SOCIAL POLICY IN EAST ASIA AND THE PACIFIC AREA IN THE TWENTY-FIRST CENTURY: CHALLENGES AND RESPONSES

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Tony Eardley
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Abstract

This paper adopts a broad regional perspective to review some of the major challenges currently confronting social policy in Australia and other Pacific rim countries. It begins by making the distinction between social policy and social protection and notes that the development of a welfare state is only one possible means through which governments can achieve their social goals. Recognising the specificity of the Western welfare state is an important ingredient to any comprehension of social policy which has broad significance to the region given the different forms and development of social policy currently in existence. Three main social policy challenges are then identified and discussed. They are the economic challenge, the demographic challenge and the political challenge. The broad elements required of any effective response strategy are then outlined and a brief review is undertaken of some recent initiatives that are consistent with the evolution of a regional framework for the analysis of social policy.
1 Introduction

The latter half of the twentieth century has been a period of unprecedented economic growth and rising prosperity. Although these achievements can be easily lost sight of in developing countries where poverty and suffering are still widespread, even there economic growth has raised average living standards by an amount which was inconceivable fifty years ago.

Yet this growing material prosperity has benefited only small sections of the population in many countries. The United Nations, in its latest Human Development Report has documented the large and growing inequalities between rich and poor, both within and between nations (United Nations Development Programme, 1996). In Western industrial countries, market liberalisation has produced spectacular economic gains for the few, but placed more people in poverty or at risk of it. In developing countries, the emergence of an affluent middle class has highlighted the continued and increasingly unjustifiable existence of severe poverty.

Economic growth may be necessary to eradicate poverty, but growth alone is not enough. Throughout the world, the ‘trickle down’ theory of economic development has been put to the test and found wanting. Economic growth makes the task of alleviating poverty easier, but growth will not automatically eradicate poverty. Transfer programs are needed to relieve poverty and achieve distributive justice.

The quality of people’s lives depends both upon their material circumstances and on the opportunities and protection offered to them in the society in which they are living. Economic development can guarantee the former, but not the latter. Achieving social protection requires political engagement within the context of a civil society which balances individualism and competition against collectivism and cooperation. Social development will not emerge automatically from the growth process. It has to be planned and, having been planned, it has to be managed.

This is the primary goal of social policy in its broad sense. The task for government is to implement social programs to achieve social
development which do not obstruct the process of economic development. That task is proving increasingly difficult in a world economy characterised by global integration, international competition and national uncertainty. Social programs are under constant scrutiny and criticism because of their cost and alleged detrimental effects on incentives, independence and initiative - the driving forces of the market economy. International agencies like the International Monetary Fund (IMF) and the World Bank have encouraged this process by casting doubt on the benefits of social programs and emphasising their negative budgetary consequences.

The 1995 General Assembly of the International Social Security Association (ISSA) concluded that social security systems throughout the world, the main pillar of social protection in most countries, are approaching a ‘historic set of crossroads’. Difficult choices will have to be made to ensure the continued viability of social protection mechanisms. How these challenges are confronted over the next few years will have a major bearing on prospects for the twenty-first century.

This is the background against which this paper has been written. It describes some of the basic elements which are shaping the current debate over the role and nature of social policy from a regional perspective. It aims to identify the nature of the challenges facing social policies in order to clear the way for an analysis of possible responses. The discussion then considers the development of strategies for responding to these challenges, again from the perspective of the region as a whole. This raises the question of the value of adopting a regional perspective on these issues and how such a perspective can be facilitated.

A few words of caution are in order at the outset. It is not appropriate for a paper such as this to identify what individual countries should be doing to meet the social policy challenges they will face in the next century. This would be both unwise and presumptuous. There is, however, much to be gained from thinking collectively about the issues, if only because it seems implausible that international economic integration can exist without having important consequences for how nations address their social problems.
2 Social Policy and Social Protection

The goal of social protection has been pursued in different countries through a variety of different paths. These reflect national priorities and values, have been shaped by institutional structures and been encouraged, or at times constrained, by the availability of resources. In the process, social protection programs have grown in size and significance, not only in relation to their cost and impact, but also in relation to their economic, social and political significance. That development has meant that it is no longer possible to ignore social protection when discussing economic policy, any more than it is practical to ignore the economic consequences of social programs when addressing social policy.

