

# Social Development and Human Development in Asia

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The Asian Population and Development Association  
(APDA)

## Foreword

This report was prepared in fiscal 1997 by the Asian Population and Development Association (APDA) under a project entitled "A Survey of Social Security Systems in Asian Countries" entrusted by the Ministry of Health and Welfare and the Japan International Corporation of Welfare Services (JICWELS). The survey and compilation were carried out by the members of the APDA's Domestic Survey Committee (Chairperson: Dr. Toshio Kuroda, Director Emeritus, Nihon University Population Research Institute).

The survey is based on the purport of the "Initiative for a Caring World" proposed by Prime Minister Ryutaro Hashimoto at the Lyon Summit in June 1996. In the outline of this initiative, it is stated that "Realities of social security system in the respective countries of the world are not uniform and differ according to the differences in culture, social economy and other background. However, there is enormous significance in exchanging experiences on an international basis because social security system is an extremely universal area in the sense that it seeks to build a better system for the next generation from the viewpoint of autonomy and social solidarity" (quoted from the 1997 edition of Welfare White Paper).

For this purpose, the present situation of social development and human development that exist behind social security was studied in thirteen East and Southeast Asian countries and one Pacific Islands country. The study was performed in view of the particular need for building the foundation for social security in addition to offering health and medical care in the developing countries and the emphasis was placed on promoting the development of social security system for the future and obtaining reference information for building the foundation for such system with consideration for the realities and characteristics of the Asian region.

In conducting the survey, country reports from China, Indonesia, Korea, Malaysia, the Philippines, Singapore, Vietnam, Myanmar and Fiji were compiled at respective countries under the cooperation of local experts. The country report on Brunei was prepared according to the field study conducted in early September of 1997 with the cooperation of the Japanese Embassy in Brunei. The reports from Cambodia, Laos, Thailand and Mongolia were prepared by the members of the APDA's Domestic Survey Committee based on materials available in Japan and partially relying on local materials.

I would like to express my sincere gratitude to Office of International Cooperation, International Affairs Division, Minister's Secretariat, Ministry of Health and Welfare; JICWELS; and the experts at respective countries that have contributed their reports and at the same time hope that this report will contribute to the development of social security in the Asian countries and to the international cooperation of the Japanese Government.

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# **General Remarks**

## **— From Social Security to Human Development —**

### **I. Modern development of the social security concept**

— Arriving at human development by way of social security and moving on to the Initiative for a Caring World —

#### **1. From relief to security**

Rural communities of the pre-modern era were self-sufficient communities with integrated production and consumption. It was a system in which families mainly based on kinship provided security with regard to health, welfare and education of all their members as well as livelihood-related risks accompanying old age. Moreover, mutual support existed within the community in areas that were beyond the capacity of family members to deal with matters such as funerals, weddings and construction of new houses. During busy farming season when family labor was not sufficient, people cooperated by working on other families' farms by preparing a work schedule. A self-complete system through mutual assistance and cooperation had been practiced on a family or entire community basis in all areas of life within the community.

In China, the community still practices today a welfare system called the Goho system (Five Security System) for single senior citizens with no kith or kin, offering security in the area of food, shelter, clothing, medical care and funeral.

However, the social security functions that had been played by families were partially externalized as industrialization and urbanization advanced rapidly with modernization of society. Urban population did not engage in food production and worked in factories and offices, relying on schools for education and to private/public clinics/hospitals for medical care. People are living in the same community but are no longer riding on the same boat as they once did in rural communities. Their lives are threatened by new risks that emerge from free competition and development of science and technology in the advanced societies. Free competition brings about economic progress and improvement of living standard but at the same time requires new social policies to save the poor class whose number increases as gap between the rich and the poor widens. The mechanism of mutual cooperation and security that had been offered by family and community in closed rural communities does not exist here.

