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**FRAMEWORK FOR ACTION: TOWARDS AN INCLUSIVE SOCIETY**

(Item 4 of the provisional agenda)

*Note by the secretariat*

**SUMMARY**

The development outcomes of the past have led to some fundamental changes in the concept of social development at large and the role of social policies and social protection instruments in particular.

There is a need for comprehensive and transformative social policies to address a multiplicity of objectives, which include equity, social inclusion, and human capital formation. To achieve this, a multidisciplinary approach, which incorporates social, economic, cultural and environment aspects of development, is called for.

A broad framework for formulating social policy, namely (a) reducing disparities and (b) managing risks and challenges, is recommended, but it must be borne in mind that a country's social policy should be a natural product of its markets, communities and households and should be formulated in the context of that country's traditions, institutions, culture and values as well as the availability of financial resources.

Finally, national efforts need to be complemented by various forms of regional, cross-border cooperation that could serve as a stepping stone to socially just globalization.

\* The late submission of the present document is related to the recent restructuring of the conference structure of the Commission, which was approved by the Economic and Social Council only in July 2008.

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## **I. OVERVIEW**

### **A. Introduction**

1. The world economy has experienced unprecedented growth in the past five years. Globalization has created extraordinary new opportunities, which have been a major contributing force behind recent growth in the world economy. This has enabled many developing countries to make significant economic progress, achieving, on average, 5 to 6 per cent growth. The Asia-Pacific region has experienced some of the world's highest growth with countries such as China, India and the Republic of Korea driving the global economy. In the past decade, Asia-Pacific developing countries doubled in size, growing at over 7 per cent per annum on average. Millions of people have been lifted out of extreme poverty and many developing countries have also been able to make some progress towards achieving the Millennium Development Goals.

2. The proportion of people living in extreme poverty fell from nearly 33 to 19 per cent globally. The Asia-Pacific region has the distinct record of freeing more than 350 million people from extreme poverty between 1990 and 2004. If current trends continue, most countries of the region will achieve the goal of halving the proportion of people living in extreme poverty. There has also been progress made towards many other Millennium Development Goals, such as improving education and providing health care services. Many of these significant advances are made by countries in South and South-East Asia.

3. Despite the impressive performance of developing countries as a whole, inequalities persist, both within and between countries. Many countries, in particular the least developed and landlocked countries of the region have been left out. While East and North-East Asia recorded the fastest growth, at 8.6 per cent, Pacific island economies grew at only 2.8 per cent. About 30 least developed and Pacific island economies in Asia and the Pacific are experiencing growth rates that are insufficient to meet their development needs. These countries have been unable to reduce poverty or ensure broader human development.

4. Even within the faster growing developing economies, some segments of the population have continued to be excluded from the benefits of economic growth. At present, the region is home to some 640 million people who subsist on less than \$1 a day, and income inequalities have risen in 14 countries in the region out of 20. In spite of economic growth, some countries face critical "social gaps", which need to be addressed to ensure that the current process of development becomes more inclusive.

5. To summarize, while development has benefited many countries globally as well as several countries of the region, some developing countries are left out, and even in countries that have benefited, there are communities and sections of the population that have not been included. It is

evident that countries of the Asia-Pacific region need to focus on inclusive and sustainable development which provides opportunities for communities that are at risk and ensures that the fruits of growth and development are shared more equitably.

### **B. Present context of social policy**

6. The development outcomes of the past have led to some fundamental changes in the concept of social development at large and the role of social policies and social protection instruments. It is becoming increasingly evident that fragmented approaches to reducing poverty, inequality, unemployment, social exclusion, vulnerability, social conflict and the feminization of poverty have not brought about the desired results either in the global or the regional context. The need to build a stronger social foundation through comprehensive social policies is brought to the forefront of the national as well as global development agendas.

7. Comprehensive policies that support the coherent use of social, employment and economic policy instruments to generate jobs, to regulate economies and to provide social protection with the aim of boosting productivity and domestic demand, and to achieve pro-poor growth are now considered to be essential part of balanced, socially, economically and environmentally sustainable development.