The development of social protection in Western countries has been associated with the growth of the welfare state. That particular institutional expression of the goals of welfare has involved government in the provision and finance of a range of social programs designed to meet needs by offering income protection to vulnerable groups and to ensure widespread if not universal access to key community services such as education and health care and the provision of welfare services to those with special needs.

In these countries, the welfare state has become the main vehicle through which rising material standards of living and economic development have co-existed with the need to eradicate poverty and promote freedom, opportunity and fairness. The arena in which the trade-offs between these competing objectives have been articulated, debated and resolved is generally referred to as the ‘politics of the welfare state’.

It is important to recognise, however, that the kind of welfare state now familiar in Western industrial countries belonging to the Organisation for Economic Cooperation and Development (OECD) represents only one specific form of institutional expression of social protection. Even there, state welfare exists alongside a network of agencies providing welfare services, often on a voluntary basis. Both are in turn supported by mutual support and cooperation within the family, which remains a vital and important part of the overall welfare tapestry.
Many Asian countries have a similar overall welfare structure, but one in which the respective roles of each element are different. Here, family and voluntary activity play a central role in supporting a system of state welfare which is at times rudimentary - but also often misunderstood - by Western standards. The point to emphasise, however, is that there are many different forms of welfare, with no presumption that any particular form is superior.

Many Asian and Pacific countries view the evolution of the Western welfare state with a good deal of suspicion. Why, they ask, should we follow the state welfare path when it is becoming all too clear where it leads? The history and traditions of many of these nations have seen the evolution of a culture which is not conducive to, nor consistent with, the development of a formal welfare apparatus of the type which exists in the welfare states of Europe, Australia or the United States.

The main welfare tradition in many parts of Asia rests on the principles of familial responsibility and obligation. The values underlying these principles have given rise in some countries to what has been referred to as a ‘Confucian welfare state’ in which the extended family serves, through cross-generational reciprocity, both income support and caregiving roles. The institutional reformulation of these activities within a state apparatus, it is argued, is fundamentally inconsistent with the value system within which they have grown.

This gives rise to a question which lies at the heart of the current policy challenge. It concerns the extent to which economic and social development are allowed to be determined by the operation of market forces, as opposed to being influenced by state intervention in market processes. Where are the boundaries to be drawn between economic and social policy and how can they be monitored and, where necessary, re-drawn? From this perspective, the nature of state intervention is of secondary importance. What matters is to establish a role for the state in moderating the impact of market forces for the common good.

3 Similarity and Difference

There is an enormous variety in the extent to which formal welfare provisions currently exist or are being contemplated in the countries of
the region. Countries like my own, Australia, and others such as New Zealand and North America, already have an extensive welfare apparatus. In others, such as Japan, South Korea, Singapore and Taiwan, social welfare provision has only emerged since the 1960s. In Indonesia, Malaysia, Thailand and the Philippines, formal state welfare has an even shorter history. In Hong Kong, a public assistance scheme was introduced in 1971, but its scope remains limited and its future is uncertain.

The social policies that already exist in the region are having to deal with a great variety of social problems, ranging from poverty, destitution and homelessness through to workers’ compensation, child labour and crime. In the social security area, where policies have generally been most developed, they have been criticised for providing benefits primarily to those who are already most economically advantaged (Getubig and Schmidt, 1992). Because social security schemes have generally been of the social insurance or provident fund variety, their coverage has been restricted to government employees, the military and workers in the larger companies in the formal sector, thus exacerbating inequalities rather than ameliorating them.

The study of national social policy development within a comparative framework has grown rapidly over the last two decades, partly in response to the increased availability of comparative data published by agencies like the OECD and the World Bank. It also reflects a growing intellectual interest in understanding why countries have different policies, and what difference they make.

One lesson to emerge from this body of research is that ‘politics matters’, or at least that policies matter in the sense that the way in which social problems are identified and addressed in different countries produces different outcomes. There is, however, a key question surrounding the extent to which the past diversity in the policy response can withstand the pressures to conform which are accompanying the globalisation of the world economy.

It is virtually certain that the increased integration of the world economy will lead to a convergence of the economic circumstances and pressures facing individual nations. One leading scholar in the field has already
gone so far as to argue that an ‘international welfare state’ is needed to respond to the challenge of global economic restructuring (Townsend and Donkor, 1996). Although this may be somewhat premature, the available evidence reveals that there are substantial differences in the outcomes achieved under different national welfare policy regimes. Furthermore, these differences can be linked to the different policy regimes and institutional structures existing in each country. Somewhat paradoxically, the trend towards commonality in the economic context has made it easier to distinguish between the outcomes associated with different policy interventions.