A system that guarantees one's income based on the principle of insurance when it is discontinued or lost owing to new social accidents that accompany structural changes in the society, including occupational accident/disease, disability, unemployment, old age and death, came into existence. After the disease insurance went into effect in Germany in 1883 and the National Insurance Law was passed in England in 1911, the system started to spread worldwide. The insurance offered according to this principle was based on the contributions of the insured in some cases and generally on shared contributions among the government, companies and individuals in others. The term "social security" originates from the Federal Social Security Law, which was enacted in 1935 in the U.S. before the Second World War. The depression triggered by the panic at the Stock Exchange in the U.S. in 1929 brought worldwide recession over an extended period of time. In the U.S., tens of millions of people lost their jobs and insecurity spread throughout the country. The Federal Social Security Law was enacted as a part of the policy for addressing such poverty in national life. This law was an integrated and systematic measure for offering security in national life by establishing the national minimum for all the people in the form of social right.

Then a social security system centered on social insurance was created in England in 1942 based on the

Beveridge report. Enacted under the Labor Administration, it was an epoch-making system that broke away from the passive social policy such as “poor relief system” and put forward the policy for looking after people “from the cradle to the grave.” Laws such as the Family Allowance Law of 1945, the National Insurance Law and the National Medical Service Law of 1946 and the National Assistance Law of 1948 were enacted one after another. Such social security systems mainly based on social insurance were widely introduced to the capitalist countries such as U.S., Germany, France and Japan after the Second World War.

In Japan, for instance, a rapid economic growth that was once considered a miracle started in the latter half of the 1950s and annual economic growth rate exceeded 10%. However, income per capita and living standard showed remarkable increase on a national level even though the economic gap increased between regions as this rapid growth mainly took place in large metropolitan areas. Regions with large depopulation experienced significant lowering of social service functions along with stagnation of the economy, i.e. this was the phenomena of the so-called “kamitsu and kaso” (overpopulation/underpopulation). The regional disparity of social capital investment widened when economic growth was faster, i.e. it was the issue of the lack of balance between economic development and social development.

A similar trend was also observed in Korea. The dramatic economic growth in Korea referred to as “the Miracle of Han Gang” resulted in development of the country’s economy that even enabled Korea to compete with Japan. However, such rapid economic growth brought about outflow of population from rural areas by generating a demand for an enormous number of young labor force. As in the case of Japan, it created a striking economic and social unbalance between urban and rural areas.

As a result of marked regional differences in the welfare level of the people that was created in addition to regional economic disparities by such spectacular development of the economy, the need to make a shift from the viewpoint that merely emphasizes economic development to that seeking social development for improvement of welfare centered on people was stressed. In Japan, the National Comprehensive Development Plan (1962) and the Population Problems Inquiry Council (1963), an advisory committee to the Minister of Health and Welfare, have stressed that the eventual objective of development lies in improving welfare for local people, that development must be put forward with emphasis on people, and that it is necessary to make up for the delay in social development and promote social development in balance with economic development.

On an international level, the UN raised the concept of social development in the 1950s and stressed the need for social development in areas where protection of social environment was emphasized by focusing on the negative influence of remarkable advancement of worldwide economic development on national life.

## **2. Social development going beyond social security**

Social security measures for protection of livelihood have been taken prior to the Second World War in the developed countries. However, these measures were of ex post nature and were taken against many incidents in life that made life difficult. In other words, it had a strong character of being a support and allopathic for socially disadvantaged people.

Rapid development of the economy contributed to improving the standard of national life on one hand. On the other hand, however, social awareness about the conspicuous delay in offering of welfare service to the people gave rise to the concept of social development. Therefore, it is a social system of a higher level that moved away from the individual and conservative nature such as offering security to national life based on the national minimum. For instance, it includes social service concerning health and hygiene, shelter, labor and employment issues, education and so-called social security.

