology previously alien to them. Additionally, the women play a game in which they have to remember the names of five women sitting around them, whom they have not known previously. This helps the group mingle amongst itself, as well as teaches the women to respect each other as individuals.

Other exercises include Understanding SEWA, in which the women discuss the significance of each of the terms of the acronym SEWA, and the importance of organising collectively as a group. This raises the awareness about the importance of solidarity.

The discussion on women’s work, income and ownership using the International Labour Organisation (ILO) pie charts informs the group about the women’s share in work, income and assets universally. The charts contain three circles which inform the women about the average share of work done by women, first by hours worked (women work 67 percent, men work 33 percent), second by income (men get 90 percent income, while women get 10 percent) and most shockingly, the amount of assets owned by women which comes down to only 1 percent of the available land and goods, with men owning ninety-nine percent. This information comes as a surprise to most women who have not critically reflected on the issues of unpaid labor. They discuss the fact that although they themselves perform most of the work both within and outside their houses, their contributions are rarely recognised in the form of their owning any assets. Everything they have, from vessels to clothes is owned in the name of their male relatives, usually their husbands or fathers.

The trainees also discuss social issues such as discrimination of women in the labor market, dowry, patriarchy and gender-based division of labor. The activities of the training session are innovative in that they are not merely lectures or discussions (too much of which can be boring and firing), but contain exercises such as song making sessions on organising. Visiting the Gandhi Ashram which provides information on
Gandhian thinking, on which SEWA’s ideology is based is another form of teaching. This exercise is a new addition to the curriculum. Previously, this exercise took the form of story telling, but the women who travel great distances for the training want to see something of Ahmedabad. Hence, this exercise is now in the form of a field trip that not only informs women on Gandhi’s teachings, but is also an outing for the trainees. Other activities include a drawing exercise, which reveals the creativity of the women many of whom have never held a crayon in their hand before and a Chinese whisper game which doubles as a lesson in communication and in taking on the role of a leader.

The drawing exercise is one that proves memorable to most participants since it is something that they have never done before. In the first training sessions, the women were told to draw about their dreams. A problem arose when most women explained that they didn’t have the time or luxury to dream. Even if they did, they believed that their dreams would never come true, so there was no point in thinking about unattainable things. On the other hand, many women find it a great pleasure to draw pictures about their experiences since it is an alternative to writing, a skill which is not available to all women. Another result of the drawing experience is that it creates a desire amongst many women, to start educating themselves, as a result of their first contact with paper and pen.

During training the entire group of women, consisting of both the trainers and trainees begin each day by praying and singing songs of both the Hindu and Muslim religions, since these are the main religions of the group. A main purpose of the training is to gain a sense of solidarity and the ritual of singing together, eating lunch together and sitting together irrespective of ones status or ethnic and religious identity, serves to create a bond between the women.

The two days are divided into periods of classroom and other learning, in order to engage the women who often come from remote villages for training. During the second day of training, the women are shown various films made by Video SEWA which informs them of the struggles of beedi workers, head loaders and about the SEWA bank. There is also discussion about the qualities of a good leader as well as the goals of SEWA. The training concludes with a distribution of certificates and group photos which are greatly appreciated by the women. After completing the training program, the women feel a sense of accomplishment and empowerment.

During the training, many women are very shy and reluctant to speak out. They even have difficulty saying their own name. But by the second day of training, they say:

Now I understand my organisation;
I learned about Gandhi’s ideas and understand these;
I now know my responsibilities as a leader;
I will go and build our organisation further;
I will share information about SEWA with other women. I will tell them about savings and will organise my village’s savings group. And I will be able to speak out, whether it is to the village Sarpanch or local government officer, I will say what I want;
My confidence has increased because I have learned that I’m not alone. There are many of us poor women at SEWA.
Impact of Basic Leadership Training

Individual women's sense of self and their vision of the future undergoes a significant change. Women who were once timid, could not even say their own name and had low self-esteem are now assertive, articulate and outspoken. They are self-confident. They are willing to confront injustice in the home and outside. They resist violence. They also begin to ensure that they and their children, including daughters, have equal access to education and health care.

In addition, they are increasingly aware of their own problems and options. They actively suggest constructive alternatives and plans for the future. In fact, both at home and in their producers' group they become future oriented. They save, borrow, invest and re-invest. They begin to build their own future. The statement of trainees a year after attending training is:

"My confidence increased and I can now talk to anyone, even Police";
"I could enrol 2000 members this year";
"I got a health centre opened in my area";
"I got a literacy class started and enrolled many members as readers of newsletter Anasuya";
"I started a savings and credit group in my village";
"I participated in the Pulse Polio campaign and got many children immunised";
"My bidi worker members come to me if their contractor is cheating them. I go with them, talk to the contractor and resolve the dispute".

Three participants in SEWA Academy training describe their experiences in more detail below.

Zahida Banu of Daryapur district, Ahmedabad has been a member of SEWA for seventeen years. She is amongst those women who uses the knowledge gained from her training at SEWA, practically, in her professional life. She is a chindi worker; she sorts old clothes and makes quilt covers out of them. She joined the ranks of SEWA after she was frustrated by the low pay she got from the merchants to whom she sold her goods. With the help of SEWA, she and other chindi workers took legal action against the merchants and won their case. However, since the merchants continued their illegal activities, the chindi workers, with the help of SEWA, formed their own independent cooperative in 1982, called the Sabina Mahila SEWA Cooperative. This is her account of her training:

"I don't exactly remember the exact date when I got my first training, but the Academy told me to come and I went. After all, I needed to know how to stand up for my rights as a worker as well as my right to payment. Only if all the chindi making sisters joined hands together collectively could we advance. Through the taleem, I learnt how to market my goods, sell them and make money. I could easily implement all that I learnt in the training into my real life. I also noticed an increase in my income after implementing what I learnt through training."
Before I took training, I used to wait for the customer to come to me. Now I myself try and reach my consumer. I've learnt the rules of the market in which there is a two way process where both the consumer and producer interact with each other. I have learnt where to find specific customers for my goods, as well as where to get raw materials at cheap prices. I learned how to send messages to my clients so that they would not be misinterpreted or get lost. Communication is the key to a running a successful business.

I think the training programs are well organised and it is a good strategy to keep them short, since the sisters attending these programs have limited time to spare. There needs to be a set agenda that should be followed rigorously. I personally don't feel the need to attend any more training programs. My work experience itself is giving me new training and I have no time to attend more programs. I do send other sisters to training though, since they need it”.

Poonam Ben Dalpa Bhai Vaghela is a professional midwife and hails from the village Valadh in Gandhinagar District. She has been a member of SEWA for the past seven years. She is actively involved as a leader of midwives in SEWA and also implements her experience at various training sessions at SEWA into her professional life. The following is an account of her experience at SEWA:

“Sakhiben and Susheela Ben who were members of SEWA came to my village and spoke about SEWA. When they found out that I was interested, they asked me to go to Ahmedabad and meet them at Laal Darwaza. I had never stepped out of my village on my own before then. I asked frantically for directions from people in my village who had been to Ahmedabad and then set out on my adventure.

I reached SEWA where they asked me about my life and I told them how I had been widowed at such a young age and had three children. I then proceeded to take the basic training course after which I took a 30 day skill upgrade training in midwifery in Daboda, Gandhinagar. After that, there was no stopping me. I proceeded to take the Kadam taleem, training in herbal medicines and other leadership training programs.

Before I took the midwives training course at SEWA, I used to accompany a nurse to help her deliver babies. After the course, I started working independently and was actually paid for my work. Now, through the help of SEWA, I get Rs 101 per delivery. Sometimes, if the family is very poor, I accept other forms of payment such as getting saris, or I even take less money. I have learnt new techniques at SEWA. Earlier, I used to press the stomach of the mother in order to take the baby out. When I learned that was harmful for both the mother and child, we stopped doing it. I've learnt that cleanliness is a must in my profession so I keep all my instruments clean. I've also learnt how to treat snake bites, and heat strokes. The training program was a great help because not only did I gain a lot of information, but I was also paid my bus fare and a stipend of Rs 300.
My training program has given me a lot of skills and knowledge. However, I won’t compromise on anyone’s life. If I feel as if either the mother or the unborn child’s life is in any danger, I tell my clients to rush to the hospital. I only deliver the babies of healthy mothers. In addition to delivering babies, I also keep a stock of medicine, which I buy from SEWA at a low price and sell in my village at a higher price, which is still less than the private dispensary that is the only other source of medicine in my village.

I went to SEWA after my husband died. I had lost all hope in life after his death. I gained strength after hearing the stories of sisters with similar misfortunes. I had also spent 15 years working as an unpaid, untrained midwife till I joined SEWA. Now I don’t care what society says because I have the skills to be independent. In the future, I do want more training in areas such as how to give injections, take blood pressure and take blood tests. Overall, my training has been a very positive experience.

For the last ten years Samu Ben Devji Bhai Vaghela from Behrampura, Ahmedabad has been a worker in the dyeing and screen-printing factories near her home. She has been an active member of SEWA for 12 years. She attended the basic training program. According to her, she had “no expectations” before she took the training. Here is her story:

“Before I took training at the SEWA Academy, I had no idea how to budget my money, a skill that is essential in my business. I learnt that as a woman I had an identity that was suppressed by the patriarchal society we live in. In the basic leadership training, I made pictures for the first time in my life. I sketched a lotus flower which symbolises the vehicle of Goddess Lakshmi. I learnt how to make a living, budget my money and make a life for myself. I opened a bank account at the Mahila SEWA bank, took out a loan for Rs 4000 and started my own business.

I have sent several women to the Academy for training and to learn how to open their own bank accounts and take out life insurance policies. If SEWA didn’t exist, I couldn’t survive”.

**Kadam (Advanced Leadership) Training**

In several Indian languages, Kadam means a step. The Kadam training too is considered a step forward from the basic leadership training. The Kadam training is the advanced leadership training which is offered to women on the basis of their performance in the basic leadership training. The women are not only graded by their trainers during the basic training programs, the Academy also contacts and shares the grades with other union members and leaders for help in identifying likely candidates for the Kadam training. In addition, the SEWA Academy’s trainers actually go into the field areas to see if the leadership capacities of potential candidates have developed. The first Kadam training was initiated in 1993.

The duration of the training is four days. Women felt that the former time period of five days took away too much of their time from their work and family. The training built on several of the exercises held in the basic training course such as stretching exercises that helped women understand the importance of collective strength and a tower game in which the importance of communication in a group was highlighted. The women also discuss the work they have done and their achievements since they completed their basic training. Other exercises include lectures on forms of organisations, ways to
conduct a meeting of a registered organisation and ways of conducting research and surveys.

The first two days of training concentrates on the topic of organising. The group discusses SEWA’s importance as an organisation and its objectives. They learn the importance of organising and working as a collective. To elaborate on this, the trainer employs the use of real life case studies in which the unity of a group brought solidarity in a community which was formerly divided due to either caste, religion or socio-economic hierarchy. This teaches the trainees the importance of standing up for one’s rights and speaking out against injustice. Another exercise is the elaboration on the ten questions of SEWA. These questions are based on the right to employment, income, nutritious food, health care, child care, housing, assets, organised strength, leadership and self reliance. This exercise is essential in fully comprehending SEWA’s objective to offer full employment and create self reliance among working class self employed women. The trainees then go on to create songs based on these ten points of SEWA.

The curriculum of the Kadam training consists of several games, among which the Tower Game proves to be the most essential and memorable to the trainees. The women are divided into two teams and a leader is selected from each team. The women are provided with an assortment of empty ice-cream and tea cups and empty match boxes which are mixed together in a bag. A trainer first displays to the group the manner in which they should build a form of tower with the empty boxes. The instructions are that the leaders are to be blindfolded and then have to make a tower. The instructions also strictly forbid any of the group members to talk to the leader. The usual outcome of the game is that one of the teams takes the instruction of not talking as meaning that they can’t help their leaders. The other team is usually wiser and chooses not to talk to their leader, but help her physically, thus making up for her physical handicap. This game teaches the importance of group work and how essential it is to help a leader who is deficient in any form.

The women learn how to conduct and preside over meetings. They learn how to choose an appropriate tune, venue, date, chairperson, and agenda. They then act out a role play which is shot by the Video SEWA team and later replayed, so the women can critique themselves. This exercise used to be conducted as a lecture. The trainees are also taught how to conduct surveys. This proves important and helpful when they collect information from members of their cooperatives, unions and areas as they now have a systematic way of disseminating it.

The third day of the training is less formally structured than the previous days. All the women spend the night at the academy and discuss the social problems faced by women in their society. They discuss the importance and limitations of several social customs and the problems faced by women who have to follow these customs. The social problems and customs include dowry, sexual harassment, lack of opportunity of education of girls and so on. Most of the women taking training have faced the above problems in one form or other. They discuss means of alleviating such destructive customs and ways in which they can make the lives of their daughters better than theirs. They are later shown a movie such as Mirch Masala and similar movies that deal with such social problems. The next day, the women analyse the movie and discuss how women can join together and collectively deal with their problems. The women then compose songs based on women’s problems and feminist issues.

The training session ends with an evaluation of the training in which they are asked to identify any further needs they may have, the limitations and gaps in the training and
what they enjoyed in the training. Through this evaluation, the trainers are able to identify the specific vocational needs that the women may have, such as marketing, managing or learning a specific skill. If for example, a woman reports that she is interested in learning to weave, the Academy is able to point her to a cooperative or college that teaches that skill.

The training concludes with the handing out of certificates, medals and a small bag to the participants who are then ready to go out and assume leadership roles in the larger community.

This training program is an essential tool for women who are in leadership positions either within the organisation or in a cooperative. The skills which lead to personal growth, leadership potential, ideological changes and information on organisational and research skills are a very important tool for these women.

Impact of Kadam Training

Two women who completed the Kadam Training speak out about their experience.

Jamuna Ben, a former agarbatti worker from Amraiwadi, Ahmedabad city has been a member of SEWA for the last six years. A friend of hers who was a member of a union persuaded her to attend SEWA’s meetings and her involvement with SEWA progressed from then onwards. She describes her journey to SEWA and her experiences with the training program:

“After I joined SEWA, I opened a bank account and underwent training at the academy. Before I joined SEWA, I had no knowledge, I had no progress in my life. All I did was stay at home. Although I studied till 7th standard in my village of Unjha in Mehsana, I didn’t know much. I actually learnt a lot from my own children. I used to read their text books in my spare time. I wanted to get a job, but my family members taunted me for my lack of education. They said that no one would hire me. After I attended SEWA’s training session, I felt like I had learnt a lot, but I felt that I would have more opportunities with a better education. In order to help other sisters, I got a job as a teacher in SEWA literacy classes. I liked it very much. Even old women wanted to learn.

From the training at SEWA Academy, I learnt what the responsibilities of a leader are, as well as Gandhi’s ideology. I also took the Kadam taleem, in which I learnt the most from a game called Taj Mahal through which I learnt the importance of group work. The certificates I got from these training programs are really helpful as everyone recognizes SEWA. I do think there needs to be some changes in the training. I feel there is a need for more such training to be offered since one often loses the memory of what one learnt over four years ago. It’s just like one can’t learn the alphabets by hearing them just once, in the same manner, one can’t absorb all the information in the training by attending them only once”.

Jamuna Ben has further utilised her knowledge gained from the training session by mobilising women in her community to attend SEWA’s meetings, urging others to open bank accounts and life insurance at the SEWA Mahila Bank and recruiting new women for leadership training programs. She is now an active health worker in her neighbourhood.

Jeevi Ben Govind Bhai from Khodiyarnagar, Behrampura has been a staunch member of SEWA for fifteen years. She was a member of the first training group taught by the
academy in 1991. After she completed the basic training program, she also underwent the four day Kadam training. She is currently a director of the SEWA bank. Her experiences are documented below:

“The training was a transforming experience for me. I got to meet all these women who were also part of the SEWA movement. I learnt how to send messages to others, I got to understand SEWA’s work and meet with other sisters with similar problems as me. Most importantly, I got to step out of the house. The taleem gave my confidence a big boost and I felt like I was capable enough to help other sisters as well as to confront any situation that may arise in my life. Earlier, the money lenders used to scold the women and charge us high interest for loans, now we confront their deceiving practices. I have the experience and confidence to teach and train other women now. I teach them how to budget their money and take out loans to finance their businesses and build their houses through taking out money from the SEWA bank.

I would definitely like to attend more training sessions, in order to learn how to help other poor sisters. I think taleem is very essential for sisters. We need to learn, get out of the house and gain confidence. Even if we bring only ten women into the organisation, we’ll grow collectively”.

EMPOWERING WOMEN IN RURAL AREAS

SEWA has also been actively involved in developing training programs specifically directed towards the government rural development program Development of Women and Children in Rural Areas (DWCRA). These training sessions are usually held in villages and rural areas, since it is the arena most convenient for the rural women it is geared towards. These women usually have difficulty attending any form of training program due to their lack of transportation and preoccupation with their household activities and work. Hence, the venue of the training plays an important role in the participatory process of rural women in DWCRA training programs. In response to the needs of rural women, the Academy started conducting training course for the DWCRA groups in the villages. These courses last six days, phased out to cover the three main topics Organising, Marketing and Technical Skills. They are facilitated by two full-time trainers from the Academy who stay and live in the village or district for the entire duration of the course.

Although DWCRA is a government-sponsored scheme, the training programs run by SEWA have been developed by the Academy itself. The program is in response to the needs of the members of DWCRA groups, who are engaged in small trades and income-generating activities such as embroidery, nursery-raising, salt farming, minor forest produce collecting and dairy farming.

SEWA Academy developed a training plan specifically for DWCRA groups. Most SEWA Academy training courses were held at its Ahmedabad Centre. We were aware that one of the reasons for non attendance in meetings or training courses, is not so much because of lack of interest on the part of the women, but because of their preoccupation with things or activities more important for the survival of them and their families. It was often not possible for women to have the time and freedom to come all the way to Ahmedabad.

Consequently, SEWA Academy started conducting training courses for the DWCRA groups in the villages. The training design was built around the basic objective of equipping the women with knowledge and leadership skills to cope with their multi-
faceted responsibilities. The higher objective is of course self reliance in terms of decision-making and management in general. The training focused on the need to create common understanding of their situation and the need to know their role and to take responsibility for improving their own lives.

The organising strand of the training, which is the first phase includes topics which will increase the women’s awareness about their situation, increase their motivation to push ahead and increase their understanding of the objectives of DWCRA as well as of the SEWA movement. As in the basic training it prepares the women for taking up leadership roles by making them introduce themselves with confidence. There is discussion and analysis of what the important qualities of leaders and group members are.

Members of DWCRA groups are engaged in small trades and income generating activities. They are producers groups. The problem in this regard is that the women are unorganised, they have little understanding of marketing. They know that to market their produce is necessary, but they do not know where to sell their goods, target market needs or how to sell. In the marketing strand of the training, marketing topics are included depending upon what type of group it is. Information is given on the kind of links needed for artisan based marketing, for nursery or plantation forest based marketing and for salt farm based marketing.

The second phase is designed to impart knowledge and information and the more specific skills necessary for running a DWCRA group successfully. Since the main objective is to develop economic activity it is considered necessary to impart information and awareness which will strengthen them in running the group.

The third phase is related to technical skills which are practical. They include practice sessions on budgeting, preparing the ledger, book-keeping, conducting a meeting and writing the minutes of the meeting.

Training content is only one part of a training course. How the different topics are addressed is perhaps even more important than the content. This refers particularly to the training approach and methods used. Here again, certain principles guided the selection of the underlying approach and training methods. One principle is that these women are adults who have accumulated a wealth of knowledge and experience, which could be tapped for learning. For this reason, no lectures are given. Instead, their own interpretation of issues, of their situation is elicited and through open discussions facilitated by the trainers, these issues are clarified. Additionally, structured games and exercises which highlight important learning points are used. These bring across certain issues more dramatically, and at the same time, they are fun. The SEWA Academy utilises games and experiential exercises as well as the “icebreakers” so that learning is fun.

The women also participate in various role playing games in which they try to sell their goods to customers who reject them due to poor quality, bad materials, high prices bad designs and so on. In this manner, the women learn the reasons why their goods are not sold or are sold only for low prices. They also learn that it is important to keep up with the demand of the market and customers. All of the exercises and discussions are supposed to enable the women to produce good quality goods which cater to the consumers and increase their profit making margin in the process.

A game played by the trainees is called the Puzzle Game. In this game, the women are divided into two teams and are given pieces of paper of various shapes and sizes containing parts of pictures that make a complete whole. The women have to work
together as a group in completing the puzzles. Some of the puzzles are also mixed between the two groups, hence forcing both the groups to communicate with each other as well. This game teaches the importance of communication and group work.

As SEWA’s work develops, new training needs in rural areas emerge. One such was the need for organising training for village leaders involved in watershed development. Both women and men participated in this training for the first time. Casting aside centuries old social and cultural barriers they sat and learned together. During the training’s evaluation, women said that their self-confidence had increased, and with men’s support, they were even ready to drive tractors!

Another first-time experience this year was the training of government functionaries. These experiences enhanced SEWA Academy’s own expertise and resulted in new efforts and training methodologies.

Training of Trainers

SEWA also helps to develop self-employed women as trainers. There are training sessions for trainers in which they are taught the latest in education and learning techniques, which they can implement to be better trainers. This is a five day session in which the participants get the tools to communicate better and improve the quality of their training programs. There are two parts to the Training of Trainers programs (TOT). While one deals with the theoretical aspects of learning and training, orientation to SEWA and introduction of different training methods, the second concentrates on training methods. Both lead to better communication between these trainers and their trainees.