8. The core message of United Nations Conference on Environment and Development (Rio de Janeiro, Brazil, 1992), was that sustained growth and development is a product of simultaneous social, economic and ecological considerations. It was also concluded that enhancing social development is the key to building a more sustainable future. People, rather than economic or other institutions, should be the focus as beneficiaries and agents of action.

9. This approach to social policy was further strengthened during the World Summit for Social Development (Copenhagen, 1995), at which the Governments of the world agreed on the principles of equity and social justice as the objectives of development. The Governments further committed themselves to an improved and strengthened framework for international, regional and subregional cooperation for social development.

10. Nonetheless, in the 1980s and 1990s, the “liberalization-privatization-deregulation” approach, which favoured minimal State involvement, dominated development policies. This approach was characterized by a tendency to prioritize economic growth in the belief that the trickle-down effect would eventually bring the benefits of economic growth to all. The role of social policy was conceptualized as a residual category of “safety nets” that merely counteract policy failures or development disasters. However, subsequent development outcomes showed that the supposed trickle-down effect did not occur in any significant manner. Only 4.2 per cent of world’s growth reaches the poor bottom half of the world’s population. Further, inequality has risen within and among

countries.<sup>1</sup> It became increasingly evident that the “growth first” agenda ignored the social costs of economic reforms. The current paradigm of social policy interventions is therefore evolving towards addressing these challenges.

11. The UNDP human development framework defines development as the enlarging of people’s choices. The human development approach is people-centered, and supportive of pro-poor growth. This framework pointed out that human development requires economic growth but it is not enough; firm policy actions are required to translate growth into human development, which provided a further refined approach to development.

12. An inability to consider human aspects have often resulted in the failure of policies to achieve the desired outcomes, especially when macroeconomic policy formulations and implementations are done without appreciating those for whom the benefits are meant. For example, the plight of a farmer struggling to reach markets because of poor infrastructure or of mothers with no means of income to support their children is often ignored. If common people were ensured their entitlements and rights through an appropriate mix of policies, all these people could contribute to accelerating progress and reducing poverty. They need support, better infrastructure, better opportunities, which means that they need a better policy framework within which they can achieve their personal goals, which will, in turn, further the achievement of national goals.

13. In addition to addressing the challenge of persistent inequalities, there is also the need to identify emerging and upcoming risks and challenges stemming from recent events and trends, assess the ways in which they affect various sections of society, and formulate policies to mitigate their adverse impact. There has been a major restructuring of the global economy, with profound implications for the lives of people around the world. They have exposed countries and populations to a wide variety of risks. Global competition is leaving new forms of insecurity in its wake along with the exacerbation of inequality and the persistence of older vulnerabilities.

14. “Risks” refers to uncertain events that can damage the well-being of an individual, such as the risk of becoming ill, and also those that affect communities, States or nations, such as floods or drought. The risks in question can also manifest themselves in adverse events or “shocks” that create downward pressures or fluctuations. The sources of risk may be natural (floods) or the result of human activity (rising food prices). They may be one-off (a single shock), bunched up with other risks, or repeated over time.

15. The presence of such risks implies that there are no static “vulnerable groups”. A crisis may erupt at any time and may leave people unable to cope. Every person is thus vulnerable. Poor people

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<sup>1</sup> United Nations Department of Economic and Social Affairs, *Report on the World Social Situation: The Inequality Predicament*, ST/ESA/299, August 2005; and Woodward and Simms, “Growth is Failing the Poor: The Unbalanced Distribution of the Benefits and Costs of Global Economic Growth”, Department of Economic and Social Affairs Working Paper No. 20, ST/ESA/2006/DWP/20, March 2006.

are often among the most vulnerable in society because they have the most exposure to a wide array of risks. In fact, even “poor” is not a static group, as one can fall into poverty at any time. Hence, any measures to tackle poverty should involve trying to achieve a state where households have enough to consume both now and in the future.<sup>2</sup> The rationale for a public policy response arises from the need to mitigate the outcomes of these risks on individuals and/or communities. The scope of social policy should thus be expanded to encompass the function of social risk management, which stops people falling below an accepted minimum.

