

14th APEC Ministerial Meeting
APEC Social Safety Net Capacity Building Network

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I. Background

The APEC Ministerial Meeting, held in November 2000 in Brunei, agreed to establish the *Ad Hoc Task Force on Strengthening APEC Social Safety Nets* (hereinafter the Task Force). Since the establishment of the Task Force, there have been three meetings of the Task Force in China in 2001. The Task Force submitted two recommendations to the 2001 APEC SOM III. These include the establishment of an APEC Social Safety Net Capacity Building Network (SSN CBN) that would function virtually and an International Meeting of Policymakers, Experts and Other Stakeholders to address specific capacity building issues on Social Safety Net (SSN). These recommendations were subsequently submitted to, and endorsed at the 2001 APEC Ministerial Meeting in October 2001 in Shanghai, China.

II. APEC Social Safety Net Capacity Building Network (APEC SSN CBN)

As endorsed at the 2001 APEC Ministerial Meeting in October 2001 in Shanghai, China, APEC SSN CBN has been established and launched in July 2002.

1. Objectives & Activities

The goal of APEC SSN CBN is in the first instance to focus on capacity building to implement the SSN recommendations made by the Finance Ministers and in the study conducted in the HRDWG. Among the mechanisms the SSN CBN can consider are exchange of information, collaborative research and development, and seminars among the concerned institutions, government bodies, and other suitable international organizations and individuals. There are two types of SSN CBN activities as follows:

Information Exchange

APEC SSN CBN relies on the effective exchange of information, which is related to its goal of strengthening SSNs in APEC economies. Exchange of information that is not only related to SSN CBN specific activities but is deemed beneficial to the goal of strengthening SSNs in APEC economies is one of the main tasks of the network.

Information exchange includes the following:

- pre-crisis social safety net planning and prevention measures;
- capacity for evaluating effectiveness of policy action;
- collection of dis-aggregated data and access to current data;
- identifying at-risk populations;
- designing response institutions and financing;
- strengthening transparency and accountability in social safety net operations.

Dissemination of Effective Practices for Better Social Safety Net Delivery

APEC SSN CBN provides access to technical expertise in social safety net capacity building across a variety of institutions, organizations and individuals. Consequently, it provides a unique opportunity to deepen understanding of APEC officials on matters requiring policy discussion. Issues of this type may be identified throughout the network, discussed at the meeting if necessary, and consequently brought to the attention of the APEC.

2. Framework

The followings are the proposed SSN CBN framework to be established;

- APEC SSN CBN is to be established with a variety of institutional participants, such as government departments, centers of higher education & research, international financial organizations and training institutions, etc.

- Participants in the network include a Head institution for the network and Lead Institutions for each APEC member.
- The APEC SSN CBN will closely work with relevant APEC fora, especially the HRD Working Group.

Head Institution

The role of the Head Institution will be carried out by the Korea Institute for Health and Social Affairs (hereinafter KIHASA) of the lead economy, Korea, until the year 2005 in which Korea will be the hosting economy for the APEC Leaders' Meeting. In addition, KIHASA will provide ongoing administration, coordination and policy advice functions for the network. All activities and practices of SSN CBN will be reported to the SOM for review and assessment of the effectiveness of the SSN CBN.

Lead Institutions

Lead Institutions (LIs) are nominated by each member economy among government departments, high education or research institutes to act as the principal network role of information exchange and coordination within SSN CBN. Each Lead Institution participates in APEC SSN CBN activities; assumes leadership in specific activities; participates with other Lead Institutions in specific activities.

CBN activities are initiated by Lead Institutions. Proposals for annual activities of SSN CBN may be discussed in the CBN and circulated through the Head Institution for reaction and endorsement.

Financing

The APEC SSN CBN financing will relate to the following principles:

- Activities of the Head Institution will be funded nationally;
- Participation of Lead Institutions (and sub-networks) will be funded nationally;
- Involved volunteer institutions are invited to contribute in kind or other resources;
- Specific activities will be funded through other channels

3. Progress

Recent Activities

- The Head Institution of APEC SSN CBN, KIHASA, has established the SSN CBN website at **www. apec-ssn. org**.
- Through the website, the APEC SSN CBN functions virtually, exchanging social safety net related information and disseminating effective practices for better social safety net delivery.
- All APEC member economies have been invited to designate Lead Institutions of the APEC SSN CBN and cooperate with the Head Institution of the APEC SSN CBN, KIHASA.
- The following Lead Institutions have been thus far designated:
 - Australian Agency for International Development (AusAID) for Australia;
 - Department of Foreign Affairs and International Trade for Canada;
 - Social Insurance Management Center for China;
 - Health, Welfare and Food Bureau and Social Welfare

- Department for Hong Kong, China;
- National Development Planning Agency (BAPPENAS) for Indonesia;
 - Ministry of Economy for Mexico;
 - Ministry of Social Development for New Zealand;
 - Department of Social Welfare Development (DSWD) for the Philippines;
 - Ministry of Community Development and Sports (MCDS) for Singapore;
 - The Manpower Planning Department, Council for Economic Planning and Development, Executive Yuan for Chinese Taipei; and
 - Ministry of Labour and Social Welfare for Thailand.