The TOT sessions were started in 1992 after the documentation of the leadership training. It was discovered that although the Academy clearly had very experienced trainers, they didn’t document the methods used by them during their training process. This led to a general meeting attended by representatives of trainers from the health and child care cooperatives, unions and worker education as well as trainers imparting information on video making and agriculture. The trainers had their own sets of demands which led to a training program for their own information. It was apparent that the trainers too needed capacity building and needed structured training. Since over 87 percent of the trainers were self-employed women themselves, they needed to learn about theoretical methods and principles of adult education in order to continue their training work.

After the needs of the trainers were prioritised, the TOT program was phased into three parts. Firstly, the trainer needs to know about her strengths and weaknesses as a trainer in order to further improve herself. There is also a need to understand concepts of participatory learning. Secondly, the trainers are taught the various methods used in the training program. Every method has certain directions and rules that need to be followed. Finally, the trainers are told to practise the skills they learn, design programs, decide on the methods of teaching those programs and then get critique from their fellow trainees, who are an audience to this exercise. The trainers are also provided with manuals which prove helpful in the practical aspects of organising and planning classes, designing a curriculum and aiding in communication between the trainer and the trainees.

Although the SEWA Academy itself currently has only five full time trainers, there are over thirty-five trainers involved in SEWA activities. The criterion for a trainer is that she must have good understanding of women’s learning needs, know SEWA’s philosophy, have a feeling for working class women’s lives, be sensitive, be articulate,
have a positive self concept, be organised and be creative in developing new curriculum and ideas.

Leadership training at SEWA Academy has succeeded in training thousands of working class, self employed women to gain leadership qualities, organising skills and practical knowledge that leads to their social and economic empowerment. These women in turn, help train and organise other women who are facing the problems and issues that they faced formally. These women are leaders. They are the future of the SEWA movement.

Capacity Building

There are so many varied experiences, as rich and diverse as our members themselves. A few of the lessons that emerged from our training, are outlined here.

- Capacity Building is a must to sustain any movement. This must be done in a planned and continuous manner. It is more a slow and steady process, like organising itself. There are no quick and easy formulas. Poor women are eager to take leadership and develop into strong leaders. When supported with appropriate capacity building efforts, they make the fullest use of opportunities and readily build on their experiences. As poor women have very little opportunity for education and development, they make the fullest use of on any learning opportunity. This has been the experience of the SEWA Academy.

- Training is an effective tool for capacity building. If appropriately designed according to workers' needs, it goes far towards developing women's leadership.

- Appropriate leadership training inspires and moves participants to broaden their own horizons, even to take up new activities and roles. Some start nurseries, raising saplings in their areas, others enroll women in insurance programs or become leaders of their communities.

- For training to be useful to women, it has to gain their confidence and trust, be adjusted to their speed and learning abilities and begin with what they know - that is their reality. Working with illiterate adult learners is a slow, steady process, requiring sensitivity and understanding of their lives. Once women sense this caring, they respond immediately and are very open to learning. They grow and develop fast often in ways not envisaged even by their trainers.

- Leadership training of poor women must centre around their world, the world of work. An understanding of this is essential, because to poor women their work is all important. Thus from how training is timed onward, women's work reality must be given primacy.

- Constant, continuous follow-up is essential in leadership training in the form of refresher training, advanced training, meetings and observation and support in each participant's daily activities. Without proper follow-up, training has limited value.

- Appropriate training materials are required. These can be developed with trainees' help as part of the training. There is a dearth of simple, appropriate training material for poor women.

- Documentation, both written and videotaped, is very useful in capacity building. Women learn best from each others' experiences. Documentation
also helps to serve as a benchmark and guide for future capacity building efforts.

- SEWA Academy is actively working towards self reliance, both in terms of its own financial viability and in decision making. As far as the latter is concerned, the Academy designs, plans and implements training and research on its own. However, it works closely on a district level with all the people's organisations, federations, cooperatives and producers' groups that constitute the SEWA movement.

- The SEWA Academy takes fees for training from the various organisations of the SEWA movement. Thus, it is moving slowly and steadily towards self-reliance in financial terms also. But unlike a production unit, any training unit like the SEWA Academy takes a long time to become self-reliant. At present, it still requires outside support.

**Future Needs and Plans**

Although the creation and implementation of the SEWA Academy has resulted in massive capacity building training for working class self employed women, there is still clearly a need for several additions in the planning stages of these programs in order for them to be even more successful and accessible. This section deals with recommendations that will address the future needs of the Academy.

Since it has been over six years since the Academy started, it is perhaps time for the Academy to document and monitor its activities in all areas, especially training. This will help to see what strategies and methods have been successful and which ones have not. This can lead to the culmination of a more advanced and further developed curriculum. There is also a need for developing more training materials for the benefit of both the trainers and the trainees. Although the trainers have certain guide manuals, they are not sufficient. The trainees too will greatly benefit from the accessibility of training material that they can take home and utilise later so that they will not easily forget what they learned in the sessions. Hence, it is recommended that the academy produce training kits for the benefit of the trainers and trainees.

There are about thirty-five trainers posted in the fields and grass roots areas. There is a need for more trainers to be present in these rural areas due to the large number of women who are targeted as SEWA’s audience and members living in those areas. In relation to having more trainers in these regions, it is apparent that there is also a need for more training by SEWA in rural areas.

The SEWA Academy’s doors are always open for sharing information with other organisations. There is a need to increase this wealth of information by sharing SEWA’s research and methods of training with other non-governmental organisation and policy makers. We need more exposure to a dialogue about training which is a way for SEWA to share its information with others. This information-swapping can occur on the local, national and international level. The SEWA Academy can contribute to other organisations learning from its methodology and experiences. SEWA can also increase its flow of information by publishing papers on its methods and strategies in conducting various levels of training. By meeting these needs, the SEWA Academy will be able to offer better training resources to the working class sisters who are at the centre of all its capacity building programs.
FAMILIES AND CHILDREN

A Strategic Plan for Families in the Asia Pacific Region

By Helen Disney

Helen Disney is a consultant specialising in social policy and governance issues. Until recently she was National Director for five years of a national peak and service provider body and the leading provider of relationship support services in Australia—Relationships Australia. Prior to this Ms Disney worked for fifteen years in non-government and government services in South Australia. She was responsible at various times for programs funded under nearly every funding program federally and many state and local government level ones.

APFAM AS AN ORGANISATION

(APFAM), the Asia Pacific Forum on Families, is a regional organisation which seeks to promote the wellbeing of families and family members in the Asia Pacific region.

Giving this paper at this particular conference is very significant for APFAM because it was at the Regional Conference of ICSW in Jakarta in 1997 that APFAM was launched. APFAM is a young organisation and for the first two or three years our energies had to be engaged in establishing the network and organisation across the 12 member countries and agreeing on the focus of our work. There is still a great deal to be done to establish the network as a strong one with a profile in each member country. Of course, this is an uphill battle in the current economic circumstances and yet of course, for the same reason, it is a critical time to be looking at the circumstances of families in the region.

One very important way to do this, is for us to begin to develop policies and activities which are of significance, and which therefore attract people to our organisation in the member countries and in Asia Pacific Regional bodies.

Two years ago in Sydney, we held a mini conference to put on the table very early summaries of the current situation in relation to families and family relationships in each member country. From this, it was clear that there were issues of mutual concern that gave us a firm basis for continuing to work together. Our approach to each of these issues is different because of our different economic, social, cultural and environmental circumstances, but this is precisely why the networking and exchange is so valuable and important to us in our fields of activity in our individual countries. At an international conference such as this it is unlikely that I need to give further justification for this view but I am sure that in all our countries we have experienced discussions where international exchange is not valued. This is one of the challenges that we
always need to bear in mind in order to expand the understanding of the issues and the value of international exchange.

Examples of the issues identified at that early meeting in Sydney are:

- poverty and the feminisation of poverty;
- parenting in a changing world;
- support needs of single parent families;
- challenges for families with two working parents;
- absent parents (for example, working overseas);
- violence in the home;
- marital rape;
- child abuse and exploitation, children’s rights and children regarded as property by their parents;
- people marrying less or later, lower fertility rates, fewer children;
- cultural conflict and confusion of the young — family conflict, homelessness;
- migration to cities and the needs of young women migrating alone, needs of the new industrial class that is emerging in the cities, and of families split between rural and urban areas;
- youth suicide;
- the role of family services in support for the family;
- the needs of indigenous families;
- the family and older persons;

This range of common issues supports the focus of our work which were set out in our early papers as follows:

- promoting the wellbeing of families, in all their diversity, within the region;
- developing culturally appropriate and / or culturally specific family support services and programs that foster the development of families and family members;
- developing and supporting social and economic policies for families and their members;
- addressing the issues of domestic violence and sexual abuse;
- promoting human and legal rights as they impact on families;
- assisting and advising governments in the region to enact family friendly social and economic policies which address issues of participation, access and equity;
• encouraging research on contemporary social and family policies in the region;

• planning policy responses that take account of the changing patterns of work, lifestyle and families in the modern world.

The International Context

It has often been shown that most people in all societies believe that families are key social institutions, and yet the only UN International Year that did not achieve results was the International Year on the Family. It can be claimed that there were some positive outcomes:

• a greater awareness of the role of families and family issues;

• some confirmation of the significance of family issues in intergovernmental bodies;

• broad promotion of the principles and objectives of the IYF;

• some commitments to following up IYF activities at national level in some countries.

However, IYF left some crucial issues unresolved:

• there is no Statement or long term global Action Plan similar to other global programs (women, aging, youth disability, social development);

• many of the IYF mechanisms were phased out soon after IYF;

• no partnerships had been formed and no coordination or complementarity between NGO umbrella groups on families had been established;

• not only was there no consensus on terminology and definitions, but this issue had poisoned the year and it seems to me that there is damage to be undone from the nature of the debates, particularly in the UN arena.

The International Council on Social Welfare (ICSW) is leading the international NGO process for the review of progress on the Action Plan from the World Summit on Social Development, held in Copenhagen in 1996. Working with the UN Family Unit, APFAM will be working to ensure that the family related issues of social development are considered adequately in the Commission on Social Development, because the World Summit Action Plan is not strong on family perspective. In making this emphasis on family, we plan to work through ICSW. With the limp outcome of IYF there is no infrastructure or framework featured adequately in the Copenhagen Plans to protect families from the impact of modern growth and change, or to address the changes in families and their roles in society.

The UN Family Unit has therefore been seeking cooperation with the NGOs to promote the need for the review of progress resulting from the World Summit to include family issues. One of the key activities proposed was to study the impact of global, social and economic trends on families. In New York in 1998, there was a meeting of NGOs which focused on support for families. This meeting agreed that it is important to have a conceptual and operational framework for promoting family sensitive policy.
The strategy would be based on the principles that families constitute a basic unit of society and warrant special attention, and that families assume diverse forms and functions from one country to another and within each national society. The meeting also agreed that consultation is essential on policy questions such as:

- development of a coherent global strategy on families;
- inclusion of family dimensions in national development plans in the light of global plans of action;
- risk factors confronting families;
- measures and indicators needed to assess policies and programs for families;
- assessment of changing situations and needs of families to be brought to the attention of the intergovernmental bodies.

Once a framework and policy directions are developed, this will give a foundation for lobbying and advocacy; research; technical assistance; cooperation and project formation, particularly at grass roots level; collective inputs into the sessions of the Commission for Social Development; fundraising and provision of technical assistance to projects; and national capacity building — a favourite concept in many UN activities.

The focus of the work has two themes. First, family relationships and social integration and development — this includes the social situation and needs of various forms of families, intra familial relations, gender equality, parental co-responsibility, risk factors, the role of families in community and civic life and contributory factors that augment the resiliency of families.

Second, families and productive livelihood — this includes the negative effects of various social changes on families and society, the feminisation of poverty, the impact of the technological revolution and work and family responsibilities.

So this is the framework that has been offered, within which APFAM can develop its own strategy.

**Our Priority Policy Activities**

For the last year, we have been in a position to start working on issues of substance about policies, services and professional practice in relation to families and family relationships. Our first step is a project to provide us with regional and subregional information on the impact of global and regional social and economic trends on families. It will also explore the impact of the recent economic downturn. The project will provide us with the framework and content we need for our own program of activities. We have now received funding and the work is currently progressing.

It is a policy development project and we believe that no such study of the Asia Pacific area yet exists, with input from practitioners.

The project is also an organisational development exercise for APFAM. As I mentioned, we are a young organisation and it is vital that this project develops our skills, resources and profile. We have therefore structured it so that the member countries are providing the input on this topic for their country. A framework for data collection has been developed and each country has been submitting this material to us over the last few weeks. Initial information was presented to an Expert group meeting of APFAM in Melbourne this year, so that we could begin to identify the key themes.
From the individual country inputs, a draft summary overview paper will be prepared this month by a project team in Indonesia. This will be circulated to member countries, for them to hold meetings and consultations, and to invite further expert input. This process will contribute to public information and awareness building.

A final Report to the region will be prepared by the project officer from the returns from the member countries. This report will provide information and analysis from the research on policy, program, strategy and action implications and priorities for international and regional intergovernmental, government and non-government bodies, and for national governments, non-government organisations and communities. The Report will particularly cover issues such as regional and national development and support implications, and institutional capabilities and national capacities in the member countries. The findings would support identification of projects for the next few years, especially pilot projects and training and advisory activities if appropriate. The Report will be launched at the APFAM conference in Kuala Lumpur in the first week of November 1999.

At the Conference, there will be a workshop at which the findings of the Report will be used to formulate an Action Plan and this will focus particularly on what the representatives of each APFAM member country can do when they return to their own country.

The immediate benefit will be to governments, non-government organisations and communities, but the ultimate benefit target will be support for families and family members.

The benefit of this model for development of the paper is the mobilisation of member organisation resources, and development of their policy, research, and analysis skills. This will happen through several of the stages of the project — preparation for the presentation on their country in the Melbourne meeting, working with the project officer on the Information and Position Paper, organising national consultation and input on the paper, and planning the follow up in their country. A paper would be difficult to prepare from one country and an expert paper not embedded in such a process would not provide the integrity we need, nor a public with all of the publicity, and awareness and skill building that we would like.

So we have an important global issue that needs attention, a possible international framework for cooperation beyond the Asia Pacific area to the global intergovernmental and international NGO world and an infant mechanism to pursue these issues in our region.

**HOW WILL APFAM APPROACH FAMILY ISSUES?**

**What is the Family**

Definition of family can be seen as a political act because issues of power and equality are intrinsic to this social institution. International Year of the Family (IYF) did not achieve its key goals because of the contest over definition of family. IYF described the family as the smallest democracy and supporting papers endorsed the rights of women and children. However, the papers also clearly supported the family as an institution, as did the Convention on the Rights of the Child (CROC). Some of those involved in contests over definition and meaning of family portray initiatives such as IYF and the CROC as anti-family.
As has been pointed out by many researchers, traditional family is a catch-all category. There have been many different types of family and kinship systems in different societies and cultures. Cross cultural and historical study of families show that it is very difficult to define family based on its structural makeup in a way that is inclusive and not normative. Recent definitions tend to be like that used by Strong and DeVault who see family as “one or more adults related by blood, marriage, or affiliation who cooperate economically and share a dwelling place, and may rear children” (emphasis in the original). This definition covers a broad range of families including joint, stem, nuclear, extended, cohabiting and so on. Such definitions come from real life observation of the reality of diversity in all societies and are intent on describing family for study purposes rather than defining them to set boundaries of exclusion and inclusion or eligibility for resources.

A complication with the concept of family is the relationship between family and household. Confusion from use of the term arises when despite continuation of close, regular contact and support between generations which are not living in the same household, the younger household is called a nuclear family even though it operates as part of an extended family in its functions. The widespread phenomenon, particularly in the Asia Pacific Region, of migration of men and women who are required to leave their families to work in other countries, is having profound effects on families and is another case where family exists without being in the one household. Modern transport and communications make it more possible for geographically extended families to keep in touch. The quality of relationships in the family determines whether the families hold together. APFAM is interested in the impact of this phenomenon.

We do not take a stand on how families are formed either, because to do so creates first and second class families, some disadvantages and threatens human rights. For example, in our work we include cohabiting and single parent families.

**What They Do, Not Who They Are**

For our work, the key features about families, what defines them, are their care, development and support functions. These functions are the financial, developmental, emotional and physical care and support that family members provide for each other. Where there are children in a family, their socialisation is widely acknowledged as a key function.

Families are often key economic units — units of production, ownership and transmission of property. With industrialisation and urbanisation, family based subsistence labour is replaced by work for wages, specialisation of labour and concentration of more activities away from home in the workplace. The family becomes a unit of consumption. In Asia and Pacific countries, the role of families as economic units is very important and in our study of the impact of global social and economic trends (such as industrialisation, urbanisation and structural adjustment) we will be particularly looking for impacts on this dimension of families. Bettina Cass has argued that family kinship ties enabled low income families to survive insecurity, poverty and recurrent life crises. Is this happening in the economic crisis in Asia? What assistance do families need to fulfil this role?
Roles Values and Power

Underpinning the care and support relationships of families are issues of roles, values and power. It is in their family that children first experience such things as authority and power, values and gender roles. This is why the international conferences of the 1990s on, for example, women, the environment, population, and social development, have seen the family as both an agent and a beneficiary of change.

There are parallels in the foundations of democracy of families in that both must be free of arbitrary power, coercion, violence or discrimination. In many societies women are still chattels, as defined in law or lose their rights as individuals and citizens on marriage. With the separation of sexuality from reproduction through contraception, and the increased participation of women in the workforce, power relationships change. In the context of social development, it is argued that society as a whole benefits when women have greater equality, independence and education. Is this changing in Asian and Pacific families with global social and economic change?

One of the elements of financial support to children has been that family connections or family business has been a route to employment. This includes low income groups where the parent may still be able to get a job for their son or daughter with their employer. Education in Asian countries is giving the young generation alternative paths to employment. Is this also changing power relations? Peter McDonald pointed out in his key note address at the launch of APFAM at ICSW in Jakarta, that the fertility rate is now lower in some Asia Pacific countries, not because young women were delaying having children, but because they were not getting married as they would lose financial independence and status.

In the same paper, McDonald also pointed out that as societies have undergone change, families move from being based on rules to being based on relationships and their quality. Husbands and wives, mothers and daughters, fathers and sons will respect and support each other more because of the quality and nature of their relationship and less because social structures or rules determine that this should be the case.

Concepts of romantic love, relationship and intimacy are all recent developments in expectations of families and have accompanied emphasis on the place of the couple relationship as central in the family. This centrality of the couple has not always been the case and changes the dynamics of families. Changes in this dimension of families in the member countries of APFAM will be another development we will be monitoring in our project.

There is great interest in many countries in the concepts of civil society and social capital. Relational concepts such as trust and participation, it is argued, are first experienced in the family, but they must be successfully translated into the public sphere. What is the current relevance and status of this issue in the Asia Pacific Region. The APFAM Report in November will comment on these matters.

APFAM AND SOCIAL POLICY

All government policy affects families directly or indirectly, and this leads to the calls for Family Impact Statements. Such tools can assess the impact of individual policies and the cumulative effects of a range of policies as well. In some countries a similar technique has been used to assess impact on women. As yet, Family Impact Statements
have not been adopted by governments to any great extent, particularly not in this Region.

The fact that such a wide range of policies affects families means that a group such as APFAM needs to take an interest in all functional/portfolio areas of governments such as income security, tax, education, health, transport and so on. International NGOs such as ICSW are well established and already cover these policy areas. The Asia Pacific Forum on Families cannot and does not wish to duplicate. We see our role as contributing to their activities with a specific focus on the impact on families. There is not a group that has this focus in this Region and that is why we have sought links with ICSW.

An example of the difference in focus is that other groups look at overall aged care policy, but APFAM’s focus is the role of the family in care for its elderly members, what support is needed and what services, that provide substitute care but still involve the family, might be needed.

**Initial Information on Impacts**

Before the project began we already had gathered indicative information on the contemporary issues for Families in the Region. Some of these I have referred to already in this paper.

At our meeting in Melbourne in July, we started to identify the framework and the themes for the Plan. Despite the fact that the group of countries varies from industrialised, developed countries like New Zealand and Australia through economically strong countries like Taiwan, to troubled economies such as Vietnam and Indonesia, there are still common themes and developments. The effects may be different, and some countries such as Indonesia have been devastated by the economic downturn, but the issues to be considered are the same. It would seem that for the next generation, the differences are already not so great. For young people 20 -30 yrs of age the socio-economic world across countries is more similar than between them and the older generation within the country. Casualisation of work, 24 hour, seven day-week rosters for work, expansion of jobs in service industries and communications, the effects of mass media and the introduction of what is sometimes called the “Mac culture” are global experiences for the young.

Some of the themes for the Plan that emerged from our meeting included the following:

- Family sizes are changing, with fewer children being born and extended family networks being disrupted. many families are being fragmented as young adults migrate from rural areas to urban regions and from poorer nations to wealthier nations in search of employment. When people move to the cities, costs are greater and space may be less, so families may not be able to continue to support parents who are still in the rural areas. there are increases in the number of sole parents and absent parents, and it is argued there is a change in the concept of family care for children;

- Loss of family support has left some family members vulnerable, particularly the elderly, young and poor. Industrialisation, urbanisation and globalisation are all impacting on all aspects of society and particularly on people’s everyday lives, their sources of work, income and personal relationships. Circumstances for women are changing and awareness of discrimination, exploitation
and violence is increasing. Fewer women are marrying, and they marry later and fertility rates are falling.