Despite the differences in the maturity, form and substance of social welfare policies in the countries of the region, there remains a considerable degree of shared concern over the future directions which social policy should take. The form in which these concerns are expressed varies from place to place, but the concern itself is a common one, reflecting the anticipated impact of a number of economic, demographic and political factors.

4 The Economic Challenge

Reference has already been made to the social policy consequences of the increased globalisation of the world economy. Following the Uruguay Round of General Agreement on Tariffs and Trade (GATT) negotiations, a more open and liberal international trading framework has replaced the Bretton Woods structure which had dominated trading relations since the 1950s. Large trading blocks have been formed in Europe and North America, but free trade and capital mobility are the hallmarks of the new world economic order. This has produced a global market place within which all nations must strive for economic success through improved competitiveness.

Increased globalisation of the world economy is having fundamental consequences for the nation state. The highly respected American economist and current US Secretary for Labor, Robert Reich has emphasised in his influential book *The Work of Nations* that:

(Under)...the realities of the emerging global economy .....(where) almost every factor of
production - money, technology, factories, and equipment - moves effortlessly across borders, the very idea of a national economy is becoming meaningless ......The same transformation is affecting every nation, some faster and more profoundly than others. (Reich, 1993: 8)

These changes are so fundamental and far-reaching that their impact will extend far beyond the economic dimensions of modern life. This is often not realised, but it would be incorrect to believe otherwise.

This was acknowledged in the Copenhagen Declaration on Social Development released after the World Summit for Social Development held in 1995, where it was noted that;

....the global transformations of the world economy are profoundly changing the parameters of social development in all countries. The challenge is to manage these processes and threats so as to enhance their benefits and mitigate their negative effects upon people. (United Nations, 1995: 5)

There can be little doubt that social progress in all countries in the next century will depend very much on the ability to respond positively on the domestic front to these changes in the world economy. Social programs cannot be isolated from the winds of economic change, which pose a threat to social welfare provisions whatever their current manifestation.

Accompanying the macro-economic challenge of globalisation, another factor creating tension for welfare policies relates to the detrimental effects which social programs are alleged to have on the operation of market forces and the incentive structures which drive them. Social programs, it is claimed, create a culture of dependency and promote perverse incentive structures which weaken competitiveness and distort economic decisions.

Originally, this view was mainly predominant in the United States, although it now receives wider acceptance. It is difficult to deny that one of the lessons to be learnt from the social policy experience of the OECD countries is that poorly designed social programs will be both ineffective
and expensive. The development of political coalitions will also make them difficult to reform even after these problems have been identified. It is important to acknowledge, however, that social programs can and do work, as the success of pension systems in raising the living standards of older citizens in many countries demonstrates.

Overall, the available evidence does not support the view that social programs create damaging disincentive effects, nor that they are subject to widespread abuse (Atkinson and Mogensen, 1993). Even the claim that the taxes and charges imposed to fund social programs add to labour costs, reduce competitiveness and create unemployment is not supported by any hard evidence, as the Secretary General of ISSA has recently emphasised (ISSA, 1996: 7). There is clearly a need to ensure that social programs are designed so as to minimise any detrimental effects, but public debate on these issues continues to be based largely on speculation and personal bias.

5 The Demographic Challenge

Throughout the world, populations are ageing. In part, this reflects the success of social policies which have seen increasing living standards co-existing with better lifestyles and improvements in health care, which have resulted in a marked increase in life expectancy. At the same time, there has been a substantial decline in fertility. These two features have produced a substantial rise in the ratio of the older to the younger members of the population, and a continuation of these trends will see this ratio rising further in the early and middle decades of the next century (World Bank, 1994).

Although the current populations of most Asian countries are comparatively young, they are ageing very rapidly. In Japan, the World Bank estimates that by the year 2030 one third of the population will be aged over 60 (World Bank, 1994). By that time, more than one half of all of the old people in the world will be living in Asia, more than a quarter of them in China alone.

To put these figures in perspective, the percentage of the population aged over 60 in Asia is projected to rise from just over six per cent in 1990 to almost 21 per cent by 2050. In the countries belonging to the OECD, the
corresponding increase is projected to be from 19 per cent to 31 per cent. The average percentage of the population over 60 in Asia by 2050 is projected to be similar to that already existing in several European countries, including Germany, Italy and the United Kingdom. This alone suggests the task of adjusting to an older population is not an impossible one.