Future Action

- For the immediate activities of the APEC SSN CBN, the Head Institution will set to exchange opinions on how to address six areas, mentioned above in *Information Exchange*, through circulating relevant questionnaires to the Lead Institutions.
- The APEC SSN CBN will encourage APEC member economies to exchange effective practices and know-how regarding social safety net policy-making and its implementation.
- The APEC SSN CBN will endeavor to work closely with international organizations such as Asian Development Bank (ADB), Asian Development Bank Institute (ADBI), International Social Security Association (ISSA), Organization for Economic Co-operation and Development (OECD), the United Nations

Conference for Trade and Development (UNCTAD), the United Nations Economic and Social Commission for Asia and the Pacific (UN ESCAP), the United Nations Development Programme (UNDP), the World Bank, and others.

III. APEC Social Safety Net International Meeting

As adopted at the 2001 APEC Ministerial Meeting, Korea and Thailand jointly hosted an International Meeting of Policymakers, Experts and Other Stakeholders to address specific social safety net related capacity building issues, which is the *APEC Social Safety Net International Meeting*, held on 25-26 July 2002 in Seoul, Korea.

1. Objectives

After the establishment of APEC SSN CBN through virtual networking, there was also a need to supplement it with a physical networking as well as to promote the discussion within the network to other policy makers, experts, and stakeholders so that effective capacity building experience could be shared. The Meeting focused on the discussion of current issues on social safety nets and explored the

way in which specific capacity building needs on SSNs could be augmented in the APEC economies. These should include, inter alia, the member economies' current status on social safety nets, the problems and limitation in APEC, and the assessment of social safety net strengthening activities carried out by the member economies and the IFIs.

2. Process

- The Steering Committee for the International Meeting was organized and had a Preparatory Meeting on 27 June 2002 in Bangkok, Thailand to finalize the details of the *APEC Social Safety Net International Meeting*.
- All APEC member economies were invited to participate in the *APEC Social Safety Net International Meeting* and encouraged to prepare an Economy Paper, briefing the current status, problems and limitations on social safety nets in each member economy, for presentation in the International Meeting.
- International organizations, i.e Asian Development Bank (ADB), Asian Development Bank Institute (ADBI), International Labour Office (ILO), United Nations Conference on Trade and Development (UNCTAD), Economic and Social Commission of Asia and the Pacific of the United Nations (UNESCAP), United Nations Development Programme (UNDP), and the World Bank, were invited to participate in the *APEC Social Safety Net International Meeting*. International organizations were also encouraged to prepare a paper, briefing their social safety net strengthening activities conducted so far including successful

practices, for presentation in the International Meeting.

3. Results

- The *APEC Social Safety Net International Meeting* was held on 25-26 July 2002 in Seoul, Korea and was co-chaired by Korea and Thailand (Chairs' Statement of the meeting is attached as Annex).
- 55 participants from 13 member economies and representatives of the APEC Secretariat, the Head Institution of the APEC SSN CBN, KIHASA, the United Nations Development Programme (UNDP), and the World Bank participated. They discussed social safety net related issues in APEC with focus on the following four agenda:
 - Each Member Economy's Current Social Safety Net Status, Problems, and Limitations;
 - International Perspectives of Social Safety Net Activities in the Asia-Pacific Region;
 - Stocktaking and Lessons from the Practices of Social Safety Nets; and
 - Future Activities for Strengthening Social Safety Nets in APEC.
- In the International Meeting, the suggestion was made that closer collaboration with other APEC fora should be further explored to mainstream the issue into APEC processes, and that information exchange would be facilitated by establishing a matrix through circulating relevant questionnaires to survey member economies' common concerns on social safety net capacity building. The International Meeting asked Head Institution to provide examples and detailed information of the matrix.

**Chairs' Statement for
the APEC Social Safety Net International Meeting**

Seoul, Korea
25-26 July 2002

The APEC Social Safety Net (SSN) International Meeting was convened in Seoul, Korea, 25-26 July 2002, and co-hosted by Korea and Thailand. Representatives from Australia, Brunei Darussalam, Canada, Chile, Japan, Korea, Malaysia, Mexico, New Zealand, Peru, Philippines, Chinese Taipei, and Thailand participated in the meeting. The meeting was also attended by the representatives of APEC Secretariat, Head Institution of APEC SSN CBN (*Korea Institute for Health and Social Affairs: KIHASA*), the United Nations Development Programme (UNDP), and the World Bank. An OECD paper was presented and discussed at the meeting although no representative was present. The Meeting was co-chaired by Mr. Kye Woo Lee, Professor at Ewha Womans University in Seoul, Korea and Mr. Kirasak Chancharaswat, Deputy Permanent Secretary of the Ministry of Labour and Social Welfare of Thailand.