- Unemployment, mass retrenchments, and bankruptcy from the economic downturn have affected different social groups in different countries — in Indonesia 20 million people who only in recent years had slightly improved economic circumstances, were thrown back into poverty; in Indonesia the work that had been done on social protection of families has broken down, or been reversed, especially the efforts to move people out of poverty. In Malaysia the middle class and professionals were affected.

- Migration and urbanisation are being reversed in some countries as workers are sent home from overseas or the city with consequent loss of income. The move to send people back to the rural areas is part of a push for “back to basics” occurring in some countries. Readjustment to living together in families and to expectations and obligations after long periods of separation can lead to great tensions. At the same time, there is an increased incidence and/or awareness of prostitution, child abuse, substance abuse, street children, marginalised groups.

- Access to resources and economic opportunities are no longer controlled largely by the family in which a person lives. This reduces the power of the family and shifts power from the patriarchal, older generation to the younger.

- Land degradation and deforestation has increased with devastation to rural areas.

**Framework**

At this stage we expect that the Report will address the major issues toward the development of a Strategic Plan for Families in the Asia Pacific and use the following type of framework:

**The Aim:**

- social prosperity and overall better family welfare and health services

**What Governments and the community can do to address the immediate individual needs and family concerns from global change and during the economic crisis:**

- ensuring individual human rights and sense of security through better delivery of services;

- ensuring higher levels of individual acceptance and higher level of utilisation of basic services;

- ensuring families have information and support to understand the interpersonal tensions that arise in times of profound change.

**What Governments and the community can do to address the intermediate community needs and family concerns from global change, and during and after the crisis:**

- ensuring families support women’s roles, family roles and gender roles;

- ensuring care, protection and support for women and children;
• ensuring adequate programs to ensure food security, water security, and income security;
• ensuring adequate services to ensure family welfare and health, including assistance with family relationship difficulties.

What Governments and the community can do to address the underlying societal needs and community concerns from global change, and during and after the crisis:
• ensuring fairer access to resources and utilisation (knowledge, values, skills), access to education, and efforts for human development;
• ensuring the supporting and enforcement of relevant national policies and ideology and attitude to globalisation;
• ensuring better infrastructures that support existing community-based socio-economic resources.

The Strategic Means:
• immediate support for improvement of existing services delivery, with the objective of temporary alleviation, and more prevalent family and individual acceptance and utilisation of services than were previously available;
• institutional capacity building through advocating the community and the Government to ensure the sustainability of all services and accessibility to them;
• establishment of policies and ensuring relevant law enforcement;
• permanent social mobilisation with the long term aim of community empowerment and social control.

Lessons Learned from Others:
We want to learn from examples of best practices or programs that can be shared to address the issues. Questions we still have are:
• Should there be a separate Ministry for Family Affairs?
• How best to integrate NGO and Government activities at the community levels?
• Should there be a national/ local coalition groups for family support?

The national reports from Fiji, Indonesia, Thailand, Philippines, Taiwan, New Zealand, Vietnam, Hong Kong, Singapore, Malaysia, Australia will be annexures to the Strategic Plan.

Conclusions and recommendations will be formulated after the national reports have been collated and analysed.
References


Sexual Exploitation and Trafficking of the Girl Child in South Asia: The Most Degrading Form of Child Labour

By Upala Devi Banerjee

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INTRODUCTION

Soni (name changed), a young Nepali girl who is presently 15 years of age, was trafficked to India at the age of nine by an “aunt’s” “husband” who is actually a pimp and who hailed from Soni’s native village. She found herself sold for a measly Rs 5000 (US$117) to a brothel in Mumbai, India and was raped continuously for a week thereafter. For five years, she suffered both physically and mentally at the hands of the brothel owner and her clients. On many a night, she would have to attend to as many as 15 clients. She was finally rescued at the age of 14 by an NGO and is now undergoing a rehabilitation-cum-training program in an NGO in Kathmandu city, Nepal. She says that she does not want to return to her village as she would not be socially acceptable there and that she would much rather stay in Kathmandu and sensitise and prevent other vulnerable girls from being trafficked every day from Nepal into India.

Soni was lucky. She was tested for HIV-AIDS and fortunately, she was found negative. But her real-life story is similar to those of thousands of girl-child prostitutes in South Asia in general and in India in particular. They have almost the same story to narrate.

Before I go further, I would like to define the term “trafficking”. The globally accepted definition for trafficking is “the moving, buying or selling of women and children (for sexual exploitation/prostitution) within and outside a country for monetary or other considerations with or without the consent of the person subjected to trafficking”. It is imperative at this juncture to make a distinction between trafficking and migration, including illegal migration. In the latter two cases, the migrants are knowingly and willingly moving across borders either illegally or legally by entering into contracts with agents or brokers to facilitate their entry and work in another country. It is another
matter that in a lot of cases, migrants are lured into prostitution due to economic compulsion or otherwise. Moreover, trafficking involves the delivery and continued subjugation of the trafficked person at the site of work, under conditions which are often exploitative and therefore violate even the basic rights of the person.

**MAGNITUDE OF THE PROBLEM**

There has been a substantial increase in the trafficking of children within and across South Asian countries. Historically too, South Asia has had a tradition of migration but one feels that this has increased in the last decade due to a number of factors, the most notable amongst them being poverty, increasing demand, traditional mores, family disintegration, political disruptions, consumerism, improved infrastructure and communication, tourism and globalisation. The highest number of trafficked children are from Nepal and Bangladesh into India and from India into Pakistan and then on into the Gulf countries. In Sri Lanka, trafficking occurs mostly along the borders. India, being a vast country and strategically located, copes with a high number of internal traffickings too.

In the first-ever World Congress Against Commercial Sexual Exploitation and Trafficking of Children held in Stockholm in August 1996, the growth in prostitution was the central theme and this major human rights issue was addressed for the first time by the world community in a global forum.

UNICEF estimates that in Asia alone there are at least a million child prostitutes, with the highest numbers present in India, followed by Thailand, Taiwan and the Philippines.

India has one of the highest rates of sexual exploitation of children, mostly through prostitution. Most of these abuses are committed on the girl child. This opinion has been further strengthened and justified after viewing the statistics presented by different countries at the Stockholm Congress. It has been shown that the major cities of Mumbai, Calcutta, Delhi, Madras, Bangalore and Hyderabad account for 300,000 (more than 15 percent) of child prostitutes (below 18 years of age), more than fifteen percent of the 1,000,000 in the whole country, according to the Indian Central Advisory Board on Prostitution. And the number is growing at the rate of 30,000 every year!

The statistics are horrifying. Approximately 15 percent enter the profession between the ages of 15 and 18. A study conducted by the Tata Institute of Social Sciences (Mumbai) as early as 1985 showed that a majority of the respondents were between 20 and 24 years of age and belonged to the middle economic strata in Mumbai, and that one out of every ten boys and one out of every three girls had been sexually abused in childhood. According to Crime in India, a publication of the National Crime Records Bureau, cases of sexual acts against children below 10 years showed an alarming increase of more than 178 percent in 1991, with 1,099 cases reported in that year as compared to 394 in 1990. About 60 percent of the commercial sex workers in Delhi’s red light area, GB Road, are child prostitutes. In recent years, the average age of the trafficked or abducted girls has dropped from 14 to 13 years despite the amended Prevention of Immoral Trafficking Act, 1986. A large percentage of these girls are afflicted by AIDS and other Sexually Transmitted Diseases (STDs). Such statistics can only lead us to believe that the numbers are increasing every year. While studies reveal that there are particular areas within the country which are the primary source areas from which women and girls are brought into red-light areas of cities with the lure of jobs, the borders along Nepal and Bangladesh have a similar story to tell.
TRAFFICKING IN THE SOUTH ASIA

India

Within the country, commercial sex work among girl children has its origins mostly in the rural areas. Religious sanctions and age-old customs and traditions as well as the patriarchal structure of society are factors that promote this profession in the rural areas. The Devadasi system, the Basavi system, the Jogin system, prostitution amongst the tribals (Bancharas, Rajnat, Dommaras and Bedias tribes) — are all traditional, ritualised and socially organised forms of child prostitution.

For instance, in the southern Indian State of Karnataka and along the borders with Maharashtra (a western Indian State), a unique ritual by the name of Devadasi Pratha prevails, in which innocent girls from poor and illiterate families, mostly illegitimate by birth, are compelled to lead a life of sexual drudgery and slavery. The young girl is disrobed of her honour by the priest and initiated into the oldest profession of the world. The next day, she is given to the highest bidder who would pay anything between Rs 4,000 (US$ 94) to Rs 10,000 (US$ 235) to keep her for as many months or years as he wants. Though the Karnataka Government slapped a ban on the Devadasi system a number of years ago and the Devadasi Prohibition Act, 1982, is in force, the practice still continues on the sly in parts of north Karnataka.

In recent years, the actual sites for the promotion of sex work have been shifting in increasing numbers to urban areas and along the highways. The organised trafficking network run by professional, experienced individuals accounts for the greatest number of individuals brought, transported and sold within and outside India. Family members of the girls destined for the flesh market also execute a sizeable percentage of the total trafficking operations. In some instances, the women already engaged in the profession take on the role of the trafficker, either consciously or inadvertently, by maintaining connections with their rural homes and inciting the girls with the lure of city life. Sometimes, the traffickers are women who have retired from their profession and to survive on their own, they source other girls from their native villages. Many girls and their families clutch at this straw only to find that they have been swindled. Daughters of prostitutes are also more likely to enter prostitution while still young. A small percentage of girls is also to be found within the cities who operate from either brothels or hotels, guesthouses and so on. These are either street children or girls organised through systemised racketeers. Most of them are children of families who have migrated to cities in search of jobs. Inadequate support systems are largely responsible for creating an environment that is conducive to the abuse of women and children of migrant families. Most of the girls found in brothels based in Mumbai, Chennai, Hyderabad and Goa, leaving aside those from Nepal and Bangladesh, have migrated from other Indian states. Migration also contributes to making victims doubly vulnerable, owing to a sense of rootlessness.

Tourism is another major cause of child trafficking and prostitution in this era of globalisation. Rising incidences of child pornography and pedophilia, combined with the vulnerability of people in tourist destinations, has encouraged sex tourism. Goa is a case in point. In a bid to earn more and more foreign exchange, tourism is being encouraged by the government irrespective of the problems associated with it. Ironically, the fear of AIDS has contributed to extending trafficking, because the demand for virgins has increased exponentially.
India serves as a transit point through which young virgins from Nepal, Myanmar and Bangladesh are taken to the Middle East, mostly Dubai. Once there, they are forced to lead a life of sexual slavery and domestic drudgery.

Instances of young girls, not even in their teens, being sold to rich old men from the Middle East is shocking in this aspect. The most publicised of these was that of 11-year old Ameena from Hyderabad who was sold off to a 60-year old man from Saudi Arabia, "Sheikh" Yahya-al-Sagish. It is estimated that more than 8,000 "child brides" have been sold off in such "marriages" in the last decade.

Besides, a myth exists in India that intercourse with a young girl can cure a person of STDs and other diseases. Thus, there are instances in which Rs 20,000 (US$ 470) may be paid by a customer for a single night to bed a girl as young as 11-years old!

Nepal

A representative of the All Nepal Women's Association, a non-profit organisation based in Kathmandu, recently stated that "about 153,000 Nepali girls were in Indian brothels in 1990 and the number has been steadily increasing at a rate of 5,000 every year"!

Nepal is the most significant source of girl-child commercial sex workers, with Sindhupalchowk district providing the highest number of child sex workers. From a sample of 31 girl children interviewed in Mumbai, 11 were Nepalese. The average age of the Nepalese girl entering into an Indian brothel ranges from 10 to 14 years and this alone shows up the complicity of organised trafficking, since at this age it is impossible for the girls to make the journey alone.

Organised networks identify vulnerable families and their girls in Nepal, especially those from the rural areas. They are offered a glimpse of a better future in Indian cities. These girls are then moved from their areas of origin to their ultimate destinations in red-light districts through a network of safe houses and transit points.

An additional factor that makes Nepal a reliable source for young sex workers is the century-old tradition of some tribes and the Tamangs in particular. This tribe has traditionally supplied concubines to the Nepalese monarchy and when the monarchy ended in the 1950s, they were forced to find an alternate source of income. The trafficking of girl children thus originated with this tribe and established a strong precedence which enabled other communities to seize on the traffic to India as a source of income.

Economic stress and historical oppression coupled with the immense profits which accrue to the trafficker lead to the rapid flow of girl children from Nepal to India and the demand of customers for fair-skinned, delicate featured and vulnerable-looking girls. All these factors have increased the pressure on traffickers to keep up the supply.

A considerable percentage of trafficking or migration which leads to sex work occurs at the intra-country level too. Children migrate or are trafficked into Kathmandu city and work in manufacturing industries such as carpet weaving and in sweatshops, hotels and restaurants as domestic workers and as sex workers.

Bangladesh

The economic situation in Bangladesh combined with the oppression many Bangladeshi girls suffer at the hands of their husbands and families makes them potential targets for traffickers. In India, two point seven percent of the women involved in the flesh trade are from Bangladesh. Though Bangladeshi girls are not as
much in demand as the Nepalis, the appalling economic conditions faced by
Bangladeshi Muslim women make them easy and cheap prey for the traffickers.
However, one must keep in mind that these girls do not choose prostitution voluntarily.
Like their Nepali counterparts, they are tricked and deceived into accepting false offers
of jobs and marriages by the traffickers.

According to a report published by UBINIG, a Bangladeshi NGO, Bangladeshi women
are trafficked into India through the bordering districts of Satkhira, Jessore, Jhendiah,
Meherpur, Rajshahi, Nababganj and Joypurhat. Another report by UNICEF and the
South Asian Association for Regional Cooperation (SAARC) states that every year,
about 4,500 children are trafficked for bonded labour or marriage to Pakistan.
Sometimes, entire families are being trafficked and while in some cases it is voluntary,
it remains illegal and exposes them to severe exploitation. Moreover, Rohingyas (from
Burma) are recruited from refugee camps and brought to transit camps like Dhaka or
Chittagong where they embark on buses and boats for India.

Along with the Nepalese, Bangladeshi girls constitute identifiable groups that belong
to an elaborate chain of operations set up by the flesh traders and family members who
sell and transport these girls across the sub-continent. Some of these girls are trafficked
to Pakistan and at times, from there to the Middle-East countries. The chain includes
organisers in remote areas, brokers who take the girls to the Indian cities, border
policemen, owners and managers of brothels and transit houses and their accomplices.
All along this tedious route, there are a series of powerful protectors, sometimes
politicians, who are difficult to identify and arrest.

Satellite towns in the Indian states of Bihar and Uttar Pradesh such as Begusarai,
Dhaulpur and Gorakhpur are “market centers” for transporting girls from Nepal and
Bangladesh. After being clandestinely shipped across borders, they are actually
auctioned off. Then, they are taken by the next round of middlemen to New Delhi and
Mumbai and sold to brothel owners.

Pakistan

In Pakistan, children are brought from the rural areas to cities by recruiting agents for
work. While data on this issue on Pakistan remains negligible, interviews with NGO
workers and families suggest that sexual exploitation and prostitution is on the rise in
this country. While the trafficking operations are not as organised as in India,
Bangladesh and Nepal, one cannot make any generalisations on the basis of this and
studies show that Pakistan is a receiving country for trafficked children from the above
countries and also is a transit point from which young children are trafficked to
the Gulf.

Sri Lanka

In this island country, trafficking is contained within its borders though a large number
of women migrate outside the country, especially to the Gulf, for work. In recent years,
this country has emerged as a favourite destination for international tourists in search
showed that in Colombo one in every three households has a domestic servant younger
than 14. Many are from poor Sinhalese and Tamil families who work in tea plantations
and have been brought into the city by recruiting agents. Sexual exploitation of
children occurs mostly in the tourism sector, in hotels, restaurants, massage parlours,
guesthouses and by those who work as tour guides. Sexual exploitation also is found in
the fishing industry where children are recruited by individual agents to clean and dry
fish in remote fishing camps along the north-west and eastern coasts and who are employed under conditions of virtual slavery. There have also been instances of young boys being trafficked to the Gulf countries for camel racing.

**THE LEGAL MECHANISM**

The UN Declaration on the Rights of the Child, which was ratified by the South Asian countries, emphasises that the child, by reason of his or her physical and mental immaturity, needs special safeguards and care, including appropriate legal protection before and after birth. Article 34 of the same Convention states that "State Parties should undertake to protect the child from all forms of sexual exploitation and sexual abuse".


However, sexual abuse and trafficking of the girl child are frequent and on the rise, and with recent newspaper articles, magazines and films having served to lift the veil on the nether world of sexual exploitation of young children, we are faced with one of the most poignant and vexing problems in the region today which can very easily be defined as “the worst form of child labour”.

Trying to cope with the increasing menace of child prostitution, all the SAARC countries have legal provisions regarding minimum ages for admission to employment and provisions to safeguard children's rights have been embedded in the Constitution.

**India**

Lawmakers have initiated various laws to curb child prostitution and trafficking. India has the Juvenile Justice Act of 1986 which deals with neglected juveniles found in conditions of social maladjustment, delinquency or neglect. This Act can also be used to release young girls (under 18 years) in brothels. In fact, in 1990, following a request by a Delhi-based advocate, a team of lady officers and men under the supervision of the Assistant Commissioner of Police managed to have some girls released under this Act from New Delhi's GB Road area. But the manner in which they were treated by the police and the remand home authorities leaves one with a question as to which place is safer, the brothels or the remand homes.

India has also signed the "Suppression of Immoral Traffic in Women and Girls Act" (SITA), 1956. This Act was amended in 1978 and again in 1986, under the name of
"Immoral Traffic in Persons Prevention Act" (ITPPA) to rectify some of the inadequacies in the implementation of the Act. The ITPPA retains the clauses in the SITA used to penalise the women in prostitution but leaves much to be desired in its provisions for rehabilitation and general implementation.

The ITPPA lays down penalties for keeping a brothel; living on earnings of prostitution; procuring, inducing and inducting persons for the sake of prostitution; and detaining a person in premises where prostitution is carried on. It prescribes stringent actions against persons with children in a brothel.

Furthermore, if these children are found, on medical examination, to be sexually abused, under the Act, the children can be presumed to have been sexually exploited for commercial purposes. The punishment could be imprisonment for a period of seven years or for a term that may extend to ten years or for life.

The Court may further presume that a child found in suspicious circumstances accompanying a person who is neither a parent nor lawful guardian, and who is leaving the country, is the victim of an offence in immoral trafficking.

This Act clearly states that sexual intercourse with a woman, with or without her consent, if she is under 16 years of age, amounts to rape and hence the offenders are punishable up to imprisonment for life.

While the Indian Government continues to follow the tolerationist system of law articulated in the ITPPA which has yet to be enforced, the issue of legalising prostitution continues to be discussed.

**Nepal**

In Nepal a framework exists to prevent and suppress prostitution of children and trafficking of women and children. A National Task Force coordinated by the Ministry of Women and Social Welfare is responsible for implementing a National Plan of Action against trafficking in women and children. Nepal also has Child Welfare Boards at district levels. However, inconsistencies remain. The human and financial resources of these bodies are limited. The problem is complex and the Nepali “child” is defined differently in different enactments. Moreover, the “open border” policy between Nepal and India has also served to accelerate the problem as people can now travel freely across borders.

**Bangladesh**

Bangladesh has the Penal Code (Act XLV of 1860) which deals with the issue of trafficking of women. Article 18 (2) of the Constitution of the People's Republic of Bangladesh states that the State shall adopt effective measures to prevent prostitution and gambling. Article 366 demands severe punishment of those forcing women into the sex trade. Article 366 A and Article 372 prohibit the prostitution of women below the age of 18 years. The country also has a national policy on child labour, and the Ministry of Women and Social Welfare and the Department for Women and Child Development have taken the lead in addressing child trafficking issues.

However, in Bangladesh, anyone aged 18 or older can volunteer to become a prostitute in accordance with law by applying to a notary public for an affidavit. This document has amounted to the equivalent of a licence, effectively encouraging the practice of prostitution.
A study conducted by an NGO, Bangladesh Mahila Parishad, found that illiterate prostitutes were being forced to sign these affidavits with a left-handed thumbprint, long after they had started practising prostitution. Such affidavits legalise the illegitimate deeds of the brothel owners, protecting them from the police and judiciary.

**Pakistan and Sri Lanka**

Pakistan and Sri Lanka also have minimum legal ages for a child to work and have set up national polices and programs to combat child labour. While Pakistan has a sub-group on sexual abuse under the National Commission for Child Welfare and Development, Sri Lanka has a Presidential Task Force to coordinate activities to combat trafficking in women and children.

In general, however, South Asian Governments have not been able to effectively address the rehabilitation needs of victims or been able to prevent trafficking. In recognising the systematic causes of prostitution, the onus of responsibility is shifted from the women in prostitution to the social system and the controllers of prostitution, so much so that in the words of the famous women's activist and writer Kathleen Barry, “pimping becomes the oldest profession and not prostitution”.

Sexual intercourse with a young girl is "rape" but there is growing evidence of a large number of children, mostly girls in the age group of 6-18 years, who are being forced into prostitution and do not enter the trade of their own accord. It is high time that this region initiates a serious program for eliminating the worst form of human rights abuse on the girl child — sexual abuse. Rehabilitation, education and prevention are only cosmetic measures.

**CONCLUSION**

Since child prostitution has become a multi-million rupee industry and there are many people who stand to gain — the procuring agent, the pimp, the brothel owner, the landlord and the police — lack of political or social will to stamp out this evil is evident.

Hence legal experts and social activists feel that the only way to stop this increasing malaise is a strong legal deterrent. The law, as it stands in its present form in all the South Asian countries, does not protect the interest of the victim.