16. Social policy must therefore include a wide range of instruments aimed at managing risks and their consequences for those who are already affected as well as those who are potentially affected. Further, it should enhance all people’s capacities to manage risks, to become active agents in the society and participate in development.

17. For social policy to achieve a broad, overarching goal of equity, and for empowerment to ensure fair distribution of the proceeds of globalization as well as security from increasing risks and vulnerabilities, concrete actions in two major strategic directions are called for: (a) reducing disparities, and (b) managing emerging risks and challenges.

## II. SCOPE OF INCLUSIVE DEVELOPMENT

18. The United Nations advocates building a strong social foundation and creating a comprehensive framework for social and economic development. The idea of a comprehensive approach to social policies is grounded in the understanding that economic growth is a necessary but not sufficient condition for socially just development.

19. In his report to the Commission for Social Development at its forty-third session (E/CN.5/2005/6), the Secretary-General called for a multifaceted policy approach towards creating a “society for all”. He called for institutional changes and the involvement of people themselves, as active agents of their own development, and reaffirmed that people-centred development strategies require that human rights, equity, social and health considerations be integrated in all policies so as to empower people to participate in development.

20. Some examples of this expanded paradigm of social development policies as compared with the policies adopted in the recent past are given below:<sup>3</sup>

(a) *From* making growth a priority through deregulation, free markets, supply-side economics, minimalist governments, residual social policies *to* growth and equity through active promotion of integration of social and economic development and the need to bring a distributive and social perspective to all policy agendas;

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<sup>2</sup> Naila Kabeer, *Mainstreaming Gender in Social Protection for the Informal Economy* (London, Commonwealth Secretariat, 2008).

<sup>3</sup> Isabel Ortiz, “Social policy”, national development strategies, policy notes, Department of Economic and Social Affairs, 2007 (available online at [http://esa.un.org/techcoop/documents/PN\\_SocialPolicyNote.pdf](http://esa.un.org/techcoop/documents/PN_SocialPolicyNote.pdf)).



(b) *From* cuts in public expenditure to avoid fiscal deficits *to* public investment for development, producing the need to expand the fiscal space of governments;

(c) *From* disregarding culture and values because they are intangibles *to* acknowledging the importance of culture and values for addressing exclusion and fostering social cohesion.

21. Using the above paradigm to address the important issue of social protection would involve moving away from regarding vulnerable and marginalized groups as “victims” to a proactive approach in which they are viewed as *active agents*. The role of social protection would encompass four different dimensions: (a) protective measures that provide relief from deprivation; (b) preventive measures which seek to avert deprivation; (c) promotive measures aimed at enhancing real incomes and capabilities; and (d) transformative measures to address concerns of social equity and exclusion.<sup>4</sup>

22. The problems of vulnerabilities are often tackled without considering underlying structural inequalities that both produce them and reproduce them over time. Therefore, in order for these policies to bring about social transformation, they need to address power imbalances in societies that encourage, create and sustain longer-term vulnerabilities. Hence a *transformative agenda* is needed to address causes as well as symptoms. Social policies which are transformative in nature not only undertake measures to reach out to socially excluded or economically exploited groups (for example, shelters for battered women), but would also focus on challenging and transforming existing practices and norms of the society that are harmful in nature (for example, child marriage). The scope of social policy therefore has to be expanded to encompass the function of *social risk management* that stops people falling below an accepted minimum.

23. The role of social policy should be expanded to incorporate both *ex ante* measures (those that are put in place to prevent crises) as well as *ex post* measures (those that help people cope once a crisis occurs).

#### **A. Managing emerging and persistent risks**

24. Under item 5a of the provisional agenda, the Committee will examine the social implications of emerging challenges and threats to development currently facing the Asian and Pacific region, with particular reference to food insecurity. Strategies, approaches and measures to manage risks posed by food insecurity through social policy and social protection will be discussed (see E/ESCAP/CSD/2).