Opening of the Meeting

The Meeting was opened by Mr. Ha Jeong Park, Director General for Bureau of Basic Livelihood Security, Ministry of Health and Welfare, Republic of Korea. Mr. Park welcomed all participants and

highlighted the importance of addressing the issue of social safety nets as a means to cushion the impact of structural adjustment created by the trade and investment liberalization in APEC member economies.

Session I

Each Members Economy's Current Social Safety Net Status, Problems and Limitations

Ten member economies presented their Economy Papers on the status, problems and limitations of their SSN programs. The Session began with a presentation by developed member economies: Australia, Canada, New Zealand and Japan. Then, it followed by developing member economies: Korea, Malaysia, Thailand, Brunei Darussalam, Chile, Chinese Taipei and Mexico.

Australia discussed their income security system as well as their retirement income system. The presentation also touched upon the development assistance that Australia extended to developing economies to reduce poverty and achieve sustainable development.

Canada gave a presentation on the overview of their income security system, including the emerging challenges of the system. The presentation discussed the topic of instruments of their system, objectives, descriptions and their target population.

New Zealand briefed the meeting on their current social assistance system, which includes Family Tax Assistance and Income Support - core benefits, add-on assistance, hardship assistance and others - as well as Student Services and Active Labour Market Policies.

Meanwhile, Japan made their presentation on the impacts of

changes in the structures of elderly households on increases in medical expenses of the elderly, in relation to the demand behavior of individual elderly people. In order to help understand income security system and the other safety nets, Japan distributed a related booklet, "Social Security in Japan."

In the second sub-session, Chile presented on the focus of its government on two important guidelines: improving conditions to search for and maintain jobs and upgrading the protection standards against social contingencies.

Korea reported that social safety net programs in Korea consist mainly of two components: Social Insurance Schemes and Social Assistance. There are four groups of social insurance in Korea: National Pension, Health Insurance, Employment Insurance and Industrial Injury Assistance.

Malaysia discussed its experience in poverty eradication, including its strategy and programs, and presented that Malaysia's development policy gives priority to long-term economic uplift and human resource development of the poor.

Thailand made a presentation of its social safety net system including the definition, past performance, problems and limitations, confronting factors and the critical issues: policy implication.

Brunei Darussalam briefed the meeting on their efforts to achieve balanced socio-economic development, address rapid development in human resources, and development of SMEs.

Chinese Taipei discussed the background of the establishment of their social safety net, and the existing social safety net program. Chinese Taipei also discussed the future prospect of the program.

Similarly, Mexico also outlined their program on social safety

nets including the problems and limitations of the program.

Peru was represented at the meeting, but no country paper was presented.

Session II

International Perspectives of Social Safety Net Activities in the Asia Pacific Region

The meeting discussed the OECD paper, which describes the social safety net activities, implemented among its members. The paper also touched upon the activities in OECD non-member countries, which are sponsored and supported by OECD.

The representative from the World Bank made a presentation on the Bank's recent program on SSNs (and Social Protection). The presentation touched upon the background of the World Bank's involvement in the issues, and its efforts during the East Asia Crisis.

The APEC Secretariat briefed the meeting on the programs and policies on social safety nets in APEC, including the results of the Ad Hoc Task Forces' work on the Strengthening of Social Safety Nets in APEC and its recommendations to SOM and Ministers.

Session III

Stocktaking and Lessons from the Practices of Social Safety Nets

The session was started by the presentation made by Prof. Terry McGee, Professor at the University of British Columbia in Canada, on “The Poor at Risk: Surviving the Economic Crisis in Southeast Asia”. The paper focused on SSN programs in selected Southeast Asian countries from 1997 to 2000. Many participants felt that the paper raised some issues which could be discussed through the APEC SSN Capacity Building Network (CBN) process.

Session IV

Future Activities for Strengthening Social Safety Nets in APEC

Inspired by the ten recommendations from Prof. McGees’ paper, the meeting discussed future activities for APEC SSN CBN in strengthening social safety nets in APEC. The APEC Secretariat also gave background and goals of the APEC SSN CBN as presented in two APEC documents, which were submitted to the 2001 APEC ISOM and 2002 APEC SOM I. The documents defined the following six points as guidelines for strengthening SSNs:

- Pre-crisis social safety net planning and prevention measures;
- Capacity for evaluating effectiveness of policy action;
- Collection of dis-aggregated data and access to current data;

- Identifying at-risk populations;
- Designing response institutions and financing; and
- Strengthening transparency and accountability in social safety net operations.

The suggestion was made that closer collaboration with other APEC fora should be further explored to mainstream the issue into APEC processes, and that information exchange would be facilitated by establishing a matrix through circulating relevant questionnaires to survey member economies' common concerns on social safety net capacity building. The International Meeting asked Head Institution to provide examples and detailed information of the matrix.

Closing of the Meeting

Mr. Kirasak Chancharaswat from Thailand closed the Meeting by thanking all participants for their attendance and valuable participation.