Public awareness and social mobilisation through citizen and social action groups are necessary. Focusing on source districts, there is a need for the development of a database on the magnitude and dimension of the problem. Inter-sectoral cooperation and the need for a development approach involving different government departments such as Education, Health, Social Defence, Social Welfare, the Department of Women and Child Development, linked in with media, other community-based organisations and religious and social groups, is necessary.

Moreover, there is a need for organised planning relating to the rescue and rehabilitation of sex workers and NGO-government collaboration in this regard. This relates to the efficient functioning of non-institutional services, half-way and juvenile homes, community institutions run both by the government and NGOs, primary education, skill training, community education, free legal services, health care packages for the rehabilitation and treatment of people with HIV/ AIDS. Placing the issue high on the political agenda will help ensure that a fair share of the limited resources available is dedicated to it.
The international aspect of the problem arises out of inadequate vigilance being exercised on the land borders between India and Nepal, India and Bangladesh, and India and Pakistan. In this context, the training of police personnel to handle this issue becomes imperative. Moreover, what is needed is that the Indian Ministry of Home Affairs, with the cooperation of the Border Security Force and the Indo-Tibetan Border Police, keep vigilance on the entry and exit of young girls to and from India who have questionable travel documents or who have “relatives” and persons accompanying them with whom the girls cannot prove any familial relationship. Effective coordination and cooperation between the Governments and NGOs of the SAARC countries are essential in this regard.

The role of the media in highlighting and stopping this evil is also very important. In this age of electronic media, there can be no better way to take the message to the public and come out with effective policy orientation and solutions to combat this evil.

This being an issue with international ramifications, a sub-regional and bilateral policy (the SAARC draft policy in this regard is notable) is required along with specific national policies. This is especially significant to ensure extradition of criminals to countries bringing them to court, and through agreements to facilitate return operations of victims to their country of origin.

In the end, one must come to terms with the fact that whatever nation in which foreign nationals are caught in the web of trafficking, the women must not be the ones to pay the price. They are the victims of a system that tightens its stranglehold around them and allows the guilty to escape.

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Children and Migrant Labour: Protection and Assistance in the Context of Globalisation

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One of the most fashionable terms today is the term “globalisation”. It is used particularly to denote the fact that the information and communications revolution is making the world a much smaller place, with ultra-rapid interchanges and exchanges. Yet, the word globalisation may also be used to denote another revolution taking place concurrently: it is the massive movement of people across territories and frontiers. The latter is linked particularly to the growing phenomenon of migrant labour and its impact on children.

In this respect, children find themselves in a variety of contexts. They may be migrant labourers themselves. They may move within and across frontiers of their own accord in search of work, but may find themselves in horrific workplaces subsequently. They may regrettably be coerced into exploitative and hazardous work and/or they may be sold and trafficked by others. On another front, they may simply be the children of migrant workers — together with their parents in foreign lands. They may be the children of migrant workers left behind by their parents who have gone elsewhere in search of work. Intriguingly, there is the contrast between the rich children of well-to-do migrant workers, often falling in the category of expatriates, and the poor children who, with or without their families, are in dire economic need. The labels attached sadly to the latter group range from “illegal immigrants” to “beggars” and “street children”, although, of course, these labels are not exclusively reserved for children in migration.

Granted that there are different groups of children at stake, the interventions must vary to respond to their needs. The main areas of concern are:

- The child as migrant labour;
- The child as a member of a migrant family;
• How to assist and protect them?

**THE CHILD AS MIGRANT LABOUR**

As noted earlier, child migrant labourers are of various categories. At times, they move of their own accord. Invariably, however, there are various coercive factors at work, ranging from poverty to environmental degradation, which push the children to move. They are aggravated by the criminal activities and networks which sell and traffic children both within countries and across frontiers. There is both a supply factor such as poverty which pushes children out of their homesteads and a demand factor such as the employers customers and intermediaries who seek their services. Countries are at times simultaneously source or supply countries, destination or demand countries and transit or intermediary countries for this massive migration in a state of flux.

By implication, the needs of these children are linked to the availability and accessibility of preventive measures to address the root causes of migrant labour, protective measures to protect children on the move and recovery/reintegration measures to enable them to return home safely.

Prevention entails, particularly, anti-poverty action and income generation, access to education, social security and safety nets to help needy children and their families. Community and family awareness and participation is necessary to overcome those root causes.

Protection concerns laws, policies and programs, coupled with effective enforcement, to protect children from abuse, neglect, exploitation and violence. The main national laws are usually labour laws, which stipulate a minimum age of employment and safe working conditions.

Recovery and reintegration imply rescue of children in need, judicial and other remedies, medical and psychological help, safe return to their homesteads. They then need help to promote their income and livelihood and to prevent them from reverting to the dilemma of having to re-migrate or of being pushed or pulled to migrate.

**Conventions on the Rights of the Child**

On this front, there is a key international framework which helps to protect and assist children. Since 1989, the world has had an international agreement concerning the rights of the child, which demands the preventive, protective and reintegrative measures noted above, namely the Convention on the Rights of the Child. This convention provides a key protective umbrella for children worldwide, irrespective of their nationality, gender and other origins. The convention defines a child generally as a person under 18 years of age. Four key principles are advocated by the convention, namely: non-discrimination implying that child migrant workers have rights parallel to those of the child-nationals of the destination country of child migrant workers; best interests of the child; the right to survival, development and protection; and respect for the views of the child.

These principles underpin a system whereby member states are obliged to report on their implementation of the convention periodically to an international committee — the Committee on the Rights of the Child. This committee scrutinises the reports from these countries and provides recommendations to them which are targeted to improving laws, policies and mechanisms at the national level so as to raise them to international standards.
The spirit of this convention in regard to child labour is found in article 37 which stipulates the following:

1. States Parties recognise the right of the child to be protected from economic exploitation and from performing any work that is likely to be hazardous or to interfere with the child’s education, or to be harmful to the child’s health or physical, mental, spiritual, moral or social development;

2. States Parties shall take legislative, administrative, social and educational measures to ensure the implementation of the present article. To this end, and having regard to the relevant provisions of other international instruments, States Parties shall in particular:
   a) Provide for a minimum age or minimum ages for admission to employment;
   b) Provide for appropriate regulation of the hours and conditions of employment;
   c) Provide for appropriate penalties or other sanctions to ensure the effective enforcement of the present article.”

The implications of this article are that the member countries must have a minimum age of employment, work-related regulations and adequate sanctions. The convention also mentions in some provisions various types of prohibited work, including child prostitution, child pornography, the use of children for drug trafficking and child soldiers but does not provide a precise minimum age of employment, nor does it define in a detailed manner the types of work which are harmful or hazardous to children.

Other Conventions

It is thus necessary to cross refer to other international agreements concerning labour for additional guidance. There are a number of treaties against slavery. More specifically, there is the Convention No.138 (on the minimum age of employment) of the International Labour Organisation (IL O) which stipulates the minimum age of employment as 15 years in ordinary circumstances and 18 years for hazardous work. This convention is diluted by a provision which enables developing countries to use 14 years as the minimum age of employment. It is also possible to lower the 18 year age threshold for dangerous work to 16 years in some cases. However, Convention No.138 suffers from a paucity of accessions by countries, in comparison with the very extensive accessions to the Convention on the Rights of the Child.

There is also the key issue of effective law and policy enforcement. In many settings, there is the pervasive presence of five Cs which dilute the impact of implementation, namely Corruption, Collusion, Cronyism, Clientelism and Crime. However, there are some positive advances in this field witnessed by more programs for street children, more training of law enforcers on child rights, and more cooperation across frontiers against child trafficking.

On another front, children who cross frontiers without immigration papers and related documents are also likely to be classified as illegals or illegal immigrants, and are liable to be locked up in immigration jail. The preferred term internationally is to call them undocumented workers/migrant workers or workers/migrant workers in an irregular situation. In this respect, there is another treaty which may help to protect them from abuse and harm, namely, the 1990 International Convention on the Protection of the Rights of All
Migrant Workers and Members of their Families. The rights of migrant workers are generally stated in this Convention, with the term migrant worker defined as a person who is to be engaged or has been engaged in a remunerated activity in a State of which he or she is not a national from article 2(1). They include the right to life, freedom from slavery, and access to consular protection.

Article 25 stipulates national treatment in regard to remuneration and working conditions as follows:

“1. Migrant workers shall enjoy treatment not less favourable than that which applies to nationals of the State of employment in respect of remuneration and:

(i) Other conditions of work, that is to say, overtime, hours of work, weekly rest, holidays, safety, health, termination of the employment relationship and any other conditions of work which, according to national law and practice, are covered by these terms;

(ii) Other terms of employment, that is to say, minimum age of employment, restriction on home work and any other matters which, according to national law and practice, are considered a term of employment.

2. It shall not be lawful to derogate in private contracts of employment from the principle of equality of treatment referred to in paragraph 1 of the present article;

3. States Parties shall take all appropriate measures to ensure that migrant workers are not deprived of any rights from this principle by reason of any irregularity in their stay or employment. In particular, employers shall not be relieved of any legal or contractual obligations, nor shall their obligations be limited in any manner by reason of such irregularity.”

The final provision noted is appropriately linked with the situation of those who are undocumented or in an irregular situation. They still have various basic rights, such as the right to decent working conditions and remuneration.

Problems of Implementation

The field situation is less encouraging. Very few countries have become parties to the Migrant Workers Convention. Those workers who are undocumented are often arrested and imprisoned as illegal immigrants then they are easily expelled from a country of which they are not nationals. A myriad of abuses often affect their lives. These are exemplified by the huge numbers of women and children trafficked into prostitution and other hazardous work who are often subjected to physical and mental violence. Even if international and national law provides protection to undocumented workers, in real life they have few remedies. Access to courts and judicial remedies are often a distant reality, especially if the legal system is weak, nationalistic and/or corrupt. When they are expelled or deported to the frontier, there is little or no follow-up to ensure safe return home. Therefore, in a number of situations, the criminals who seek to exploit these victims converge upon them again and re-exploit and/or re-traffic them within and across frontiers.

Yet, some rays of hope are identifiable. Governments are increasingly aware of the need to treat these migrant workers not as criminals and illegals but as victims needing humane treatment. In Thailand recently, the ministries came together to adopt a
protocol to treat trafficked women and children as victims and use social welfare measures for them rather than punitive measures against them. The bottom line is that they should not be arrested as illegals under the national immigration law and be put in immigration jail but should be treated as victims who should be looked after by the social welfare authorities and non-governmental organisations and returned home safely.

At the regional level in 1999, Asian governments congregated to adopt the Bangkok Declaration on Irregular Migration which stated that:

- as regular migration and irregular migration should not be considered in isolation from each other, there should be capacity building through better information sharing and assistance;
- the root causes and consequences of such migration need to be dealt with more effectively by such means as measures against poverty;
- states should pass laws against human smuggling and trafficking and cooperate against crime;
- there should be closer cooperation between source countries, transit countries and destination countries so that the countries of citizenship of undocumented migrants would readmit them expeditiously.

THE CHILD AS A MEMBER OF A MIGRANT FAMILY

Unless they fall into the rich expatriate group, migrant workers often travel abroad to work without their families. However, it is timely to ask whether they should have a right to be accompanied by their families. In many countries, this is not recognised, but in the European Union, the trend has been to enable migrant workers to be joined by their families. The children are also able to benefit from the social security services of the destination country, e.g. access to school, child care and health care, on the basis of non-discrimination.

In the context of child rights, the Child Rights Convention upholds the principle of family unity/reunification, thus implying that the children of migrant workers should be able to join their families, unless it is not in the best interests of the children to do so. The Migrant Workers Convention advocates that migrant workers and their families have the same right to social security and education in the destination as the nationals of that country. The position on family unity is stated as follows from article 44:

1. States Parties, recognising that the family is the natural and fundamental group unit of society and is entitled to protection by society and the State, shall take appropriate measures to ensure the protection of the unity of the families of migrant workers;

2. State Parties shall take measures that they deem appropriate and that fall within their competence to facilitate the reunification of migrant workers with their spouses or persons who have with the migrant workers a relationship that, according to the applicable law, produces effects equivalent to marriage, as well as with their minor dependent unmarried children...

Yet, the weakness lies in the fact that many countries have not abided by the principle of family unity under the Child Rights Convention, while the Migrant Workers
Convention has not been signed by many countries. In practice, even in Europe, there has had to be a spate of cases before the European Court in order to test this right, as governments do not implement it well, and they certainly do not like to do so of their own volition unless there is monitoring and pressure for accountability.

On another front, there is the little discussed issue of the child who is left at home in the country of origin when the parent seeks employment abroad. At times, there is not only physical separation but also moral, emotional and spiritual dysfunction which sets in, for lack of someone to care for the child effectively. This has much to do with what extent the family members, other than the migrant worker parents, can provide substitute care for the child. If they are unable to do so, there arises the issue of community care and state care. Yet, as is all too well known, if the state wishes to offer help in the form of state homes for children as alternative care, this institutionalisation of the child may lead to further alienation of the child.

A key test is thus to provide the means of livelihood so that the parents will be able to choose not to move abroad — for there is no real substitute care for parental care. If they really have to go as migrant workers then it is important to at least provide family and community safety nets and care for the child rather than institutionalisation. The role of extension services and social workers to help families in this respect is crucial and needs to be expanded, especially when families and communities are disintegrating in the face of economic needs and other pressures.

NEW ILO AGREEMENTS

The issue of protection and assistance for children and migrant labour has been shaped particularly by recent trends concerning the need to monitor and expose countries that refuse to sign or accede to international agreements on the subject, on the one hand, and the need to identify and prohibit various extreme forms of work, on the other hand.

Declaration on Fundamental Principles and Rights

The problem of non-accession to the agreements or conventions of the ILO was attenuated in 1998 by the adoption of the ILO Declaration on Fundamental Principles and Rights at Work and its follow-up. Due to this Declaration, the ILO has now the mandate to scrutinise the respect of norms inherent in various ILO conventions in regard to all members of the ILO, even if those members have not acceded to key conventions. These conventions pertain to four main areas, namely:

- freedom of association and collective bargaining;
- elimination of forced labour;
- abolition of child labour;
- elimination of discrimination in regard to employment and occupation.

According to the 1998 Declaration, ILO member countries are obliged to send each year reports on their implementation of the principles of these conventions, even if they are not signatories to them. The ILO also has the power to prepare global reports periodically to cover both these countries and those which have acceded to the conventions. The approach is constructive and not punitive. There is no question of sanctions, but the thrust is to offer channels for technical help to improve implementation of the principles inherent in these conventions.
Even where countries are parties to the above conventions, there is always the challenge of implementation or the lack of it at the national and local levels. There is a lacuna in the form of lax implementation which affects many countries, as noted earlier with the five Cs.

**Child Labour Convention**

On another front, there has been a move towards the adoption of another ILO convention to provide more specific measures against various forms of child labour. In this setting, there is a differentiation between those types of work which are light or not so harmful, and those which are harmful or hazardous. In regard to the former, the approach is to eliminate them progressively, step by step. In regard to the latter, the approach is to prohibit and eliminate them instantaneously, now. The age threshold for such protection would be 18 years; absolute protection for those under 18 years of age in regard to the latter situation.

This trend was set in concrete in 1999 by the adoption of the ILO Convention concerning the “Prohibition and Immediate Elimination of the Worst Forms of Child Labour”. Basically, this convention calls for absolute prohibition of four types of labour with the respect to children under 18 years of age, as follows:

- slavery or slavery-like situations such as debt bondage whereby child labour is given in payment of a family debt, and sale and trafficking of children;
- child prostitution and child pornography;
- the use of children in illicit activities such as for drug trafficking;
- work which is likely to jeopardise the health, safety or morale of children.

With regard to the fourth type of labour, what is at stake is hazardous or harmful work, but this is left undefined by the convention. The types of work to fall into this category will depend upon national laws evolved in consultation with the organisations of employers and workers, bearing in mind relevant international standards.

Under the new convention, monitoring is left to the member countries. However, if one links it to the 1998 Declaration above, there will also be monitoring by the ILO in regard to both member countries and non-member countries.

This convention is coupled with a Recommendation, an instrument with a persuasive force rather than a binding force (which is the case of the convention). Under such recommendation, member countries are invited to establish national programs of action against the worst forms of child labour. Examples of hazardous work are also provided, and these should be reflected in national laws, as follows:

- work which exposes children to physical, emotional or sexual abuse;
- work underground, under water, at dangerous heights or in confined spaces;
- work with dangerous machinery or with heavy loads;
- work in unhealthy environments;
- work under particularly difficult conditions.
Implementation of the new convention and its recommendation will depend upon laws, policies, programs, mechanisms and related information. While prevention through education and anti-poverty strategy is important, it is clear that these new instruments take a more assertive approach than before. The implementation challenge will depend increasingly on criminalisation and criminal sanctions against the violators.

Key Problems

The good intentions of these new instruments have yet to respond to various challenges. First, it is unclear to what extent they should classify child soldiers as a “worst form of child labour”. This issue seems to be missing from the current text. It is submitted that this is a worst form of child labour and the protective age should be 18 years of age. One reason why this issue seems to have been omitted is perhaps that there is another United Nations treaty being prepared now on the question of children in armed conflicts, and some countries are impeding its progress because they want the protective age to be lower than 18.

Second, there is little mention of the participation of non-governmental organisations (NGOs) which work with children as a key partner in defining hazardous work. The new convention seems to have overlooked them, although the recommendation refers to them fleetingly. The reason may be that the approach of the convention is heavily influenced by traditional tripartism, namely the three partners under the ILO framework — governments, employers and workers (and their associations). However, it cannot be presumed that the trio have been in the forefront of child protection in many countries, whereas child related NGOs have long been in that position and legitimately should be thoroughly consulted under the proposed instruments.

Third, there is almost no coverage in these instruments of the key element of child participation in advocating child rights. Children should be involved directly in the consultations concerning their livelihood, including in the definition of hazardous work. One knows from the experience of many countries that children can be great protectors of other children, and they have every right to be consulted and involved in the legislative and other processes affecting their welfare.

Fourth, the implementation system concerning child rights in general and the various conventions and recommendations in particular, needs to improve the quality of law enforcement as a whole. Some law enforcers are regrettably affected by the five “C”s above. It is also important to involve the civil society more in such implementation, for example community watchdogs, village committees, citizens’ groups, consumer lobbies, ethical businesses and active media for child protection.

Fifth, inevitably the information and data systems concerning children in these difficulties will have to be improved. These will depend upon innovative action to gain access to the children, and long term research and “mapping” of situations concerning children and their families, with a view to better planning, implementation and evaluation of programs.

Sixth, especially with regard to the child as migrant labourer, a key issue is access to the child to accord protection and assistance. Often the child is in an invisible or semi-visible environment such as a hidden brothel or a small scale factory. Access will depend much upon not only formal law enforcers such as the police and labour inspectors but also non-formal law enforcers such as non-governmental organisations and members of civil society. Active neighbourhood watch, community watchdogs,
vigilant mass media, mobile facilities and community mobilisation such as through village and local committees, are all important to promote greater visibility of the problem and accessibility to the child victim.

Seventh, integrated interventions will have to be fostered to help the children and their families. Prevention through education, anti-poverty measures and more effective protection through quality and participatory law enforcement must be supported by accessible services such as hotlines and rescue operations, and long term reintegration of the children. Such reintegration should involve not only legal measures but also medical and psychological help, coupled with income generation to prevent reversion to previous situations. Capacity building and networking between governments, non-governmental organisations and civil society are essential. They need to be coupled with more interdisciplinary teams for child protection including not only law enforcers but also social workers, doctors, psychologists and non-governmental organisations. Because the children are the victims of the phenomenon of child labour, they should not be treated as needing “rehabilitation”, as that term is usually reserved for those who have done something wrong. Rather, as victims, the children deserve a sensitive healing process, recovery and reintegration.

**CONCLUSION**

In this era of globalisation, as we verge upon the new millennium, what is clear is that the international and national frameworks for child protection and assistance exist at least in principle. Yet, what really matters is the practice. For this, there is another aspect of globalisation which should not be forgotten: it is the need to globalise the good will of attitudes and behaviour, the network of minds, the non-material input and the spiritual interaction which treat humans as subjects of rights rather than objects of wrongs.
Parenting Stress of Single Parents in Taiwan

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BACKGROUND

People more or less know about stress but it is very difficult to have a common definition (Cox, 1987), (Pearson & Chan, 1993). Many researchers have defined it, for example, Selye (1956, 1980), Folkman (1984), Lazarus (1981), and Meichenbaum (1986). Chang (1987) and Tai (1996) have classified the various definitions of stress into three categories:

- stress is an existing objective external stimulus which will cause the individual adaptive problems or uncomfortable feeling;
- stress is the physical and psychological responses of an individual;
- stress is the result of the transaction between individual and environment.

Parenting stress is one kind of stress in daily life. Abidin (1990) defined parenting stress as special kind of stress, which happens when parents play their parenting roles and during parent-child interaction. Once you have become a parent, you take the responsibility for being a parent for the rest of your child’s life. Raising children is a life time business. From the time the child is born, he/she will go through infancy, early childhood, late childhood, early adolescence, late adolescence and adulthood stages. Every stage creates different stress for parents. Although raising children can bring happiness, fulfillment and achievement, bringing up children is a physical, mental, financial and time-consuming matter. Being a parent is stressful already, however, there are other factors that can deepen the parenting stress.

