

AEPF: Civil society wants social protection for Southeast Asians

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VIENTIANE, Laos — Civil society participants to the Asia-Europe People's Forum here are demanding that their governments provide a "rights-based, universal, state-underwritten, legislated, and comprehensive" social protection system after the results of a workshop showed at least seven in 10, or about 350 million, Southeast Asians do not receive social security benefits.

Women who work but are not paid for this and people with disabilities are among the "invisible" people excluded from funded social protections programs.

"Women are not usually covered by social security programs as most do not work in the formal sector, taking care of children and old people. Their work is not paid work," said Priti Darooka, of India's Program on Women's Economic, Socio-Cultural Rights.

At the workshop on "Pursuing the social agenda in ASEAN and ASEM," participants said the right to social protection — including the basic rights to work, food, essential services, and social security (for children, old people, and PWDs) — must be included in the ASEAN Declaration on Human Rights set for signing this November.

Against the backdrop of the International Labor Organization setting a social protection floor, Bruno Jetin of Universite de Paris Nord warned representatives of the social movements against accepting a floor that might be too low.

Some Southeast Asian countries have social protection programs that exceed United Nations standards, he said, citing Thailand, which gives old people an allowance of US\$70, more than thrice the UN's \$20.

"You must be careful not to adopt a standard that is too low. Consider the differences between countries, from those with nothing to those not too low. The danger of a floor that is too low is that it gives governments with higher standards an incentive to lower national standards," he said.

He also warned: "A social protection floor can be a trap. A recommendation to have old people get 50 cents in parity, when absolute poverty is \$1.25 is like saying old people should stay in poverty."

Where to get the money

On the affordability of social protection, Jetin said Southeast Asian countries are "rich enough to pay for social security."

Citing The Economist, he said the GDP per capita of China, Malaysia, South Korea, and Hong Kong from 1960 to 2011 is higher than the United Kingdom's in 1948, when the UK created its free universal health coverage.

Indonesia's is the same as the US' in 1935, when US adopted the social security system law, he

added.

Moreover, he said funding the program is “only a matter of political choice.”

Citing the UN Economic and Social Commission for Asia and the Pacific, he said fiscal space for social expenditures is available. In Thailand, he noted a decrease in the share of the defense budget and an increase in the education and health budgets.

Workshop participants also focused on the other end of the equation, and said tax collection must be increased by going after evaders.

David Arase of the Johns Hopkins University and Nanjing University said international taxation is only 3 to 5 percent of GDP, and maintained that tax evasion is capital flight.

Tax haven Cayman Islands, he said, received \$1.4 trillion in deposits. If the governments of those depositors could tax them at 33 percent, that’s about P400 billion.

Anne Sophie Delecroix of the Comite Catholique contre la Faim pour et Developpement said governments must be more earnest in their efforts to shut down tax havens that cater to big business, illegal cartels, and the corrupt.

“Without tax havens, the number of corrupt officials is reduced, as public spending is not siphoned off in kickbacks,” she said.

Arase, meanwhile, advocated the creation of public banks.

He said private banks are able to say they are “too big to fail” because there are no alternatives to them. Public banks are important, he said, because it is able to direct spending on items that are of public interest.

“Public banks and their board of directors are able to set who to lend money to. They are able to set the direction for society. It is like the water to a gardener, it is your choice where the water goes, where to invest, where to develop,” he explained.

Specifically, Arase suggests post office banking invented by the British and perfected by the Japanese. This, he said, is a “low-cost way to nationalize savings” as there are already post offices nationwide.

“Public banks keep private banks honest because there would be a need to compete with them. It ends the principle of “too big fail, “ which cannot allow private bank to fail because no one takes over. If there are public banks, let public banks take over ... National savings also stay in the country this way,” he explained.

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