25. An important area which requires attention is the challenges arising from population dynamics and family changes. Fundamental changes in the population age structure are being brought about by the ongoing process of demographic transition in the Asia-Pacific region; the most notable change is an increase in the number and proportion of youth, which will eventually lead to an increase in the number and proportion of older persons. Many developed and developing countries in the

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<sup>4</sup> Stephen Devereux and Rachel Sabates-Wheeler, “Transformative social protection”, Institute of Development Studies (IDS) Working Paper 232, United Kingdom, October 2004.

region are already experiencing rapid population ageing as a result of falling fertility rates and an increase in life expectancy. Within the older population (age 60 and above), the proportion of “oldest old” (those aged 80 years and above) increased from less than 7 per cent in 1950 to more than 11 per cent in 2000. It is projected to increase further to 13 per cent by 2025 and exceed 19 per cent by 2050.<sup>5</sup> In most Asian countries, the norm has been for older persons to co-reside with family members who take care of them. However, this traditional arrangement guaranteeing family support of the elderly has been undergoing some change. This support base has reduced significantly and can be expected to shrink further due to the nuclearization of families, as well as migration both within and outside the country. Special attention needs to be paid to the formulation of policies to cater to the needs of youth and older persons.

26. Building an inclusive society by promoting the well-being and active participation of the above groups is high on development agenda both nationally and internationally, as is reflected in one of the objectives of the Programme of Action of the International Conference on Population and Development.<sup>6</sup> These objectives were also reflected in the Madrid International Plan of Action on Ageing,<sup>7</sup> the Plan of Action on Population and Poverty adopted by the Fifth Asian and Pacific Population Conference,<sup>8</sup> and the World Programme of Action for Youth to the Year 2000 and Beyond<sup>9</sup> (see E/ESCAP/CSD/3).

27. Another source of persistent social imbalance in the region is the provision of health-care services. Of all people who do not have access to basic health care or sanitation, almost 70 per cent live in the Asia-Pacific region. In a region whose medical tourism hubs attract patients from all over the world, it is disheartening to note that maternal mortality has gone up in some countries, 4 million children die every year before reaching the age of five and the majority of poor people lack access to adequate health-care facilities. Countries in the region need to address health-related risks, including HIV/AIDS, avian influenza and the impoverishing effects of out-of-pocket health expenditures. In that regard, there is a need to strengthen health systems comprehensively and improve health-financing mechanisms to ensure equitable access to health care and to protect individuals from the effects of catastrophic health-care expenditures (see E/ESCAP/CSD/4).

## **B. Reducing disparities**

28. As indicated above many countries in the region continue to have social imbalances that manifest themselves in social exclusion and discrimination, preventing vulnerable sections of the

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<sup>5</sup> United Nations Population Fund, *Population Ageing in East and South-East Asia: Current Situation and Emerging Challenges* (Bangkok, 2006).

<sup>6</sup> *Report of the International Conference on Population and Development, Cairo, 5-13 September 1994* (United Nations publication, Sales No. E.95.XIII.18), chap. I, resolution 1, annex.

<sup>7</sup> *Report of the Second World Assembly on Ageing, Madrid, 8-12 April 2002* (United Nations publication, Sales No. E.02.IV.4), chap. I, resolution 1, annex II.

<sup>8</sup> E/ESCAP/1271, annex I.

<sup>9</sup> General Assembly resolution 50/81, annex.

population from accessing basic services and keeping them exposed to various risks. Policymakers therefore need to target those who have been facing a constant lack of opportunities and have been denied adequate access to basic services, labour markets or infrastructure for their development. Effective policies in this regard would require policymakers to examine the causes of persistent exclusion, which are often rooted in inequality within a society, with subordinate groups facing pervasive uncertainty vis-à-vis their livelihoods and life chances along with greater exposure to particular types of shocks. There is a need to recognize that those who are unable to meet their basic needs are not in a position to lift themselves out of their predicament; reliable social protection policies are required in order to help prevent irreversible losses of human and social capital and break the intergenerational cycle of poverty and exclusion.

29. For example, despite nearly equal numbers of men and women, women have had fewer opportunities in a number of areas—such as access to health services, nutrition, education, employment, productive resources, income generation, and assets—throughout their life cycle.

30. In addition, women are subjected to many forms of violence that contribute to continuing exclusion and gender-based disadvantages. The persistent exclusion of women in the development process is structurally related to the way economic and social systems function; that is, systems are embedded with mechanisms that limit women's access or marginalize them.