Research showed that parenting stress is positively related to the number of children and their age (Chang, 1991; Chang, 1989; Ren, 1995; Chan, 1994). Children with disabilities can cause higher parenting stress compared with stress of parents with normal children (Abidin, 1990). Hastings (1991) found that marital status, educational
level, employment status and income are related to the mother's parenting stress. Arena (1989), Fagan (1988), Mandli (1988) and Yu (1993) showed that parenting stress is related to socio-economic status, the lower socio-economic status a parent has, the higher the parenting stress. Chang (1991) stated that the higher educational level a mother has, the lower the anxiety symptoms. Lewis (1989), Yin (1994), and Ren (1995) all found that the higher the family income, the lower the parenting stress. Lewis (1989) studied the relationships between age of mother and parenting stress of African-American women and found older women have lower parenting stress than younger women. Ren (1995) studied Chinese women with infant children and found younger women have higher parenting stress than older women. Jordon's (1982) research revealed however, that older mothers have higher maternal stress. Further studies may be needed to understand the relationship between parenting stress and mother's age.

As single parents not only have to financially support their families alone but also play both father and mother roles, their parenting stress can be higher than that of dual-parents. Brown (1989) studied the impact of children during their preschool years on families, and found that single parent families have higher parenting stress than that of dual-parent families. Chan (1994). Mash & Johnson (1983a; 1983b; 1983c) and Acton (1989) demonstrated that abusive parents have higher parenting stress than that of non-abusive parents. High parenting stress could possibly lead to child abuse. Single parents may have high living stress and parenting stress. My interest is in understanding the parenting stress of single parents in Taiwan. The paper will include the current situation of single parent families, the concept of parenting stress, the research method, research findings, conclusion and recommendations.

CURRENT SITUATION OF SINGLE PARENT FAMILIES IN TAIWAN

Over the past twenty years or so, economic growth has moved society in Taiwan from agricultural to industrial and Taiwan has gradually become a developed country. Urbanisation, democracy, freedom and individualism accelerate the pace of the social change, and traditional Chinese family values have been cruelly challenged. Families have changed, including the family structure, organisational type and family functions. In the process of industrialisation, urbanisation, institutional differentiation and modernisation of scientific technology, the traditional family functions are weakened and family problems have emerged.

The divorce rate in Taiwan is the highest in Asia. The number of broken families or single parent families has constantly increased over the years (Lin & Chin, 1992; Weng, 1998). More and more female-headed families have become low-income families. Broken families and single parent families, especially female-headed households usually experience lack of financial support. They need to work overtime to make a living. Sometimes, they even hold two jobs in order to support the children. Therefore, the parent-child relationship is weak and the child lacks discipline and education, which leads to deviant behaviors. The juvenile delinquency problems have worsened every year and a lot of juvenile delinquents are from single parent families (Lee, 1989). The family system in Taiwan faces a tremendous challenge, and the families have many problems, for example, extra-marital affairs, single parents and teenage couples. This article pays special attention to single parents.

Statistical Facts on Single Parent Families

Lee (1998) reported that about four percent of all households are single parent households. Of the single parent households, 61.9 percent are headed by female and
38.1 percent are headed by male. Among single parent households, 44.1 percent of them are due to divorce, 38.2 percent of them are due to the death of spouse, 15.7 percent are due to separation and 2 percent are unmarried. Among the female-headed single parent family, 48.8 percent are due to the death of spouse, among the male-headed single parent families, fewer than 20 percent are due to the death of the spouse and 58.8 percent are due to divorce.

According to The Social Indexes Statistics of Taiwan (Yuan, 1993), there are 178,818 households that are single parent families in 1992 showing a 0.33 percent increase from the previous year. There are 625,540 teenagers who are under the age of 18 and unmarried, living in single parent families. The number of teenagers living in single parent families is about 8.62 percent of all teenagers under 18 in Taiwan (Executive Yuan, 1993).

Chang (1992) reported that there are 23.5 percent low income families that are single parent families, and 80.4 percent of these families are female-headed. The figures show that female-headed single parent families are more likely to become low income families, compared to male-headed single parent families. Chang (1995) stated that for 88.5 percent of single parent families, their major financial resources are their income, 12.9 percent of single parent families receive support from their original families. There are 70 percent of single parent families that have never received any child support from their previous spouses after divorce or separation. In other words, the parent without guardianship has seldom provided support for their children financially. Lee (1998) reported that female-headed households make about 60 percent of the income of two parent families.

The above statistics show that divorce and the death of spouse are the main reasons for becoming single parents; female-headed single parent households are much poorer than male-headed single parent households; little less than 10 percent of the children under age 18 are living in single parent families. The needs of a single parent family are dependent on the different stages after the specific situations have happened. The family which has just experienced the divorce or the death of a spouse needs assistance the most (Hsu & Chang, 1987). For a family which has just become a single parent family, the major problems are raising and caring for children, financial difficulty and psychological adjustment. About 10 percent of single parents expressed no need for assistance after the tremendous change (Lin & Chin, 1992). Wang (1991), Wang (1994), Lin & Chin (1992), Chang (1991), and Shiech & Ma (1989) reported that the problems of single parent families include financial security, child care, psychological and mental adjustment, work, housing, interpersonal relationships and social isolation.

According to Chang, Shiue & Chou (1995), the problems of greatest concern to a single parent family are child-related issues (69.9 percent), financial problems (62.5 percent) and work related problems (28.3 percent). The first two items are way ahead of the third one. In addition to the above issues, Shiech (1995) reported that those who had been widowed experienced difficulty in adjustment and that the children from single parent families have some problematic behaviors.

Financial Insecurity

For those who have just become single parents, the reality is the decrease of income, or even loss of the only income source. The mother, who used to stay at home before divorce or the death of her husband, may need to find a job and earn a living. Females are usually in economically inferior positions. When females become single parents, financial security is their major concern (Hsu & Chang, 1987; Shiech & Ma, 1989; Tung,
Therefore, income security should be one of the most significant issues in family policy. In 1985, more than half of the female-headed single parent families are on a low income, while only about 12 percent male-headed single parent families are of low income (Lin, 1994). Morgan (1989) reported that 40 percent of the widows and 26 percent of the divorced women depend on public assistance.

Female single parenthood is one of the high risk factors for long term poverty, what Millar (1988) called persistent poverty. In Taiwan, whether we look from head of household income or total family income, female-headed single parent households are always the poorest (Hsu & Chang, 1987). Lin & Chin (1992) also reported that, in Taipei City, female-headed single parent family household income, on the average, is much lower than that of a male-headed single parent household. The total family income of a single parent family is much lower than in a dual-parent family. Wang (1991), Hsu & Chang (1987) and Lin & Chin (1992) stated that financial security is the most urgent welfare need for single parent families.

Work income is the main source of family income for single parent families. In addition to work income, some single parent families receive financial support from original families (Peng & Chang, 1995; Weng, 1998), children’s income, and support from relatives (Lin & Chin, 1992).

The financial problems of a single parent family, especially for female-headed single parent families, can if the situation gets worse, easily lead to that family becoming poverty-stricken. In order to make a living, a single parent has to work overtime, has less time to care for children and does not have extra money to spend on children’s education. Quite a few teenagers drop out of school to find a job to support their families. McLennahan (1985) found that the high drop out rate of the children from single parent families is related to low family income. Children from single parent families if they drop out of school to support their families and cannot complete their education, will not be able to obtain a high paying job at that time or in the future. The poverty situation will then carry on from one generation to another. If a family can get out of poverty in a year or two, that won’t be a problem, but if a family stays in poverty for a long time, then it will become a very complicated issue (McLennahan, 1985). In order to prevent the financial situation of single parent families getting worse, some programs or projects to support the single parent family need to be implemented.

Problems of Child Care

Single parents have to play multiple roles (Yeh, 1992; Lin & Chin, 1992) and their responsibility for bringing up the children is a very heavy burden. Often, they feel overloaded with playing both mother and father roles, and do not know how to educate their children effectively (Yeh, 1992; Lin & Chin, 1992). Single parents have to care for their children, at the same time they need to worry about their financial situation as well. According to Lin & Chin (1992), single parents with children under age six are most concerned about shortage of time and energy to nurture their children, they worry about the danger of the child being home alone, and not being able to care for the child when he/she is sick. Their work schedule is not flexible enough to transport children to nursery or school and they cannot afford child care or after school care. Single parents with children aged six to 12, faced almost the same problems as the single parents with children under six. For single parent families with teenagers, the most significant issues are lack of time and energy to educate, lack of knowledge about children’s out of home activities, not knowing how to communicate with children, arranging for future work and the difficulty of knowing how to discipline. Lack of time
and energy are usually due to work and the multiple roles the single parent plays in the family. The other items are related to know how. Since single parents are under tremendous stress and burden, some single parents are negligent in supervision and discipline of their children. Some other parents, who want to have a quick result in teaching or disciplining children, may choose to use an extreme way of discipline which could be over rigid or over protective (Liu, 1984; Weng, 1985). Single parents have much less time to care for and to understand their children. The parent-child relationship can become alienated. Huang (1993) found that children, who lack care, protection and supervision, are more likely to have accidents, poor academic achievement or deviant behaviors. Demo & Acock (1988) concluded that single family children are less healthy mentally than dual-parent family children. The separated, divorced or deserted situations are very disadvantageous to teenagers. Lin & Chin (1992) pointed out that single parents worry about raising their children, their children’s academic work and discipline. The most stressful parenting events of single mothers are behavioral discipline, academic achievement and daily safety (Weng, 1998). Different age groups of children cause different concerns.

**Emotional and Psychological Adjustment**

Shiech (1995) stated that the widowed not only experienced traumatic change but also difficulty in psychological and social adjustment. Lin & Chin (1992) also reported that single parents always feel depression, loneliness and unhappiness. Hsu & Chang (1987) said that the most common psychological problems a female single parent has are the adjustment after divorce or the sudden death of spouse, the lack of a sense of security, the discrimination against the divorced and the lack of love and a sense of belonging.

Since most people still consider a single parent family as a “problem” family, that creates pressure for a single parent family staying or living in the same place. Single parents usually gradually withdraw from the previous social network, move away from their previous residence or change employment. The children of the single parent families also have difficulties in making friends and establishing long term relationships with neighbours and with school teachers. Atolberg & Anker (1983) studied children after their parents divorced, and found that children of a single parent family are likely to adopt abnormal or inappropriate ways of dealing with people, and their social and interpersonal relationships are usually very poor (see Demo & Acock, 1988).

Children of single parent families are more likely to have psychological and emotional adjustment problems, low self esteem, difficulty trusting anyone, sex-role differentiation problems, poor internal and external control and deviant behaviors (Aseltine, 1996; Demo & Acock, 1988; Liu, 1988; Leu & Chuang, 1992). Leu & Chuang (1992) found that children from single parent families are more likely to get into inappropriate places for teenagers, more likely to steal, to run away from home, to play truant or to join gangs, compared to children from dual parent families. Children from single parent families due to divorce are more likely to get into trouble or have deviant behaviors when compared with families that have a single parent due to the death of one parent. Both the single parents and the children from single parent families have emotional and psychological problems.

**Housing**

Single parents who are receiving social welfare services usually do not own their residences. These single parent families usually rent a home, borrow an apartment
from a relative or stay with parents (Weng, 1998). Some single parent families, due to
the decrease in their income, can't afford to stay in their current residence and have to
move. Some of them want to move because they want to have a new environment and
avoid the gossip from the neighbours. In Taiwan, there is a great shortage of public
housing, and one has to meet the poverty level criteria in order to be qualified to apply.
To rent a house or an apartment is expensive, especially in the urban area. Single
parent families need a decent and inexpensive place to live, which is not easy to come
by.

THE CONCEPT OF PARENTING STRESS

Ever since Selye (1956) put forth the concept of living stress, many scholars have been
interested in doing research on related issues. Rapid social change has created living
stress in modern daily life, and the family system has to face the tremendous impact.
The family structure and family functions need to adjust in order to fulfill the needs of
today's society. In the United States, researchers studied the impact of the Great
Depression on families in the 1930s. In the 1940s to 1950s, people wanted to
understand the impact of war on families. From the 1970s, scholars began to study
family living stress, for example, marriage, divorce, single parents, unemployment,
dual-careers, having children, young children, adolescents, the empty nest syndrome,

Shortness of time seems to be the most common problem for families. But could
something as simple as shortness of time cause marital problems, lack of discipline,
alienation between parent and child and the conflict between parenting and work? Stress from raising or disciplining children has been shown in various research
(McCubbin, et al., 1980; Ching, 1992; Cheng, 1988). Kuo (1991) stated that most women
felt children’s discipline is their most stressful event. Women (20-40 years of age) with
young children have a higher stress level compared to that of other age group women
(Lee, 1990; Ferng, 1992).

Child Raising and Discipline

Clinical child psychologist Abidin (1983) separated the stress of child raising and
discipline from family living stress, constructed the Parenting Stress Model and
developed the Parenting Stress Index. Abidin (1983, 1990) defined parenting stress as
the stress felt when parents play parental roles in the parent-child system, due to
factors such as the parent's and child's characteristics, bad parent-child interaction, the
family environment, and so on. If parenting stress is out of control, it could directly lead
to parental dysfunction or child neglect or abuse. Abidin's constructed parenting stress
model is based on perceived parenting stress from the interaction between child
characteristics and parent characteristics which are directly related to parental roles.
stress is caused by the interaction of the child's characteristics, parent's subjective
perception about these characteristics and the parent's characteristics. he parenting
stress model emphasises that the interaction function in the parent-child system and
interaction behaviors are reciprocal.

Dynamics of Stress

According to Abidin, the stress of the parent-child system comes from the child domain
and the parent domain. The child domain includes the child's factors which cause
parents worry, anxiety, fear, disturbance and exhaustion and the child’s behaviors
which do not fulfill parent's expectation. There are six child factors belonging to child domain. They are adaptability, demandingness, mood, hyperactivity and distractibility, acceptability and the child reinforcement of the parents. The first to the fourth factors are about the child’s traits, personality and characteristics, the other two factors are related to parent-child interaction. In the parent domain, there are seven factors. The first three factors are related to parent personality and pathology and the other four factors are related to situational factors when playing parental roles. These factors are depression, parental sense of competence, parental attachment, relationship with spouse, social isolation/support, parental health and the restrictions of role. In addition to the child domain and parent domain, major family living stress events, for example, divorce, unemployment, pregnancy, death of a family member, moving and severe reduction of income also create extraordinary stress.

From the above, we understand that Abidin’s parenting stress model includes four dimensions: child characteristics factors; parent characteristics factors; parents’ feeling regarding to child’s behaviors and their expectation to children and situational factors which include major family living events. Abidin especially emphasised the parent's subjective perception of parenting stress in parent-child system. Since mothers are the major caretakers in the families, mothers usually perceived higher parenting stress than did fathers Abidin, (1990). Most of the researchers use mother’s parenting stress to measure the parenting stress. Single parents do not have spouses, so the factor of relationship with spouse, in the parent domain does not apply to a single parent. Therefore, the single parent parenting stress model is revised from Abidin’s model as shown in the figure below.

Figure 1: Parenting Stress Model of Single Parents

Parent Training Packages

Parents with high parent effectiveness make use of interpersonal relationship theory to deal with the parent child relationship and to enhance children’s physical and mental development (Wang, 1993). The higher the parent effectiveness is, the lower the parenting stress. Parent Effectiveness Training (PET) and Systematic Training
Effectiveness Training (STEP) are two named parent training packages. Cunningham and Brown (1984) used a group training program to enhance parenting skills of single parents. The program includes parent-child communication, child management and problem solving skills. Speech, lectures, and workshops are common activities in promoting or enhancing parent effectiveness in Taiwan. Compulsory parenting education is required by Child Welfare Law for parents who are reported as abusive. Much research has proved that abusive parents have higher parenting stress compared to non-abusive parents (Chan, 1994; Mash & Johnston, 1983a; 1983b; 1983c; Yin, 1994). Therefore, the application of the Parenting Stress Index in detecting parents who have high parenting stress could effectively prevent child abuse. Parenting stress could be used as an effective diagnostic or preventive measure for various parenting programs.

Social Support

Social support, according to Felner (1984), is important in promoting physical and mental health and releasing tension and stress. Wang (1991), Chou (1988) and Cheng (1993) reported that social support produces positive effects in coping with stress. Cohen & Willis (1985) stated that social support produces main effect and buffering effect. The main effect could be to promote physical and mental health and eliminate the negative effect of stress. The buffering effect could protect the individual from psychological symptoms. Koeske & Koeske (1990) found that the more emotional support and child care assistance from relatives, family members and neighbors a mother gets, the lower the parenting stress and psychological disturbance she has. Belsky (1980) reported that the quality and quantity of social support determines its function. Bronfenbrenner (1974) believed that enough support from the environment could reduce child abuse. Social support is considered as a buffer when we study the relationship between stress, social support and child abuse. This article emphasises the child care and disciplinary issues which parents feel are most stressful. The scores on Parenting Stress Index have been used for reference.

RESEARCH METHOD

In this section, research method related subjects that include research samples, research tools and research procedure will be presented and discussed.

Research Samples

The research samples were recruited from Taichung Family Assistance Center. They are nine female, low-income, single parents with at least two children. The age of the research samples range from 28 to 41. Their numbers of children range from two to four. Seven of them have high school education and two junior high school education. The children of these samples range in age from three to 16. The women's occupations vary, including cleaning lady, baker's assistant, homemaker, drivers of nursery school or kindergarten, fruit stall worker, office assistant, and so on. Their income is under 20,000 N.T. (less than $615 US dollars) per month per family. The research samples are all clients of the Taichung Family Assistance Centre.

Research Instruments

There are three different types of research tools in this research, Parenting Stress Index, in-depth interview and discussion meeting guidelines and the interviewers.

Since the original Parenting Stress Index (PSI) is in English that is not our mother language, the Parenting Stress Index has been translated into Chinese. In order to
increase the validity and reliability of the index, a complete revision process has been accomplished. Revised Parenting Stress Index contains 86 items with the reliability at Cronbach’s a equals to 0.91.

Every sample received an in-depth interview for about 90 minutes. The in-depth interview was according to a semi-structured interview guideline. The guideline includes questions about description of parenting stress, the emotional responses when parenting stress occurs and what is the most stressful event? The questions include: How long have you been caring for your child alone? How is the relationship with your family members or your ex-husband’s family members? Does anyone help you with childcare? What kinds of child care assistance do you receive?

The semi-structured guideline provides the outline for the in-depth interviewer to collect the same kinds of data from the samples. The in-depth interview collects the stressful parenting events, emotional responses and coping styles of the single parents in the study.

There are four interviewers, including the researcher. The interviewers have completed four sessions, a total of fourteen hours in a training course which contains the purpose and content of the research. Word by word and sentence by sentence the interviewers study the guidelines and participate in demonstrations and role play. For high validity, the interviewers use empathy, clarification, and summary skills to collect data, and do their best to avoid using direction or explanation skills.

**Data Coding, Processing and Analysis**

The in-depth interviews were audio taped. Tapes were first transcribed into written sentences, then the contents were coded by the researcher and an experienced coder. Reliability level has been set to 0.85.

The emotional responses when single parents face stressful parenting events were coded into anguish, fear, hopelessness, self-reproach, to reprimand, getting angry and others. The coping modes of single parents facing stressful parenting events were coded into positive reappraisal, expressing feelings, problem solving, ignoring and to submitting to fate. The coding frameworks for emotional responses and coping modes were based on Shiech (1994). Social support was coded into formal and informal social support (Brown, 1974).

By cross-case analysis, the stressful parenting events were coded into three categories, child discipline, child’s academic work and child safety. Every category was further divided into sub-categories. Child discipline was divided into disobedience, quarrelling or arguing with parents, sibling quarrelling, and others; the child’s academic work was divided into bad performance, lack of intelligence and others; child safety was divided into not coming home on time, safety on the way to school and back and others.

**RESULTS**

From cross-case analysis, we find that the most stressful parenting events can be divided into the same three major categories, that is, child discipline, child’s academic work, and child safety. Every category contains stressful parenting events.
Child Discipline

The parenting stress of child discipline includes the difficulty, problem or stress a single parent runs into when she tries to discipline her children.

Almost all the women in the study mentioned that children’s disobedience causes them parenting stress. It was talked about the most often. It occurs in every day life, for example, during meals, at bedtime or taking a bath, on the way to school, and so on. These daily events are child care items. Child care is always an issue of concern for single parents and causes them stress.

Quarrelling with the parent is mentioned the second most by the women in the study, and it happens in families with teenagers. Teenagers are eager to have autonomy, to be independent and to have freedom. They usually have rebellious or disobedient behavior that can cause tremendous parenting stress. Some women in the study feel helpless and do not know how to deal with it, while some parents will fight against their children directly. Single parents seem to lack disciplinary skills for teenagers.

Sibling quarrelling is another disturbed issue for single parents. Some single parents feel heartbroken about it. Some single parents feel that they are so busy with daily living events already, and that their children are not familiar with human affairs. One participant in the study said that she could stand her children quarrelling as long as they did not fight physically. It seems that single parents having problems in dealing with sibling quarrels may also have different points of view.
Other disobedient behaviors, which cannot be classified into the above sub-categories would be included in this sub-category. Examples of these stressful forms of child disobedience might be for the child to say something terrible learned at school, without even understanding its meaning.

Child discipline is the major stress for single parents. It has been mentioned by all the women in the study and is considered the most serious parenting stress. Child discipline is a common parenting stress in every family, but for single parents, the burden is even heavier.

**Child’s Academic Work**

The parenting stress of the child’s academic work includes the child’s learning ability, learning attitude, low academic achievement, lack of interest in academic work, and lack of application to study.