The World Bank estimates that, excluding China, if the past relationship between demography and public spending on age pensions continues, the percentage of national income devoted to pensions in Asia will rise on average from around two per cent in 1990 to 10 per cent by 2050. In China itself, the increase is projected to be from three per cent to over 13 per cent. In overall terms, many Asian countries will thus grow old before they grow rich, at least by the standards of today.

In addition to increases in the pension bill, population ageing will also lead to increases in spending on health and other forms of care for the aged. Experience in the industrial countries suggests the average cost to public budgets of older people exceeds the average cost of children by a factor of between 2.5 to 3.5 to one. Any cost savings associated with the decline in the numbers of children are thus unlikely to be sufficient to fund additional programs for the increasing numbers of older people.

At first sight, it might appear that ageing presents less of a challenge in the younger Asian countries. It has already been noted that social welfare provisions are less extensive in these countries. This suggests that the consequences of ageing for public budgets will be correspondingly less acute. Such complacency is, however, misplaced because it fails to comprehend the nature of population ageing from the point of view of society as a whole.

In most Asian countries there are currently three main systems of support for the aged. These are the formal public system of pensions and public services, a quasi-formal network of supports operating (generally at the village level) through mutual aid societies and voluntary agencies, and perhaps most importantly, the informal support system which is part of the extended family network referred to earlier.
The strength and durability of these two latter elements in part explains why the formal system of support for the aged is often less developed. However, the traditional role of family support which underpins the formal social security system, and in particular the pivotal role played by care within the extended family, are themselves under threat from the economic changes described earlier. In much of East Asia in particular, the main demographic problem, some argue, is that the demands of urban industrial employment are undermining the ability of the extended family to play its traditional caring, support and social protection roles (Esping-Andersen, 1994).

The dilemma these trends are posing for Asia is particularly acute. As Stella Quah (1996) has recently argued, the changes in the global economy are transforming the traditional gender division of labour and the resulting increase in the prevalence of the ‘dual-earner couple’ is further eroding the welfare roles of the extended family which relied upon the domestic labour of women.

In light of these trends, can economic growth be encouraged whilst protecting a family support system which is largely incompatible with the labour requirements of a modern growth economy? At some point, it is feared that the growth process may destroy those essentially Asian customs, values and traditions upon which the success of the Asian economies has been based. If so, the result will be increased material wealth accompanied by a lower standard of living and a reduced quality of life.

6 The Political Challenge

Social policies are shaped by economic forces, but they are also the outcome of political processes. The politics of welfare is the arena in which alternative groups and competing claims struggle to have their voices heard and their demands met. The concept of need, to which most social programs are directed, begins as an analytical construct, but ends up being refined in the political process. The play of political forces thus exerts a crucial impact on which social problems receive official recognition, which needs are legitimised and which amongst these attract resources.
Although democratic processes shape the evolution of social welfare programs, their ability to do so is itself under challenge as a result of two developments. The first is the ideological shift away from the values of justice and rights on which state intervention rests. Over the last two decades, there has been an increasing tendency to reject collectivism in favour of individualist solutions to public policy problems. The extent of this shift varies from place to place, but its underlying ethos is widely embraced. It is most apparent in the collapse of the former communist nations of East Europe, but the tide of anti-collectivist individualism is as apparent in London, Bonn or Paris as it is in Moscow or Beijing.

This trend away from collectivist solutions to what are in essence social problems threatens the viability of welfare programs throughout the world. Having said this, however, it is also the case that those responsible for social programs have often neglected the roles which choice and competition can play in promoting efficiency, flexibility and responsiveness. The nature of welfare cannot be entirely divorced from the liberal economic environment within which it is located.

Choice and competition are important aspects of all forms of welfare, but it would be a mistake to claim too much for them. Those who favour market solutions often let their ideological predelictions obscure the underlying social issues. The views espoused and policies enforced by bodies like the IMF all too often promise solutions which are worse than the problems they seek to address.

The second political challenge facing social policy relates not to the values and ideology underlying the debate over the role of government, but to the nature of governance itself. Governments around the world are losing, or have lost, the support of those who elected them, in part because of a lack of confidence in their technical capability to solve policy problems. In some places, the situation is further compounded by a loss of trust in the political process itself.