31. Well-designed policies that recognize and attempt to overcome the barriers to women's advancement can not only achieve their immediate goals of social protection, but also contribute to the wider goals of economic growth, human development and social justice. Given this fact, appropriate social protection policies are not only crucial from a gender perspective but could be a major contributor to inclusive economic and social development. In this connection, various social protection policy options for countries to reduce gender-based disparities and promote gender equality will be discussed under item 6(a) of the provisional agenda (see E/ESCAP/CSD/5).

32. In many developing countries of the region, persons with disabilities have been largely excluded from the development process. They are made passive members of society, invisible to most. They are often unemployed or underemployed and lack access to housing, health, education or other social services. They are not able to exercise their civil or political rights and are not given the chance to expand their capacities or capabilities. There is a need to recognize that the active participation of persons with disabilities is an integral part of inclusive and sustainable socio-economic development. In this regard, countries need to promote an inclusive, barrier-free and rights-based society for persons with disabilities in line with the Biwako Millennium Framework for Action<sup>10</sup> and the Convention on

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<sup>10</sup> Biwako Millennium Framework for Action towards an Inclusive, Barrier-free and Rights-based Society for Persons with Disabilities in Asia and the Pacific (E/ESCAP/APDDP/4/Rev.1) (see Commission resolution 59/3 of 4 September 2003) and Biwako Plus Five: Further Efforts towards an Inclusive, Barrier-free and Rights-based Society for Persons with Disabilities in Asia and the Pacific (E/ESCAP/APDDP(2)/2) (see also Commission resolution 64/8 of 30 April 2008).

the Rights of Persons with Disabilities,<sup>11</sup> and this will be discussed under item 6(b) of the provisional agenda (see E/ESCAP/CSD/6).

### **III. REGIONAL COOPERATION**

33. National efforts need to be complemented by various forms of regional, cross-border cooperation to tackle transboundary issues. Such cooperation can cover, among other things, health (especially communicable diseases, e.g. Avian Influenza); labour (e.g. migration agreements, portable pensions); human trafficking (e.g. COMMIT); disaster management and early warning systems and human rights (e.g. possible ASEAN human rights body).

34. Regional cooperation in social development can be fostered through various means, including the following:

- (a) Strengthening the social pillars of subregional bodies, such as ASEAN and SAARC;
- (b) Pooling training and research facilities;
- (c) Strengthening regional social science research capacity, cooperation and coordination;
- (d) Having regional United Nations bodies, such as ESCAP, facilitate the sharing of good regional practices and promote further development of regional social policies.

### **IV. CONCLUDING REMARKS**

35. Rapid globalization in a world with clearly increasing social, environmental and economic vulnerabilities has forced countries to revisit the Rio and Copenhagen agendas of promoting sustainable development and building inclusive societies.

36. Comprehensive social policies with redistributive, regulatory and rights-supporting functions are required.

37. Social policies need to address a multiplicity of objectives that include equity, social inclusion, and human capital formation and lead towards a transformative agenda.

38. To achieve this, a multidisciplinary approach incorporating social, economic, cultural and environment aspects of development and requiring tools and institutional processes for policy integration is called for.

39. The responsibility for achieving these outcomes does not only rest with the State; the private sector, civil society and the citizenry at large would need to play increasingly proactive roles. Partnerships and multi-stakeholder platforms as well as the inclusive process of involving relevant stakeholders in planning, design, implementation and monitoring would enable new information and

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<sup>11</sup> General Assembly resolution 61/106, annex I.

perspectives to be brought to bear on the outcome and a better balance of social, economic and environmental concerns to be achieved.

40. Even though the broad framework for formulating social policy, namely (a) reducing disparities and (b) managing risks and challenges, applies to every country, such policies should not fall into the trap of “one size fits all” prescriptions. A country’s social policy should be a natural product of its markets, communities, and households and should be formulated within the context of that country’s traditions, institutions, culture and values as well as the availability of financial resources.

41. Finally, national efforts need to be complemented by various forms of regional, cross-border cooperation that could serve as a stepping stone to socially just globalization.

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