Low academic achievement may be caused by not studying hard enough, by lack of interest in study, by ignorance and by lack of motivation. Only one single parent did not mention this stressful subject. According to the interview, single parents feel stress about children’s low academic achievement or related learning problem. Some single parents feel helplessness because they are not able to assist their children, or do not know how to help the children academically.

One single parent especially expressed concern about her elder son’s head injury, which happened in his infancy. She mentioned it several times in the interview. The single parent reported that she is wondering about her son’s slow learning due to his head injury. Apparently, physical injury of children could increase the parenting stress.

This category contains other factors which relate to academic work but cannot be classified in the previous two categories, for example, single parents who try to teach their children but do not seem to help and single parents who feel depressed and frustrated.

Children’s academic work is the second most stressful issue for single parents. Single parents are very concerned about children’s academic performance, just like most other parents. They do not have the effective teaching skills needed to teach their children. And can become very frustrated and depressed when they find that they cannot help their own children.

**Child Safety**

Child safety has been divided into three areas, not coming home on time, safety on the way to school and home and other safety concerns.

Children not coming home on time is the most worrying safety issue for single parents. Although children from low-income families may not be the targets for kidnapping, children not coming home on time is still the safety issue of most concern for low income single parents.

About half of the single parents take their children to and from school and have done so since kindergarten. If they don’t do it, they don’t feel safe. This parenting stress could have something to do with the heavy traffic and public security situations in Taiwan. There were many kidnapping and major traffic accident cases last year. In addition to the safety issues mentioned above, children’s physical condition will also create
parenting stress, especially when the single parent’s own physical condition is a bit weak or unhealthy.

More than half of the women in the study have three or more children. To have two parents caring for three children is already difficult, so we can imagine the difficulty one parent has looking after three. As mentioned earlier, child discipline is single parents’ most serious parenting stress for all ages of children. Most single parents reported that when the child is disobedient or quarrelling with parent or siblings, they feel angry, depressed, helpless or headachy. They do not know how to deal with them. The second parenting stress of most concern, the child’s academic work, is partly because in Chinese culture, education is very important for children. Single parents hope their children will have higher education, as well. Single parents want to assist their children with academic work, but they lack the skills to motivate or direct their children or don’t know how to help children in solving academic problems. Single parents feel frustrated and depressed; some parents blame themselves for not being able to assist. Child safety, the third major parenting stress could be related to Taiwan’s recent traffic and public security situations. Understanding the parenting stress of single parents can help us in making service plans for single parents.

Emotional Responses and Coping Modes

When they encounter stressful parenting events, the single parents’ emotional responses are all negative. Feeling angry, tense, annoyed, anguished, fearful and hopeless are often expressed emotional responses. Single parents’ emotional responses are all negative when they face stressful events, but different events could lead to different emotional responses. Single parents’ coping modes include swearing, smashing, feeling uneasy, yelling, exhortation or warning, scolding, encouragement, providing solutions, ignorance and education. Most single parents choose to express their feelings by swearing, scolding, yelling, exhortation or verbal admonishment and providing solution as coping modes. They rarely use positive reappraisal and submission to fate as coping modes.

Samples from the study show that different stressful parenting events could have the same emotional responses and that emotional responses for the same stressful parenting events could be different. The single parent’s personal emotional status and the timing of the stressful parenting event could affect her emotional responses and coping modes.

Social Support

Social support, according to Felner (1984), is very important in promoting physical and mental health and releasing tension and stress. Wang (1991), Chou (1988) & Chen (1993) reported that social support produces positive effect in coping with stress. Cohen & Willis (1985) stated that social support produces a main effect and a buffering effect. The main effect could promote physical and mental health and eliminate the negative effect of stress. The buffering effect could protect the individual from psychological symptoms. Koeske & Koeske (1990) found that the more emotional support and child care assistance from relatives, family members and neighbours a mother received, the lower parenting stress and psychological disturbance she has. Belsky (1980) reported that the quality and quantity of social support determines the function of the social support. Bronfenbrenner (1974) believed that enough support from the environment could reduce child abuse. Social support has been considered as a buffer when we study the relationship between stress, social support and child abuse. The relationship between social support and parenting stress is examined.
According to the research results, the single parent who does not have either formal support or informal support has the highest parenting stress score. Most of the single parents who have close relationships with original families receive financial, child care, housing, and emotional supports from them. There are two single parents who do not have any support from their original families; one single parent who is from a single parent has an elderly father, the other single parent has a strained relationship with her parents ever since she got married years ago. None of the single parents receive support from their ex-husbands’ families. Only one single parent has other support from a social agency in addition to Taichung Family Assistance Centre.

The Parenting Stress Index scores of the sample range from 196 to 264, with a higher score meaning higher parenting stress. According to Abidin (1990), parents who have raw scores at or above 267 should definitely be offered referral for professional assistance. Abidin’s Parenting Stress Index contains 101 items and the Revised Version for this research only has 86 items. From the scores we could tell that the parenting stress of these single parents is very high. Single parents have to take care of their children and financially support their families all by themselves. Social support might decrease or lighten the stress and promote physical and mental health.

Conclusion and Recommendation

The research results indicate that single parents’ stressful parenting events include child discipline, child academic work, and child safety related events with child discipline as the major issue. Family stress, like financial stress, can deepen the parenting stress. Single parent families with difficult family situations deserve special attention by the public and private social welfare agencies. The following measures or programs are recommended for the public and private agencies in providing services for single parents with high parenting stress.

Financial Security and Housing Security

The single parents’ biggest problem is financial (Chang, 1992; Hsu & Lin, 1984; Hsu & Chang, 1987; Shiech, 1995). Single parents might need to work two or three low paid jobs in order to make enough money to support their children (Weng, 1998). Living costs and housing security are a heavy burden for single parents. Chang et al. (1995) reported that, for divorced or separated parents, 77.5 percent of the non-guardian parents provide no child support. There are several ways to insure financial security and housing security, for example, mandatory collection of child support from the non-guardian parent, universal child allowance, survivors’ benefit, low cost housing, low interest rate loans, and so on.

Parenting Stress Management

Stress is one thing we could not avoid in our daily life, but it can be managed. Meichenbaum (1985) developed cognitive behavioral theory and skills and the very widely used Stress Inoculation Training which could be provided by individuals or by groups. Of course, there are other ways to manage our parenting stress.

Cooperation with the School System

Children's academic achievement is one of the most stressful problems encountered by single parents (Weng, 1998). Traditional Chinese put much emphasis on children’s school performance. The single parents are no exception. However, due to their own low education status, they could not help their children. A lot of times, the single parents feel that their future depends on their children. Therefore, to assist the children
to go upward academically is important. The school and social welfare agencies could work jointly to develop programs which assist the children from single parent families.

Parenting and Child Care Skills

Due to the tight time schedule, single parents cannot spend as much time as they wish with their children and may have problems in knowing how to teach their children skillfully. Unfortunately, there are quite a few juvenile delinquents that are from single parent families. We could use different ways to pass on the information, for example, by handouts, lectures or by phone.

Social Support Networks

Social support is a very important factor in dealing with stress. Single parents are rather isolated. Schools or agencies can assist in establishing support groups. Group members can meet new friends, share feelings, provide information and support each other. Groups could become the resources of single parents.

Children’s Groups

The groups can have different purposes, either preventive or rehabilitative. Children from divorced families usually have more difficulty in adjusting compared with children who are from single parent families due to the death of a parent. These children’s groups could be offered in schools or in social agencies. Children’s better adjustment to the situation of being part of a single parent family could reduce the level of parenting stress.

Case Management Model.

Parenting stress results from the transaction between the parent and the child within the parent-child system. Both the parent’s and the child’s characteristics contribute to parenting stress. When we deal with parenting stress we cannot pay attention to parents only. We should take the parent-child system as our unit of intervention. Therefore, case management skills are necessary to enhance the effectiveness of the intervention.

Single parents are a group of the population which deserves special attention. The parenting stress of these single parents requires social workers to provide various programs and services in order to enhance the wellbeing of the single parents and their children. The Parenting Stress Index could be used as a diagnostic measure to find single parents who need assistance. The three most stressful parenting issues of child discipline, child academic work and child safety could be the main focus in designing services for single parent families. Stress management skills are useful for almost everyone, and may be especially useful for single parents who have high levels of parenting stress, in order to make their life a little easier.
References


GLOBAL ATTENTION TO ISSUES OF AGEING

Improved sanitation and better health and medical services, have generally resulted in the increase in the life expectancy of people around the world, especially with the spectacular advances in science and technology during the latter part of the last century of the second millennium. Lowered birth and mortality rates have greatly assisted in the numerical increase of the elderly population.

The inevitable increase in the proportion of the elderly has caused concern in many countries. To some, for example Japan and Singapore, the situation can be considered as grave and some positive actions are being taken to address this issue. Yet in some other countries, because the proportion has not reached a critical stage, no alarm has been raised and apparently few or no special programs are being initiated. On the other hand, there are countries that have not given much attention to this phenomenon at all, perhaps because the proportion of the elderly is still very small or they have other, higher priorities.

No matter what the respective current situation may be, the proportion of the elderly in the population will certainly continue to increase in the years to come. Of this, a higher proportion of them will be women and the older they get, the greater their numbers will be.

This short paper is intended to generally discuss some of the current policies and provisions for the care of the elderly in the region, to make some projections on the scenario in the years to come, that is in the new millennium and to explore some possible policy shifts. It is hoped that this paper will generate further thoughts and possibly, develop some tangible action in grappling with future conditions.
World Assembly on Ageing

Global attention was first brought to a head with the World Assembly on Ageing in 1982, organised by the United Nations in Vienna. For the first time, ageing issues were discussed fully at an international level of global scale. Prior to this event, ageing as an issue has not been in the national consciousness of many countries.

It has always been felt, especially in traditional societies in developing countries, that the family will take care of its own. Indeed, it was startling to many to discover the immense issues that have never hitherto been openly addressed, although those affected have somehow managed to engage in creative exercises for tackling their own problems.

It is true that the better-off nations have formulated some forms of social welfare provisions for the needy elderly for many years, while the more developed ones have adopted welfare state systems that provide services as a matter of rights. Yet, in many countries, no special programs have been developed for them. Perhaps the World Assembly on Ageing has stimulated enough inspiration for the international community to seriously consider the impact of this demographic phenomenon and accordingly develop appropriate plans and programs to address them.

International Plan of Action on Ageing

The International Plan of Action on Ageing which resulted from this World Assembly was to become some kind of a master plan in dealing with these issues. However, many countries did not seem to take the Plan of Action very seriously, perhaps, because it was not a priority issue or because their elderly populations were still relatively small and therefore not of immediate concern.

Nonetheless, it is acknowledged that many countries, especially industrialised developed countries which already have a relatively high proportion of elderly population, take great care to implement some of the recommendations contained in the Plan and where applicable, consolidate them. Internationally, however, despite many efforts of the United Nations and its Specialised Agencies, general support has not been very encouraging. This can be seen in the lukewarm support for the UN-sponsored Banyan Foundation.

Following the promotion by the UN of October 1 as the International Day of the Elderly in 1992, we are this year (1999) celebrating the International Year of Older Persons, in the hope that the global community will consider this issue very seriously as we enter the New Millennium. It should be recognised that the international body can only do so much but it is the individual nation states that have to take appropriate steps in tackling the ageing issue thereby improving the quality of life of their senior citizens, for now and the future.

ROLE OF THE SECTORS

Generally, one would expect a state, if it were in a position to do so, to consider as a priority area the provision of some forms of basic welfare assistance to the needy elderly. They may be in need of some financial assistance to support themselves, especially when they are destitute and without visible means of livelihood. The provision can also be in the form of shelter if they are homeless.

In this regard, the state plays a major role and it may be supported by voluntary sector organisations. This NGO-initiated action may at times be about the only direct service
available to the elderly in very poor countries or it may act as a supplement to the efforts of the state. At this very basic level, the private sector has no direct role, except in support of the voluntary sector.

At the other end of the spectrum, that is, in a more developed and affluent society, the state may play a minor but important role by developing and instituting an enabling environment for the private and voluntary sectors to take up more prominent roles in the care of the elderly. The last three decades or so has seen the growth of homes run by the private sector and the voluntary sector as well, employing a variety of modalities. Some provide accommodation for the healthy and able-bodied elderly who are totally independent; others accommodate and provide partial care for the slightly dependent elderly; and of course there are those that cater for the totally dependent older persons. There are also facilities which cater for all three categories in one institution.

There are naturally, many societies that are hovering somewhere between these two extremes. The sudden awakening on the demographic situation tends to give a panic signal to some that something ought to be put in place quickly. Hence, there has lately been wider interest in this field.

Changes to Family Structures

It is noted that traditionally, families have been performing the task of caring for their elderly members, especially for their sick and frail relatives. But as family structure changes over time, due to urbanisation and small family norms, there seems to be some definite shift in this responsibility and the total reliance on family members to provide care is slowly diminishing and in some cases may no longer be forthcoming.

In its place, there has been an increase in the care provision by third-party carers, either in the form of institutions such as nursing homes or home-based services such as home-help or home nursing services. Still, some societies would cling to the old tradition and insist on taking care of their own within the family system. While this remains desirable, the realities ought to be acknowledged and necessary adjustments made to accommodate new situations. This strong attitude needs to be reviewed from time to time in order to be in line with reality.

Recent studies have shown that there has been a clear indication of the increasing inability of the family to perform the caring function effectively. The problem becomes more acute when the older person is sick and frail, therefore no longer able to look after him or herself. In such circumstances it would be preferable for the elderly persons to be cared for by professionals rather than by family members who are not equipped with competent skills in this matter.

Support for Independent Living

Nonetheless, most older people do not need any formalised long-term care. They would like to continue to live in their own homes and enjoy independent lives. A large number of older people receive informal or unpaid care from spouses, relatives, friends and neighbours - a form of "communitarianism". This places some moral responsibility on society to offer unpaid carers support and assistance where it may be wanted or needed and to make clear where the boundaries of expectation should lie.

Older people wish to retain their independence and autonomy for as long as possible and generally would prefer to remain in their own homes. Making independence a reality requires a change in attitude across society. Improved access to some of the components of normal life such as housing, education, transport, shopping, social and
leisure activities will be essential in an ageing society. Such an approach, which represents normalisation, will enhance opportunities for social inclusion and allow innovative and appropriate models of care.

Research and experience in many countries suggest that providing a large proportion of care in people's own homes is a practical objective. Keeping more people in their own homes will demand much greater attention to, and investment in, housing as an essential component of long-term care needs. This will entail much greater flexibility of provision.

Improvements in housing would make staying-put a more practical option and changes in financing should tilt where possible towards the individuals in their own home rather than towards residential forms of care. Of course, some people may actively choose to live in residential settings as opposed to their own homes and their wishes should be respected. However, if a radical shift reflecting people's general wishes from the institutional to the domiciliary setting is to be achieved, certain conditions must be met.

The proportion of those who need some form of care is relatively small, but much attention and many resources have been extended to them and much more is expected in the future. However, some attention should also be spared for the majority, as they too will require facilities and amenities for their continued good health.

In many countries, the lot of the independent elderly has largely been taken for granted and they have to fend for themselves. With the exception of perhaps some community or peer-group efforts, very little is happening in this sector. It is important to ensure that the independent elderly remain so for as long as possible. As such, there is a great need for special programs to be developed. For example, free regular medical and health checks should be available to all elderly above a certain age.

While this measure may appear to be costly, it can save future costs in the long run. Healthy, elderly people have many years to contribute to society in any number of ways.

**FUTURE PROJECTIONS**

In the past, a pyramid shape described age distribution in many societies. Younger people dominated the base of the pyramid and population declined smoothly with increased age. In terms of economic and familial support for the elderly, it was the perfect geometric shape: relatively many young men and women and middle-aged people supported relatively fewer elderly. Youth had strength in numbers and spending power, and many societies celebrated this muscular combination in their popular culture, fashion and media.

The scenario will change dramatically in the 21st century. Already in Japan, one of the world's oldest countries demographically, 23 percent of the nation's 126 million people are 60 or older. In 50 years, according to the UN, 38 percent will fall into that category. The same trend is true for virtually all Asian societies. The 14 percent of people in Hong Kong who are now 60 and over will rise to 40 percent by 2050. In Singapore, the numbers are 10 percent growing to 31 percent; in Malaysia six percent up to 21 percent. In the foreseeable future, mothers will have fewer babies and people will live longer.

There is a heavy cost to these advances. Consider that an ageing population must depend on dwindling numbers of working age people to support them in the 21st...
century. On average in Asia, there are currently 11 people, potentially, in the workforce for every retiree. By 2050, the number of workers supporting each elderly person in the region will be four. In Japan by the middle of the next century, retirees will have only two employed people working on their behalf.

If the above projections prove to be correct, it would appear that we are all heading for a disaster. In order to avert it, some drastic measures must be taken. Top of the list would be some clear policy statement over this issue. In other words, each state ought to develop a policy on ageing, if this is not already in place.

It becomes the duty of the state to formulate the policy, in co-operation with other sectors of society, such as the private and the voluntary sectors. With the policy in place, action plans can subsequently be developed. Their implementation by all sectors can then be encouraged. Without clear policy and action plans or directions, much will depend on the ingenuity of those interested or concerned individuals or institutions.

The Need for a Caring Culture

Assuming that a society has had a tradition of caring for its members which now seems to be eroding, and that this erosion is considered detrimental to the wellbeing of that society, it becomes necessary for the state to nurture a caring culture in the society at large. Thus, the policy in itself plays this particular role. Without the state leadership, much progress in the revival of this highly valued social norm will be left to chance.

Caring can take many forms. However, the very term “care” within the context of promoting continued independence of older people is somewhat unhelpful, suggesting actions and services that are done to people rather than providing them with help and assistance to maintain their independence.

On the grounds of equity and justice, it has been established that carers need more support. They need to be actively engaged in the process of needs assessment, and where possible, services to support them must be considered. Better outcomes, in the sense of more people receiving good quality care at home, depend crucially on the contribution of unpaid carers. They bear a very great share of the total care burden, many without adequate support.

For this to happen, carers should be provided with proper minimum training and exposure before they can perform. It has been observed that it is very much due to their inability to cope with their sick, elderly relatives that they have to resort to placing them in nursing homes.

Caring involves a complex mix of social and moral obligation. Many carers’ organisations have indicated the need for additional, more responsive service provision and some financial recompense for those taking on a caring role who invariably lose out on earning capacity.
Like everything else, the more formal institutional care should be considered as the last resort. That being the case, there is need to strengthen the informal home care by providing adequate training support for those involved in this area. Medical and health professionals should be mobilised in this approach which in the long run can be more cost-effective.

**Policy Changes**

As indicated above, there ought to be a national policy on ageing. However, it should be recognised that elderly people form a mere component of the total population. A policy for this segment alone will not help matters when considering the whole society. It is suggested that a national social policy be developed that will encompass all segments of society, thereby providing an overall and comprehensive approach to the question of equitable social justice and the wellbeing of the whole society.

While pondering the intricacies of developing a national social policy, the question of population dynamics need to be addressed. At the risk of being labelled a Malthusian, I suggest that one may wish to consider allowing or even encouraging a higher birth rate. This may in the long run result in the correction of the current population trends. This is not a new idea since a number of countries are already attempting to reverse the current demographic trends. The result of those countries that are now trying out this scheme that provide attendant incentives to the participating couples should be interesting. In any case, it may take at least two generations before the current trends can be corrected.

Clearly there is much to be done for the elderly, whether they require care or otherwise. A national policy will provide some guidelines on the direction the state is taking in dealing with this issue. Even without such a policy, a number of strategies have been applied in different countries, some more successful than others.

It is important to learn from each other’s experiences. While home care is commendable, and perhaps cost-effective, one must recognise the need for residential care. There must be a balance in the allocation of resources for these purposes. Above all, the continued wellbeing of the individual elderly persons should be the main criterion in determining such allocation.
NEED FOR SOCIAL SECURITY

During the past several decades, many countries in the world have experienced rapid population ageing, as seen in the significant increase in the absolute number as well as the proportion of older persons in the total population. This is largely due to declining fertility and increased life expectancy at birth and after the age of 60 or 65 years, together with a lower mortality rate.

In the past, the issue of ageing was focused on mainly developed countries, but it has now become a concern of Asian countries as well, because of rapid ageing. The proportion of older persons in ASEAN countries is generally considered low using seven percent as the criterion to determine that a country has an ageing population. Singapore is an exception because it had 10 percent of its population aged 60 and above in 1995 (United Nations, 1994). However, the ageing population is expected to accelerate so that by the year 2025, most of the ASEAN countries will have seven to 12 percent of the population in the older age group of 65 years and above. This phenomenon has various socio-economic implications.

