

Session 2

Enhancing Social Safety Net, Education and Public Housing for Asia Pacific Economies

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social safety net, education, public housing: what are the aims?

- A social safety net that protects everyone from the worst consequences of misfortunes
- Education opportunities that allow the realization of the potential of every child
- Public housing that offers a hygienic and safe home to citizens who cannot otherwise afford it.



Social safety net

- Has to be sustainable
- Has to offer protection to anyone caught by misfortune (completeness)
- Has to be adequate
- Should not destroy the incentive to work



Social safety net targets at:

- The handicapped
- Victims of accidents
- Victims of natural disasters
- The sick
- Victims of crime
- The orphaned
- The elderly and weak

.....who need assistance



- the 2nd Meeting of the ASEAN Senior Officials on Rural Development and Poverty Eradication held in Kuala Lumpur from 29-30 October 1998, agreed that an ASEAN Task Force on Social Safety Nets be established with the aim of reconstructing sustainable social safety nets based on economic recovery and development after the AFC



But social safety nets...

- May actually make economic development within the Asian Pacific region more sustainable: by promoting consumption and hence making the region less dependent on exports to outside the region!
- Savings rates in the Asian Pacific region are too high, reflecting a sense of insecurity that is making the region's growth more vulnerable to economic conditions in the rest of the world.



Education

- Regular schools up to university and beyond
- Special schools for special people
- Public education for citizens for continuous personal development and growth
- To nurture values and attitudes that build stronger and healthier societies.



Education as an input to social capital

- Traditional focus on education as a means of building human capital, and then as a consumption good.
- But education potentially can nurture stronger and healthier personalities who are better citizens in the sense of both being happier and more ready to contribute their efforts to serve others.



Mental goods, education, and efficiency

- Utility is not only a result of consumption of physical goods but also “mental goods” such as self esteem, sense of security, sense of autonomy, and sense of being accepted by others.
- People are consuming a lot of resources to procure their mental goods, but with the right attitude, they can consume much less and achieve better results.
- This will enhance efficiency and promote sustainable development.



Public housing

- Decent but basic housing for those who cannot otherwise afford it
- Those who become better off over time should be motivated, because the housing is basic, to move out and to better private housing.
- Offering better than basic housing keeps people occupying public housing even when they can afford private housing.
- Hong Kong is now opting for public rental housing rather than subsidized owner occupied housing. This leaves more room for the private sector.



Conclusions

- Building or improving the social safety net, improving the substance of education, providing hygienic public housing may help promote sustainability and make the Asia Pacific region less vulnerable to external conditions.
- May provide an answer to the global imbalance problem.