That loss has particular significance for social security programs, because these involve a redistribution of resources between different groups in the population. When there is a loss of trust in government, the viability of such schemes is brought into question. In this context, the prominent
American social insurance analyst James Schultz has recently argued that:

The provision of economic security through social insurance relies very heavily on trust. When people talk about social insurance ‘solidarity’, ‘actuarial soundness’, the ‘intergenerational compact’, benefit equity, administrative efficiency, informational ‘transparency’, solvency and integrity risks and so forth - they are in large part talking about the trust people place in the future promises of the social insurance approach.......basic to the success of social insurance is the trust that people place in the institution itself. Without it, its viability is at great risk. (Schultz, 1993: 79)

The restoration of trust will require social programs to be transparent, sustainable and accountable. This will involve the implementation of monitoring and review processes designed to identify where reform is needed and what form it should take. Above all, it will require governments to play an active role in encouraging and facilitating the development of the full range of democratic and participatory institutions that are the hallmarks of civil society.

7 Responding to the Challenges

Responding to the kinds of challenges described above is the fuel which drives the political process. If governments did not face any challenges, it would not be long before they invented some. This does not mean that the challenges are not real, nor that they do not raise profound issues for policy and for the political process. Nor should there be any complacency about the need to respond. It is important to recognise is that unless concrete steps are taken to address these challenges, social policy development will be driven by budgetary imperatives and by the forces of economic change.

One of the guiding principles underlying the development of social policy must be that the market is a means to an end, not an end in itself. Market forces can be a powerful force for the common good, but only if
they are managed towards this goal. This is surely one of the most important and enduring lessons to emerge from the post-war Japanese experience, as well as from the more recent success of Singapore.

The need for market forces to be underpinned by a compassionate moral framework was well understood by Adam Smith, one of the founding fathers of market economics, but it is often forgotten by his modern-day supporters who see the ‘invisible hand’ of market competition as all that is required to promote social well-being.

This is going to involve developing new partnerships between government, the private commercial sector and the networks of informal and quasi-market agencies and processes which already exist in each country. It will also involve recognising that successful adjustment to the new global economic market place, nationally and internationally, has both an economic and a social dimension.

This in turn will involve finding more effective ways of introducing social questions onto the largely economic agendas of multilateral bodies like GATT and Asia Pacific Economic Cooperation (APEC). This is beginning to occur in bodies like the IMF and the World Bank, albeit rather slowly. It will also involve the encouragement of civic action designed to strengthen existing mechanisms and support new ones.

In practice, this partnership approach will involve those nations with the most developed social programs thinking of ways in which these can be supplemented, perhaps even replaced in some instances, by schemes which encourage private individuals to make their own welfare plans and private enterprises to become engaged in the ‘business of welfare’. This may change the form of state welfare provision, but need not alter its substance. It will most probably involve a switch in emphasis, away from the ‘redistributive state’ towards the ‘regulatory state’. In contrast, in countries where welfare provision has to date been largely organised informally, the state will need to play an expanded role in supporting what already exists to cope with the forces of economic change.

To take an example from my own country, for the last decade the Australian Government has been implementing a series of reforms to retirement income support arrangements designed to increase reliance on
private occupational pensions and reduce the extent of dependency on the government age pension. The reforms have involved some tightening of pension means-testing arrangements, combined with tax inducements for those taking up the occupational superannuation options. Their goal has been to achieve a movement away from a largely public system of retirement income support towards one built more around encouraging self-provision through labour force attachment. This in turn has required trading-off wage increases for expanded superannuation coverage in the wage determination process.

Given the nature of the new system, it will take many decades to become fully operational. In the meantime, not only will the pension bill continue to rise, but this will be accompanied by a growing cost to revenue as a result of the increase in the superannuation-related tax concessions. Estimates prepared by the Australian Treasury and summarised in a recent report prepared by the National Commission of Audit (1996) suggest that it will be another 20 years or so before the saving in pension spending exceeds the revenue loss from the tax concessions.

Beyond the year 2015, however, the loss to revenue will be more than offset by the fall in the national pension bill, with the gap between the two widening steadily thereafter. And, of course, in the meantime the accumulation of funded pension contributions can supplement Australia’s relatively low savings rate. In this way, the scheme has the potential to ease the budgetary pressures associated with population ageing over the long-run, while improving investment and growth prospects in the medium term. The role which social security funds can play in this process is a lesson which Australia has learnt from the experience of countries like Japan and Singapore.