SCENARIO OF POPULATION AGEING IN MALAYSIA

There is sufficient demographic evidence to conclude that the Malaysian population is ageing and that within the next decade, older persons will constitute a relatively large component of the population.
Table 1: Age Composition, Both Sexes, Malaysia ('000), 1980 - 2025

<table>
<thead>
<tr>
<th>YEAR</th>
<th>&lt; 15</th>
<th>15 - 54</th>
<th>55 +</th>
<th>60 +</th>
<th>65 +</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>1980</td>
<td>5,413</td>
<td>7,849</td>
<td>1,120</td>
<td>787</td>
<td>503</td>
<td>13,763</td>
</tr>
<tr>
<td>1985</td>
<td>6,063</td>
<td>9,029</td>
<td>1,282</td>
<td>882</td>
<td>584</td>
<td>15,677</td>
</tr>
<tr>
<td>1990</td>
<td>6,821</td>
<td>11,104</td>
<td>1,472</td>
<td>1,030</td>
<td>665</td>
<td>17,891</td>
</tr>
<tr>
<td>1995</td>
<td>7,540</td>
<td>11,708</td>
<td>1,768</td>
<td>1,194</td>
<td>788</td>
<td>20,037</td>
</tr>
<tr>
<td>2000</td>
<td>7,555</td>
<td>13,508</td>
<td>2,066</td>
<td>1,450</td>
<td>919</td>
<td>21,983</td>
</tr>
<tr>
<td>2005</td>
<td>7,150</td>
<td>15,390</td>
<td>2,511</td>
<td>1,705</td>
<td>1,133</td>
<td>23,674</td>
</tr>
<tr>
<td>2010</td>
<td>6,636</td>
<td>17,181</td>
<td>3,084</td>
<td>2,094</td>
<td>1,340</td>
<td>25,169</td>
</tr>
<tr>
<td>2015</td>
<td>6,523</td>
<td>18,626</td>
<td>3,799</td>
<td>2,596</td>
<td>1,665</td>
<td>26,813</td>
</tr>
<tr>
<td>2020</td>
<td>6,742</td>
<td>19,683</td>
<td>4,626</td>
<td>3,212</td>
<td>2,079</td>
<td>28,503</td>
</tr>
<tr>
<td>2025</td>
<td>7,113</td>
<td>20,397</td>
<td>5,472</td>
<td>3,942</td>
<td>2,604</td>
<td>30,116</td>
</tr>
</tbody>
</table>

The above figures show that, in 1995, there were 1.768 million Malaysians over the age of 55 (or 8.82 percent) of the population. By the year 2020, the number of aged Malaysians is expected to rise to 4.526 million out of a total population of 28.503 million. As the country seeks to achieve its goal of becoming a fully developed nation through the government’s development policy, and in line with our VISION 2020, the fast changing socio-economic environment is expected to affect the situation of the present and future groups of older persons.

As Malaysia surfs into the 21st century fuelled by the thrusts of its Vision 2020, economic growth with prosperity will generally enable a better quality of life with an extended life span for the people. The resultant economic growth and prosperity should therefore ensure that there is equitable wealth distribution amongst the population so that all can enjoy the enhanced prosperity. The Malaysian philosophy of development being ‘growth with equality’ has been embodied in all the major public policies including the Vision 2020. I shall leave the impacts of longevity and the long term effects of population ageing to demography and gerontology experts, but from the social security perspective, longevity means the need for extra financial resources to finance the resultant increase in the life span. Lower mortality rates and improved health means the next generation will live longer and for most of their lives, live more vigorously. Additional financial resources will be needed, not only to cover the business of living all those extra years of life, but for financing the extra costs such as health care and other related socio-economic needs in the twilight years.

In the pre-urbanisation period, formal retirement was relatively unknown. The agrarian system ensured that there was ample work for everyone. Death and permanent illness were the main reasons for ending the working life. So called informal retirement worked well, as the aged could slowly ease out of working, gradually passing on their responsibilities to their children. Children were the old age insurance for the aged. The more children the parents had, the better the chances that they would be taken care of in their old age. The extended family system was the second layer of insurance, which ensured that the family, and society at large, were able to sustain and nourish all members of the family and society in times of crisis and especially in old age. With industrialisation and urbanisation, the modern concept of retirement evolved. The idea of planned obsolescence of ageing workers was built. On one side, the notion was that workers, as they aged became slower, less flexible and therefore
their ability to process and react hampered productivity and profitability. Retirement was one way to replace the older labour force for a younger one. On the other side, the repetitive and taxing nature of work made workers look forward to retirement. The combined effect of both these phenomena meant that income generating for workers in the formal sectors was somewhat defined and predetermined. Coupled with this, the effects and implications of longevity meant that the society now needed some mechanism to ensure social protection for the people. Thus, there was a rise of several formal social security systems to look into the protection of workers against predetermined risks, including of old age.

**SOCIAL SECURITY SYSTEMS IN MALAYSIA**

Basically, social security can be taken to mean the protection which society provides for its members, against the economic and social distress that otherwise would be caused by the ending or substantial reduction of earnings, resulting from contingencies such as sickness, maternity, employment injury, unemployment, invalidity, old age or death. Social security protection can be broadly categorised into the following three systems.

Firstly, Social Assistance which is based on the principle of the state’s responsibility for the welfare of its citizens when they reach old age. It is federal or state funded, with funds from the national or state budget distributed to needy individuals who qualify under the pre-set means-tested conditions. Payments are made based on general substance rather than income replacement. It is based on the principal of the Pay-As-You-Go (PAYG) method of financing and acts as the safety net for the society.

Secondly, Social Insurance which functions on the principle of pooling of risks and resources. Contributions are made by the employees and employers based on the employees' wages. The contributions are accumulated and paid out to members of the group from this central fund when certain prescribed contingencies occur.

Thirdly, Provident Fund schemes which are based on the savings principle with no pooling of risks involved. This system comprises compulsory savings made by the individuals and employers in pre-determined quantities which are then credited into the individual accounts of the members. These contributions, together with dividends, are returned to the individuals when they meet pre-determined conditions of withdrawals.

Each country has its own plans to meet its social security needs. Whatever scheme or combination of schemes is chosen, the primary purpose is to address and protect the people from social and economic distress. Retirement is part of old age and thus comes within the ambit of social security.

In Malaysia, the National Social Welfare policy which was introduced in 1990, takes into cognisance the problems and pressures created by growth and modernisation on various individuals and social groups. Among the suggested programs are included assistance for children, disabled persons, women and the aged. One of the results of the program is the safeguarding of independent living for the aged, with support from family and community. Institutionalisation is to be considered as a last resort.

Formal social protection in Malaysia is provided mainly by two social security organisations, the Employees Provident Fund (EPF), which was formed 48 years ago in 1951, and the Social Security Organisation (SOCSO), formed 30 years ago in 1969. In addition to these two major organisations, several other federal and state schemes and
a host of other governmental and non-governmental organisations (NGOs) are looking into different aspects of social protection in the country.

The Employee Provident Fund (EPF)

The EPF is a Trust Fund (it functions as a trustee for its members) established under the EPF Ordinance, 1951 which was later amended to EPF Act, 1991. The EPF, is, in essence, a compulsory saving scheme, which provides protection to its members or their beneficiaries from poverty in old age. It is a defined contribution plan in that the quantum of contributions to be paid is known upfront and the benefits obtained depend on the contribution made and the investment income earned on accumulated balances. With this scheme, members are able to prepare themselves financially to retire, so that they can sustain reasonable livelihood and enjoy the remaining part of their lives in comfort. They or their dependants should be able to maintain a minimum standard of sufficiency on retirement. The primary function of the EPF is to provide retirement benefits to its members.

From 1 November 1994, every EPF member is provided with three accounts, that is Account I Account II and Account III. All contributions to the fund, together with subsequent contributions, will be divided into the three accounts according to the following percentage:

- 60 per cent of the contribution for Account I;
- 30 per cent of the contributions for Account II;
- 10 per cent of the contributions for Account III.

Account I

The intention of keeping 60 per cent of the members’ savings for retirement is in accordance with EPF’s primary objective, which is to ensure every member has sufficient cash savings for his retirement. This saving cannot be withdrawn before the member attains the age of 55 except, in cases of death, leaving the country or incapacitation from further employment.

When a member reaches 55 years of age, he can withdraw his savings from Account I together with the balance of savings in Account II and Account III. Effective from 1 November 1996, an additional pre-retirement benefit was introduced called the Members Saving Investment Scheme, whereby members can transfer part of their savings in Account I for investment purposes. Members are allowed to transfer up to 20 percent of the balance in Account I in excess of RM 50,000 (subject to a minimum of RM 1,000) to invest with approved fund management institutions.

Account II

Under this account, a member can withdraw his savings once, for buying or building a house. Further withdrawals to reduce or settle the balance of the housing loan is allowed every five years from the date of the previous withdrawal, until the member reaches 55 years of age.

A member can also use part of the savings to plan his retirement by withdrawing the savings from this account between the ages of fifty and fifty-five years, if there is still a balance of savings in this account.
Account III

The savings in Account III will be used to pay for the medical expenses of any critical illness. This facility is provided to help the member whose medical expenses are not covered or are only partly covered by his employer. This medical treatment is not only limited to the member but also to the member’s spouse, children, parents and siblings.

When a member reaches 55 years of age, all three accounts are merged and the member can withdraw the savings in Account I together with the balance of savings in Accounts II and III. A member can choose any of the following modes of payments:

- lump-sum;
- periodical payment;
- annual dividend;
- part lump-sum payment of balance in periodic payments.

The above structure of the accounts indicates that 60 percent of the savings has been allocated to retirement benefits, while 40 percent of the savings has been allocated to pre-retirement benefits.

**Formula for Saving**

The main purpose of the EPF is to provide adequate and meaningful retirement benefits to its members. Therefore any examination of EPF has to be looked at firstly from the perspective of coverage and secondly from the perspective of adequacy of retirement benefits. The issue of coverage will be addressed in terms of coverage of the national labour force, while the issue of adequacy of retirement benefits will be addressed in financial terms, and within the ambit of provident fund principles, not as a social insurance or social assistance scheme. Other related issues include rates of contribution, real rates of dividend, duration of contribution and wage rate regime. The underlying philosophy of the social security system based on the provident fund can be schematically shown in the following diagram.

\[
\text{Quality of life}
\]

\[
\begin{align*}
\text{Contributions from employers and employees} & + \text{Dividend from net income} & - \text{Pre-retirement withdrawals by members} & = \text{Savings at retirement}
\end{align*}
\]

The above relationship can also be shown by the following equation:

\[
\text{SAVINGS AT RETIREMENT} = f (c,w,i,d) - pw
\]

In this formula, \(c\) equals contribution rate, \(w\) equals wage rate \(i\) equals dividend, \(d\) equals period of contribution and \(pw\) equals pre-retirement withdrawals (leakages).
The EPF is an institution primarily charged with the provisions of protection in old age. It is a forced savings mechanism for individuals to prepare themselves financially for old age. In order to achieve this, a fully funded financing mechanism was chosen by the policy makers. It is a mandatory scheme, where each member is allocated an individualised capitalisation account. Monthly contributions as a pre-determined fraction of wages from both the employer and employee are credited into this individual account to which a dividend is added. On reaching withdrawal age, at 55 years, the member can withdraw the accrued money in a lump sum or have the option of converting it into an annuity, part annuity or part lump sum withdrawal. However, it is possible to make pre-retirement withdrawals when certain pre-determined conditions are met. These are, withdrawal on reaching 50 years of age, housing and mortgage reduction withdrawal, and medical care withdrawal and, effective 1 November 1996, the member investment scheme withdrawal.

<table>
<thead>
<tr>
<th>Age</th>
<th>Members</th>
<th>As % to Total</th>
<th>% Cumulative Downward</th>
<th>Members</th>
<th>As % to Total</th>
<th>% Cumulative Downward</th>
</tr>
</thead>
<tbody>
<tr>
<td>16–25</td>
<td>1,765,781</td>
<td>27.81</td>
<td>100.00</td>
<td>2,132,555</td>
<td>26.49</td>
<td>100.00</td>
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<tr>
<td>26–30</td>
<td>1,144,142</td>
<td>18.04</td>
<td>72.19</td>
<td>1,313,337</td>
<td>16.31</td>
<td>72.51</td>
</tr>
<tr>
<td>31–35</td>
<td>1,044,235</td>
<td>16.47</td>
<td>54.15</td>
<td>1,234,080</td>
<td>15.33</td>
<td>57.20</td>
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<td>36–40</td>
<td>835,188</td>
<td>13.17</td>
<td>37.68</td>
<td>1,097,337</td>
<td>13.63</td>
<td>41.87</td>
</tr>
<tr>
<td>41–45</td>
<td>623,982</td>
<td>9.84</td>
<td>24.51</td>
<td>871,813</td>
<td>10.84</td>
<td>28.24</td>
</tr>
<tr>
<td>46–50</td>
<td>433,381</td>
<td>6.84</td>
<td>14.67</td>
<td>638,774</td>
<td>7.93</td>
<td>17.40</td>
</tr>
<tr>
<td>51–55</td>
<td>361,259</td>
<td>5.70</td>
<td>7.83</td>
<td>399,256</td>
<td>4.96</td>
<td>9.47</td>
</tr>
<tr>
<td>56–60</td>
<td>89,663</td>
<td>1.42</td>
<td>2.13</td>
<td>153,185</td>
<td>1.90</td>
<td>4.51</td>
</tr>
<tr>
<td>61–65</td>
<td>41,207</td>
<td>0.65</td>
<td>0.71</td>
<td>68,763</td>
<td>0.85</td>
<td>2.61</td>
</tr>
<tr>
<td>&gt;65</td>
<td>4,290</td>
<td>0.07</td>
<td>0.06</td>
<td>134,179</td>
<td>1.67</td>
<td>1.76</td>
</tr>
<tr>
<td>Unknown</td>
<td>1,093</td>
<td>0.02</td>
<td>0.01</td>
<td>7,459</td>
<td>0.09</td>
<td>0.09</td>
</tr>
<tr>
<td>Total</td>
<td>6,342,221</td>
<td>100</td>
<td>100.00</td>
<td>8,050,738</td>
<td>100.00</td>
<td>100.00</td>
</tr>
</tbody>
</table>


**Adequacy of Retirement Income**

The definition of adequacy has been a controversial issue. The first issue is the quantum required. It is difficult to ascertain what amount of savings in the EPF will provide adequate financial security for members when they retire, as each member has a different perception of what is adequate for him. The second issue is concerned with the mode of repayment of the accrued savings. Whether this is repaid as a regular stream of income, such as an annuity or pension paid to a member for a certain number of years to sustain the member after he or she retires or paid to the member as a one-time lump sum is again subjectively based on individual taste and capability.
Whichever approach is taken, it must be kept in mind that the principle of social security systems has been to strive for a level of protection which clearly exceeds a minimum rate, which would do no more than prevent actual hardship. Current trends also indicate that the benefits should be related to the standard of living.

The International Labour Organisation (ILO), through its Convention No. 102, gives an indication as to what the average earner might expect to receive in the first year of retirement, as a fraction of average earnings in the previous years. The annuity or pension should normally be an amount of not less than 40 percent of the average last drawn income per month, where the person concerned has fulfilled a qualifying period of 30 years of contributions. On the local environment, the pension factor is 50 percent in the public sector related to the last drawn salary of a gratuity calculated on the length of years of service. On the other hand, there is also a new concept of adequacy among retirement planning consultants, whereby nobody wants a reduction in expenditure even after retirement. This new thinking is based on human behaviour whereby individuals would like to continue to maintain their standard of living just as before retirement. In short, the aged have their own wants and needs to be satisfied.

Whilst the 40 percent replacement margin serves as an important indicator to adequacy, another equally important consideration would be the actual quantum that the member would receive, should the accumulated savings be converted to an annuity at the age of 55 years. Annuity payments for 20 years with various dividend rates will provide a monthly payment. These are nominal rates as inflation has not been accounted for and life expectancy has been assumed to be 75 years.

**Department of Social Welfare**

The Department of Social Welfare, which was formed in 1946, is responsible for taking care of the older person. The DSW under the Ministry of National Unity and Social Development provide services for the older persons in the form of financial assistance and institutional services in Old Persons Homes (See Tables 3 and 4). Older persons are admitted to the home on condition that they are without families or their families have abandoned them. There are nine Old Persons’ Homes under the DSW with a capacity for 2,600 residents.

**Table 3: Financial Assistance to the Destitute Older Persons by the Department of Social Welfare, 1991-1997**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Federal</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>No. Recipient</td>
<td>9,828</td>
<td>9,318</td>
<td>9,712</td>
<td>10,542</td>
<td>10,049</td>
<td>n.a</td>
<td>n.a</td>
</tr>
<tr>
<td>RM (Million)</td>
<td>5.0</td>
<td>5.1</td>
<td>5.3</td>
<td>7.7</td>
<td>8.7</td>
<td>n.a</td>
<td>n.a</td>
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<tr>
<td><strong>State</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>No. Recipient</td>
<td>19,959</td>
<td>21,070</td>
<td>21,764</td>
<td>24,233</td>
<td>23,227</td>
<td>10,632</td>
<td>11,793</td>
</tr>
<tr>
<td>RM (Million)</td>
<td>10.75</td>
<td>11.17</td>
<td>11.62</td>
<td>13.58</td>
<td>13.08</td>
<td>8.4</td>
<td>7.9</td>
</tr>
</tbody>
</table>

Source: Department of Social Welfare Malaysia, Annual Report.

* n.a.- not available
Table 4: Number of Older Persons in Older Persons' Homes (1997)

<table>
<thead>
<tr>
<th>No. of Homes</th>
<th>No. of Older Persons</th>
</tr>
</thead>
<tbody>
<tr>
<td>9 (DSW)</td>
<td>1,766</td>
</tr>
<tr>
<td>9 (NGO receiving grants from DSW)</td>
<td>614</td>
</tr>
<tr>
<td>69 (NGO not receiving grants from DSW)</td>
<td>1,205</td>
</tr>
<tr>
<td>108 (Central Welfare Council)</td>
<td>937</td>
</tr>
<tr>
<td>Total</td>
<td>4,522</td>
</tr>
</tbody>
</table>


Poor, older persons are given RM 70.00 monthly by the department to remain in their own villages. Additional funds are provided for them to build their own homes on a self-help basis by the village communities. In addition, older persons are given care and protection in village welfare homes maintained by the Central Welfare Council with the assistance of the local community. The purpose of such schemes is to emphasise community care and avoid dependence on OPHs. With this model the older persons are left in familiar surroundings with people they know and are comfortable with. The monthly payment is clearly inadequate to support the financial needs of the older people.

Because it is subjected to annual budgeting, the number of persons receiving such assistance from both federal and state government funds is extremely limited. For instance, using 1995 figures relating to the number of elderly 60 years and above, it was found that only about 3.5 percent of the elderly were served during the period of 1996-1997. In view of the limited financial resources, it would appear that only those in extreme poverty are considered for assistance, while those others have to find for themselves and in most cases they have to rely on community support from family, kinship networks and neighbors or even the public.

Health Care

Health services for the elderly in Malaysia are provided by the government, the non-government and the private sectors. At present, services carried out for the elderly people in this country are not specialised enough to meet the relevant health needs of the elderly, particularly in medical care and rehabilitation.

The health of the elderly was first proposed to be included in Ministry of Health New Policy Programs in the 6th Malaysian Plan (1990-1995). However, the programs only took off in 1995 when the first budget under the New Policy was approved. In 1995 the National Advisory and Consultative Council under the Ministry of National Unity and Social Development was established as a body to coordinate and advocate the senior citizens policy in the country.

Currently in Malaysia, there are no special health facilities or services to cater for the needs of elderly people. In the rural areas, elderly people are seen as outpatients in the health centres. Those with more severe health problems will be referred to the hospitals for further management. Special programs such as cervical screening and breast screening are targeted more towards the reproductive age group than elderly people. Inpatient and outpatient services are provided to all age groups including the older people in the government hospitals. However, no special facilities or wards are allocated for the elderly people, except in Kuala Lumpur General Hospital where there is a special counter for the elderly to receive their medications.
There are no concessions offered by the private hospitals in Malaysia for the aged. Those who cannot afford the private healthcare rate must, therefore, queue up at the public hospitals. Even the public hospitals in Malaysia do not offer concessions for the elderly for medication and consultation, but it is still cheaper than the private hospitals. The proposal of the Health Ministry to privatise the public hospitals (currently lifted) is very worrying for the Malaysian citizens, especially the older people. Privatising the government hospitals will put more burden on this group who need to get free medication.

The services and facilities provided for the elderly by the government are still inadequate for the patterns of a growing aged group in Malaysia. The government of Malaysia, especially the Health Ministry, needs to play a more significant role in taking care of the elderly people.

**Transport**

Some of the public transport systems in Malaysia offer concessions for the senior citizens, for instance the air transport and commuter trains give 50 percent concession for them but the other public transport such as ordinary buses and taxis have yet to follow suit, and we know the elderly find it more convenient to use the buses. The air transport and commuter train concessions for the elderly come with conditions attached. The Malaysian Airlines System (MAS) has stipulated that senior citizens who wish to enjoy 50 percent fare concession must book their plane tickets one week in advance. This will make the concession unavailable for elderly people who want to make a spontaneous trip or for whom an emergency may crop up. Another form of public transport in Malaysia that imposes a similar condition is the Keretapi Tanah Melayu (KTM Bhd.), the national train in Malaysia, which imposes conditions for its concessions upon the elderly. Only older persons aged 60 and above are eligible for the concessions. But in Malaysia the retirement age is 55. With such conditions the older people aged below 60 will have to suffer.

**CONCLUSION AND RECOMMENDATIONS**

Ageing issues have been a main source of concern for some time in developed countries. However in Malaysia, only fairly recently have such issues been paid some attention. This is mainly because population which is aged 60 years and above does not constitute a high proportion of the total national population. Moreover, the ageing issue has to compete for the limited resources with a multitude of other urgent and serious problems. The primary sources of old age income support in Malaysia are from savings through provident funds, as in Employees Provident Fund (EPF), social assistance, as in the Social Welfare Department, social insurance, as in Social Security Department (SOCSO) and others. The social security for older people in Malaysia is still inadequate.

The government of Malaysia has to play a more vital role in taking care of the older generation in terms of social security for them. The government needs to re-examine and revise the social assistance schemes that are currently available so that they meet the needs of older persons, and ensure that a proper and transparent mechanism is instituted to manage and distribute benefits due to them.