This is one example in the income support area, but the financing of long-term care for the aged is another pressing policy issue. Should some form of long-term care insurance be introduced, as is already happening in several European countries and is under consideration in countries like Japan and Australia? If so, what form should it take, how should the contributions be structured and to whom should the benefits be directed? There is much more to be done sorting out the issues and evaluating the alternative policy options in this relatively new field.
8 Towards a Regional Perspective

What value is there in trying to address the social policy challenges described above in a regional context? The answer to this question rests partly on the view that given the nature and speed of the changes in the world economy, there is much to be gained from studying how other countries perceive the problems they are facing and how they are responding to them. For this to achieve its maximum potential, however, it needs to be undertaken systematically and on several different levels.

Bringing researchers, policy analysts, commentators and politicians together to discuss social policy is an important stage in the process. As a first step in this direction, late last year the Social Policy Research Centre and the Asia-Australia Institute at the University of New South Wales organised the first of what we hope will become a regular Asia Social Policy Forum. Participants from 14 countries in the region met for two days in Chiang Mai to discuss social policies in the context of economic development and family change (The 1995 Asia Social Policy Forum, 1996).

The discussion which took place at the Forum focused on how economic forces are changing traditional social practices, what responses this is producing in different countries, what values underlie the different trajectories being pursued, and what are the main policy priorities? In addition, a good deal of attention was paid to the role of the media in raising community awareness of social issues and to the related question of what kinds of action were needed to influence the policy debate. One of the most interesting features to emerge from the discussion was how similar many of the underlying issues and concerns are, yet how differently they are articulated and analysed in each country.

A common concern voiced by many of the participants related to the changing economic role of women and what this implies for their ability to continue to fulfil their traditional family-focused welfare activities. Another was the way in which the individualist ethos underlying the market is diluting the collectivist principles of solidarity and social justice which lie at the heart of social policy. Not all of the participants at the Forum would have expressed these issues in the way that I have, but all would, I think, agree that these are some of the major issues which
are challenging how welfare in its broad sense is to be achieved in each country.

Forum participants also emphasised the need to develop mechanisms for sharing information and research on social issues. How can we hope to benefit from the ideas and experience of others if we have no way of discovering what they are doing, why they are doing it and with what effects? Currently, there are simply not enough resources devoted to such matters. Moves in this direction are currently underway and will hopefully produce some concrete, if limited, outcomes in the near future.

This kind of activity is an important beginning, but it needs to be accompanied by the development of formal structures and processes. More thought needs to be given to ways in which multilateral bodies like APEC can engage in a regular and systematic discussion of social questions from a regional perspective. Putting social policy onto the agendas of these agencies is important. That might in turn provide the impetus for developing a framework for addressing how social policies can best be coordinated, or at least synchronised, within the region.

Some important steps in this direction were taken in the lead-up to the 1995 World Summit for Social Development in the course of preparatory work on developing an Asia-Pacific perspective on the three main themes of the Summit: poverty alleviation, productive employment and social integration. That process demonstrated how adopting a regional perspective on these questions could be both achievable and valuable. Although the Summit itself did not live up to the expectations of those who saw it as providing a unique opportunity to challenge the hegemony of the economic policies advocated by multilateral agencies like the IMF and the World Bank, it at least prompted a more open discussion of some of the underlying issues. It is important to ensure that the momentum generated during that process and the opportunities it opened up are not lost.

There are signs within the region that this is already happening. The work undertaken by the United Nations Development Programme (UNDP) on the Human Development Index is serving as a focus for engagement in the broader debate over the balance between economic and social development. Useful work on aspects of social development
is being undertaken under the auspices of the United Nations Economic and Social Commission for Asia and the Pacific (ESCAP). In addition, the International Social Security Association (ISSA) has recently opened a new regional office in Manila and that should further encourage the development of a regional dialogue on social security issues.

These initiatives are important, but they need to be accompanied by activities which are more focused on specific concerns. There is still too much of a tendency to look to the Western nations, or to the international agencies, rather than drawing directly on our own experiences when considering the options for reform. We are fortunate to live in one of the most vibrant economic regions in the world, one which contains an enormous variety of social institutions and programs. Bringing that body of knowledge and experience together will be of great value to each of us.

Although we are still a long way from adopting a regional approach to social policy development, we have at least begun a dialogue and now see it as something worth striving for. The seeds of these ventures will need time to permeate the minds of those more directly responsible for social policy. When they do, the priority accorded to achieving social objectives will influence the attainment of economic goals. That in turn will open the way for a more balanced debate on how to maximise welfare in the broad meaning of the term.
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