Promotion of greater awareness among governments and individuals of the need for economic and social security during old age, for those who have never worked as well as for those in part-time or seasonal work and poorly paid employment is essential.
The government is urged to come up with a combination of approaches towards the development of a comprehensive social security. These approaches should include mandatory savings and new fiscal initiatives to increase savings and voluntary personal and family saving schemes with guaranteed subsistence living for all older persons, particularly older women, who for various reasons do not have sufficient income for their old age. The older persons should be given access to licences, appropriate credit and other facilities to enable them to set up and operate their own businesses when they retire.

The insurance company and other governmental and non-governmental organisations should ensure that their policies and programs are not biased against specific subgroups, particularly the older persons. Health insurance should cater for older persons, who are most likely to require assistance, and the necessary provisions should be made for them to make such contributions from the time when they are young. Insurance coverage should be expanded in terms of new initiatives for the subgroups of the populations.

The government also should provide appropriate pre-retirement courses to all workers to enable older persons to cope with retirement and continue to participate actively in mainstream society. They could also be taught to adapt to new technologies and work environments if they choose to continue working. Adequate provision should be made for subsidies and tax relief to enable older persons to purchase essential equipment and medical aids.

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Acknowledgement:
Velan Supramaniam, Research Associate, ERA CONSUMER.
Income Support for Older People in New Zealand

By Susan St John

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THE NEW ZEALAND MODEL

New Zealand has taken a unique approach to the provision of retirement income. A simple, state-funded basic income is provided on an individual basis from general taxation. There are no tax incentives to encourage pensions or any other particular form of saving for retirement. Attempts to shift New Zealand to compulsory-funded private schemes as a replacement for the state pension have been strongly resisted. While the New Zealand model for retirement income has many advantages, it has not been well integrated with other important aspects of welfare for the aged. For example, long-term care has been relatively neglected in the discussions to date. Older aged workers are less likely to enjoy secure well-paid jobs until age 65, raising concerns about the adequacy of policies for their income support, as well as their ability to save for retirement. The demise of many private employment-based pension schemes suggests that relatively few new retirees will have additional pensions in the next century. This may raise efficiency concerns, especially for the funding of long-term care, and has worrying implications for the income distribution of middle income retirees. To date relatively few retirees have needed extra assistance to escape poverty, however this picture is now changing. The crisis of confidence in the sustainability of the state pension, and the political process of its adjustment are critical issues for the new millennium.

The World Bank's influential report on pensions (World Bank 1994) popularised the notion of the three legged stool, the idea being that it was sensible to have retirement income from a variety of sources not just the state. The three pillars or legs are usually the state pension, occupational or other mandatory pensions and private saving. 'Spreading the Insurance function across all three pillars offers greater income security to the old than reliance on any single system' (World Bank, 1994, pxiv). The Australians can boast a ‘four legged chair’: The old age pension, the Superannuation Guarantee charge, occupational savings schemes and voluntary schemes. In contrast, the New
Zealand approach consists of only a state pension and voluntary saving. To carry the analogy over to New Zealand arrangements, it might be fair to say we say we would be foolish to try to sit on our chair, but maybe we can stand on our own two legs.

For the first leg, the New Zealand Government provides a non-contributory, flat-rate, taxable, universal pension (New Zealand Superannuation) paid for from general taxation. Eligibility for New Zealand Superannuation (NZS) is based on meeting the qualifying age (64 in 1999) and residency requirements. An applicant must be a legal resident of New Zealand, have lived in New Zealand for a total of ten years from the age of 20 and five years since the age of 50, normally live in New Zealand and be living there when the application is made.

New Zealand Superannuation provides over 75 percent of retirement income for nearly three-quarters of all women over 65 and over half of all men (Statistics New Zealand 1997). The after-tax rate of NZS for a married person has been falling relative to average wages and was 32.5 percent of the net average wage in 1998. Its level has been such however, that until recently, only a small minority of those with few private resources have needed additional means-tested income or tied supplements. This is especially true of those retirees who own their own home and are not disabled. The major supplementary benefit is the accommodation supplement, received by 3 percent of men and 5 percent of women. Those who qualify receive a payment based on their actual rent, the maximum set for the region, income and cash assets. Home ownership is high among the retired with only around 14 percent living in rented accommodation. Only 11 percent of those on NZS pay more than 25 percent of disposable income on housing costs compared to 72 percent of those on benefits and 32 percent of all households. Less than 1 percent claimed a special needs grant for food in the year ended March 1997 (see The Periodic Report Group, 1997, pp 36-37).

Because there is no contributory basis, women of eligible age receive the same pension on the same basis as men. It is true that the married person rate is lower than the single rate or the living alone rate, but the pension is based on the individual and taxed in the hands of the individual. For older married women, many of whom have not worked outside the home, the pension represents independent income. It is not conditional on a partner's work record or income. The individual entitlement basis means that divorce or widowhood do not pose any special administrative problems.

The voluntary leg of private saving comprises saving in a tax neutral environment in any way that suits the individual. This makes it difficult to measure, as the form of saving may be in trusts, physical assets, housing both owner-occupied and rental, as well as in financial income-yielding assets. We know fairly little about this leg although a new cross sectional survey of net worth received funding from the 1999 budget. A further longitudinal study is being worked on, but to date has not had political backing.

The diversity of the private saving leg gives it the advantage of maximum flexibility and gives a sense of ownership and control. This contrasts with the lesser flexibility of compulsory and tax subsidised occupational schemes. The lack of any tax incentives means that there is no basis for regulation as to lock-in provisions, requirement to take a pension or need to meet other social objectives.

New Zealand's two-legged arrangement has much to offer as a model of simplicity, fairness and flexibility but there is now no certainty that its future is stable and secure. Both legs must be strong for the New Zealand model to attain credibility. The turbulent history of political machinations over the state pension in New Zealand is documented
elsewhere (St John 1999). The nature of this history, especially the controversial surcharge and the undermining of the 1993 Accord between the major political parties led Paul Johnson to comment in a recent international publication:

‘The experience of reform in New Zealand has been especially unhappy, protracted and frankly absurd. A full description of all the reforms, proposed reforms, counter-reforms and about turns read like an implausible script for a farce’ (Johnson 1999).

**The Accord**

The 1993 Accord was signed by the three major political parties as a means to take decision making on superannuation outside of the political and election cycle. As required by the Retirement Income Act 1993, the framework of retirement incomes policies set out in the 1993 Accord was reviewed in 1997. The Periodic Report Group (PRG 1997) endorsed the framework and suggested that the demographic projections would require some modest adjustments to the state pensions to be in place by 2015. In their view, there was no need to panic and the two-legged model would serve New Zealand well.

However, a new coalition government had been formed in 1996, following negotiations with the minor New Zealand First party who held the balance of power. Arguably, both major parties had compromised the Accord by allowing superannuation to be a matter of negotiation in coalition talks. One of the outcomes of this negotiation was a referendum in 1997 on compulsory superannuation. This essentially proposed the privatisation of NZS, with safeguards for those who could not save enough to be provided by the state.

Perhaps even more significant than the referendum for the demise of the Accord, was the removal of the surcharge on the state pension in 1998. This surcharge had provided a modest income test for better-off retirees and was an important part of that Accord agreement. In the last year of its operation it affected only 16 percent of recipients and few of these lost all their entitlement. The abolition of the surcharge as an outcome of the Coalition Agreement 1996 left the state pension vulnerable to attack, as the pension was the only major portion of the welfare state to be delivered on a universal basis, in a climate that had seen an increase in the targeting of other kinds of benefits.

The Accord had stipulated that the net pension for a married couple should be adjusted by movements in the CPI until it moved outside of the range of 65 percent to 72.5 percent of the after-tax average wage. At this point it was to be linked to wage movements to give protection to relative living standards. The final mortal blow to any notion that an Accord could be resuscitated was delivered when the government announced in September 1998 that the wage band floor would fall to 60 percent (from the 65 percent floor that had just been breached). The justification was that the Asian crisis required a response. Then, a new taskforce (Taskforce 2000) was announced with many of the same objectives as given to the Periodic Report Group of 1997 that is to find ‘equitable and sustainable solutions’, by the end of 2000. To date, the activities of the taskforce have included an extensive public relations exercise, but political support remains limited to the New Zealand National Party and a few fringe parties.

In spite of all of the political uncertainties, the notion of a flat-rate, adequate pension has been resilient and popular. The 92.8 percent rejection of the compulsory private scheme put to referendum in 1997 is an indication that few New Zealanders want radical change. However without the Accord, there is no agreed process for change, and no commitment for the future provision of a state pension that is enough to allow for a
reasonable standard of living. There are dangers in decoupling the link to wages with an increased reliance on price indexation as the UK experience shows. In the UK, one-third of pensioners requires a means tested top-up payment, and the level of the basic pension is projected to fall from 19 percent of the average wage today to around seven percent in 2030. New Zealand is in danger of emulating that outcome.

In the meantime, not much attention is being paid to other issues of concern to an ageing population, such as the needs of housing and the funding of long term care and health.

LONG TERM CARE

Apart from New Zealand Superannuation, which is income that cannot be gifted away or disguised in trusts, there is no explicit collective insurance provision for the old against the possibility of long-term care in New Zealand. The costs of the subsidy are met from the state and the balance from the pensions and other resources of the old person and their family. Many of the features of long-term care make it an unlikely candidate for private insurance. In particular, those most in need are the ones most unlikely to be able to pay an actuarial premium. Women live longer than men, have fewer resources and are much more likely than men, at each age over 65, to be in long-term care (Statistics New Zealand 1995).

New Zealand has a tradition of a highly targeted and in many respects, inequitable, approach to the funding of long term care for the elderly. This stands in contrast to the simple, flat rate universal approach for the tax-funded pension. While there has been much debate about the issue of long term care in other countries, such as Japan and the UK, little discussion is ensuing in New Zealand.

Rest Home Means Test

In July 1993 The Rest Home Means Test was extended to all other institutional forms of long term care for the elderly. Asset testing for rest homes had been in place since 1961, while public hospitals and private geriatric hospitals had been treated more leniently. This ‘level playing field’ approach seemed logical and equitable but once the changes began to bite in early 1994 there was an explosion of rage from the elderly community. The government ignored calls for a full review by an independent working party or multiparty group, and a Private Member’s Bill to abolish asset testing failed to pass in the House. Instead, some changes to the regulations were announced. The niggardly treatment of prepaid funeral expenses was rectified by exempting this payment from the asset test and a cap was introduced to limit private contributions to $636 a week for those in ‘appropriate’ care.

The limit for the asset test was doubled from $20,000 to $40,000 for a married couple with one spouse in care. This increased the gulf between the treatment of the married person with a ‘spouse’ still in the community and a single person without dependants who could keep only $6,500 with no exemption for the family home. A married couple, both in care, were effectively treated like two single people.

The Coalition Agreement 1996 promised to remove the income and asset test for geriatric care in a public hospital and the asset test for care in a private geriatric hospital. This promise was to be implemented on 1 October 1998, but was never enacted. In its place, some increases in thresholds for asset testing were announced.
The asset test exemption for married couples with one spouse in long stay care is now $45,000, with house, car, personal effects and prepaid funerals (up to $10,000) remaining exempt. A single person without dependent children may retain $15,000 with no exemption for the family home. A married couple, both in care, has a joint exemption of $30,000.

The amount of subsidy for those who pass the asset test, is based on the difference between the fee-for-service rate and the resident’s total income from all sources. The government provides up to $29 per week for those who pay full fees but who do not have enough income left for a personal allowance. The income of the spouse is counted on a dollar for dollar basis in the income test. When the spouse is working, the exempt amount for this test is $28,927 of that spouse’s earnings where there are either no dependent children or only one child. For three or more children, the exemption is $36,553 (Minister of Health 1996). These thresholds have not been not changed. Also exempt is income from any benefit, and income from assets below the threshold levels. There is no allowance for older children at tertiary institutions who may also be dependent.

### Analysis of the Subsidy Arrangements

The winners and losers of long-term care policy have not been carefully identified. Wealthy residents in expensive hospitals, who can pay high fees entirely out of the income from their assets, now retain more of their income. As the cost of intensive hospital care is more than $1000 a week, the cap effectively subsidises their further asset accumulation. This may then be bequeathed in full, as estate duties have been abolished.

Tax policies of recent governments have also persistently favoured the high income earner and failed to implement a proper capital gains tax, such as applies in virtually every other developed country. The wealthy can accumulate assets unimpeded while a small group of very unfortunate middle income New Zealanders and their families believe that they are subject to punitive tax extraction.

Even with the modifications, for those who are actually running down their assets to pay fees, asset stripping proceeds as before, even if for some, depletion with the cap takes a little longer. While the 1998 changes to the thresholds were welcome, the issues identified in 1994 have not been solved.

One of these issues concerns the use of the married couple as the unit for the income and asset test. In the last two decades, social change has been rapid with increases in two earner households and much more diversity in family types.

“The asset testing regime depends on stereotypes and assumptions about the family and marriage that are less relevant to a growing number of people. Under the Human Rights Act 1993 discrimination is now illegal if it is based on family or marital status. It seems a pity therefore that the opportunity to review the issue in the context of the 1990s has not been grasped.” (St John 1994)

Under the revised (1998) asset test, the married person in care with a spouse in the community is still treated better than a single person with a non-marital partner or other close companion. The discrimination is reversed for the income test. Unless classified as a de facto spouse, the income of a person living with the single person who goes into care is not taken into account. For married couples (including de facto but not same sex), joint income must be used to pay for the partner in care. The spouse at home
must contribute all his or her ‘unearned’ income over and above income on exempt assets. The income test applies regardless of whether or not the $45,000 exempt under the asset test has actually been accumulated. Even if this capital sum is available at the time when long-term care is required, the spouse in the community may have to replace assets such as the car, and pay for repairs and maintenance. Thus the exempt sum may be used up before retirement and the restrictions on what may be earned make it unlikely that a younger spouse would be able to save for retirement. The sum of $45,000 should also be put in perspective; for a woman it represents an annuity of just over $3,000 at age 60.

Some of the anomalies of the existing scheme are obvious. The family home is exempt for a couple so long as the spouse or dependent child continues to live in it, no matter what its value. A couple with one in care, without a family home but with cash assets must run these down to $45,000. However, if they owned a valuable home, $45,000 and other exempt investments they would be eligible for the full subsidy. A private pension is partly a return of capital but only features in the income test, where one-half is counted.

Older people who entered care on or after 1 October 1995, may recognise caregiving by gifting up to $5000 per year for up to five years retrospectively. But under current administrative rules, gifts in excess of $5000 for each of the five years prior to accessing the subsidy may be included in the asset test. Thus the ability of an older person to balance out obligations and responsibilities to family members may still be compromised in a way that causes considerable pain and unfairness.

Asset testing may also have a marked disincentive effect on saving for retirement for some people, far greater than that engendered by the surcharge on New Zealand Superannuation. The spectre of asset testing and the fear of departmental probing may encourage an inappropriate early divestment of assets with an unfortunate loss of autonomy for the older person. There are several books on trusts that quite openly describe the ways in which the asset testing rules may be avoided. (See for example, Holmes 1997). To the extent that trusts are more widely used as an effective means of asset protection, the more arbitrary and ineffective asset tests become as a means of funding long-term care.

The lack of regular adjustment of the subsidy for long term care is already proving to be a problem. Costs of rest home providers are rising as is the level of frailty of residents. Capped budgets faced by purchasers, the ageing of the retired disabled population and the intensification of avoidance of the asset test are all producing pressures on quality care provision.

At present, about 28,620 people are in long-term residential care, or around 6 percent of those over 65 years of age. Of these, two-thirds qualify for a subsidy. The cost to government of the long stay subsidy is around $450m or nearly 9 percent of gross New Zealand Superannuation payments. Some of this cost is attributable to the use of asset protection mechanisms. Around 100,000 New Zealanders now have trusts, and the numbers are increasing rapidly as an aggressive campaign setting out the need for them gets underway (Stone 1998). It has been suggested by one senior IRD analyst that a ‘look through’ rule should apply to trusts when assets are not at arms length and are still controlled by the person facing the means test (Frawley 1995). Reform of trust legislation is no easy matter however and a modification of the means test is another option.
A direct contribution from individuals for their long-term care will always be required and is a reason why people should be expected to save for their own retirement. Nevertheless there is a strong case for paying for the long term care of the elderly more equitably than is currently the case. While no panacea, the idea of a social insurance scheme funded by contributions by all over the age of 45 may have merit.

**PRIVATE PENSIONS**

Private pensions are an obvious source of income for long term care; they cannot be gifted away or hidden in trusts. They provide the valuable insurance function of transferring the costs of old age care from those who live longest, and hence are more likely to need care, to those who die young.

Private pension provision in New Zealand occupational schemes is now the preserve of a relatively small fraction of the working age population. Saving for retirement is largely considered a matter for individual choice, with some special features of the New Zealand system that are operating to the discouragement of the traditional employer-subsidised schemes. The tax-funded nature of the state pension itself can be regarded as the core compulsory arrangement for most workers. They may choose to supplement the state pension with saving in a wide variety of ways, including repaying the mortgage on their own home or investing in their future earning capacity by undertaking education.

The theory has been that the form of saving should not be determined by differential tax treatment between savings products. Neither is it deemed to be in the best interest of savers to compel them to save at certain times in their lives, at certain prescribed rates, in narrowly defined products.

**Decline in Membership**

Overall, only around 11 percent of all individuals over 65 have income from an occupational pension scheme or a private pension. Of the current workforce, membership of occupational schemes has been declining. New schemes have tended to be defined contributions schemes, reflecting a shift away from defined benefit schemes (Periodic Report Group 1997a, p.184). It is clear that men are much more likely to make contributions, and when they do, are much more likely to make larger contributions than women. Higher income contributors are also more likely to have matching or greater contributions from employers.

Including the Government Superannuation Fund, which closed to new members in June 1992, total membership of employment based schemes was 25 percent of all employed people in 1990, dropping to 19 percent in 1997. Total assets, inclusive of the GSF, were $11.6 billion in 1990, rising to $13.1 billion in 1997 (Periodic Report Group, 1997 p.183).

There are three major likely reasons for the fall off in membership and assets. The first is the change to taxation. Tax incentives were fully phased out between 1987 and 1990. The second is the imposition of regulations and requirements. The third is that changes in the labour market have led to a shift towards compensation in the form of total remuneration packages, whereby the employee chooses the nature of the savings instrument and how much to save in it, while the employer's role may be minimal or advisory only. The fluidity of the labour market, increased casual employment/ self employment, higher part-time work of both men and women contract work have all
called into question the appropriateness of the design of the traditional employment based scheme with long vesting periods.

There are severe problems for formal superannuation saving implied by the tax cuts of 1996 and 1998. For those who are on a marginal tax rate of 21 percent, taxing employer contributions to super schemes and fund earnings at the top rate of 33 percent is clearly penal. As well, such schemes are taxed on their capital gains and must meet new disclosure rules under the Securities Amendment Act 1996 and the Investor Advisors (Disclosure) Act 1996, both of which came into force on 1 October 1997. These issues are proving intractable and the recent exercise design to remedy the situation appears to have stalled (Taxation of Life Insurance and Superannuation Fund Savings 1997).

Pensions are likely to continue to decline in importance in the retirement income mix, while the direct investment in assets and trusts increases. The annuities market is thin in New Zealand with few people voluntarily choosing to buy an annuity on retirement. The market is unlikely to develop without considerable state regulation, intervention and even subsidisation.

Older Workers

The large baby boom cohorts that are marching to their retirement which begins in the year 2010, a mere decade away, are experiencing a very different time in the workforce to that of their parents. The trends are to less traditional full time work, early retirement or part time work. The options for the income support for those in this age group who cannot earn sufficient in the market are extremely limited. The Transitional Retirement Benefit, which was introduced to ease the problems for those caught out by the sharp rise in the age of eligibility for the state pension from 60 to 65 years by the year 2001, is due to be completely phased out by 2004. There are no flexible part pension options in New Zealand, and the major form of support for the otherwise able, out-of-work older person is a minimal, tightly targeted community wage with work requirements. The community wage has not been designed with long-term income support in mind and the danger is that many more older New Zealanders are likely to reach retirement with their assets depleted.

CONCLUSION

The New Zealand system for retirement income provision has been simple, egalitarian and unique. The retired have not to date been conspicuous in the population as experiencing difficulties because of inadequate income. This achievement may be regarded as a real success story. In light of the rapidly changing nature of the workplace and the lower ability of older working age persons to save for their retirement, a sound and adequate state pension spreads the risks associated with rapid change. Thus the New Zealand model may be a good model for the future. Nevertheless, New Zealand Superannuation is under threat from possible future attacks now there is no agreed process of policy adjustments, such as provided by the 1993 Accord. In addition, there has been no policy agreement for funding arrangements for long-term care and the inequities which affect mainly middle income families are severe.

A further weakness in the New Zealand approach is that private pensions are declining as a form of retirement income. It can be argued that there are social advantages if the retired are encouraged to take their saving in the form of annuities or pensions. Such income distributes the risks of living a long time. It also facilitates the funding long-
term care from income. When assets instead are held, their early dissipation or diversion via gifting can preclude their use for long-term care. In light of the ageing of the population, New Zealand may have to re-examine the tax penal arrangements for pensions and annuities. If this was the case, the New Zealand retirement income system could evolve into a three pillar approach: first, state pension at adequate but basic level, second, state-encouraged pension to spread the risks of living a long time and to provide some continuance of living standards, and third, voluntary private savings and assets. Long term care might be funded by the individual's state pension, the individual's private pension and other income, and a long-term care insurance plan paid for by a separate compulsory levy on income of the retired (with exempt amounts) and possibly those in the workforce over a given age.

References