However, the concept of social development was introduced by the UN as a contraposition to economic development. In particular, the rapid economic development in the developed countries after the Second World War threatened the safety of national life by causing deterioration of living environment and pollution, giving

rise to the need for a new system that would eliminate such problems and correct the distortion. It was also necessary to suggest to policy makers in the less developed countries that priority must be given to social development in order to promote economic development in the developing countries in view of the experience in the developed countries that gave top priority to economic development.

However, such concept of balance between economic development and social development could not easily be understood by the general public. In Japan, the increase in regional economic disparity between large cities and rural areas became an important policy issue both in governmental and academic circles but were mainly taken up in the framework of regional development. Following the creation of the Sato Administration in 1964, the Social Development Council was formed in 1965 as a advisory body for the Prime Minister. In addition, a discussion took place in the same year about whether the Institute of Social Security created at the Ministry of Health and Welfare as a special corporation should be renamed as the Institute of Social Development. A compromise was reached by using the Japanese equivalent of the Institute of Social Security for the Japanese name and the Institute of Social Development for its English translation.

However, the content of social development has not necessarily become clear. A general consensus is to include social security to health, shelter, education and nutrition as fundamental elements.

It is not necessary to define social security in narrow sense. It was not impossible to move and develop in the direction of social development by expanding the concept of social security. However, it was not reasonable to apply the concept of social security (that had been formed in the pre-modern society having a strong tone of offering relief for the disadvantaged) to the modern society having extremely advanced and complex structure. However, social development itself was faced with a new problem.

The new challenge for social development lies in the relationship of balance and parallel with economic development. The tendency that could be seen in both developed and developing countries is the experience of economic development preceding social development. It goes without saying that the degree of unbalance and disparity between economic development and social development differs not only between the developed and developing countries but also from country to country. However, high level of social development supports the advancement of economic development and will bring about improvement of welfare for the entire population in the end. This theory applies to both developed and developing countries. The point that requires attention is the content of social security programs indicated in social development policy. Social security programs must be influenced by the degree of economic advancement, and at the same time they should compatible with the whole context of the social development plan.

Furthermore, it is important for respective programs of economic and social development to have close relationship with one another instead of each being independent. In other words, there should be a need for integration of economic development and social development, i.e. a holistic approach. This is represented by the viewpoints such as “Quality of Life (QOL)” and “Human Development.”

### **3. Human Development**

The dualistic development approach based on economic development and social development started to move in a new direction after entering the 90s. The important turning point was the dissolution of the Cold War and the subsequent collapse of the expectations for world peace. Annihilation of a world political system and global expansion of regional wars in addition to explosion of world population and deterioration of global environment that had started earlier have created the developmental concept from the viewpoint of humanity as a whole—a concept of development based on people themselves.

The UN has defined human development in 1990 as follows: “People are the true wealth of a nation. The fundamental objective of development lies in creating an environment in which people can enjoy longevity and lead a healthy and creative life. Human development is a process for expanding the range of options for the

people.” An important element that was incorporated in this definition by the UN is the measurement of degree of such human development, i.e. the creation of human development index commonly known as HDI. This fundamental index indicating human development is comprised of 3 elements; firstly average life expectancy at birth, secondly degree of educational achievement (weight is allocated to adult literacy rate accounting for two thirds and enrolment rate in elementary, secondary and tertiary education accounting for one third), and thirdly income. These three fundamental indices are examined for all countries of the world to determine their ranking. It is an enormous work that requires correction every year for the sake of maintaining accurate statistics.

The concept of human development, despite its extremely complex theoretical controversies, should move beyond the methodology based on dichotomy of economic development and social development by being rated highly as a theory approaching the people themselves from a global viewpoint.

This human development concept developed by UNDP has become the central theme in many of the UN conferences of the recent years. The recognition of the human development issues and the global determination to address these issues were one of the main agendas in the United Nations Conference on Environment and Development held in Rio de Janeiro in 1992, the World Conference on Human Rights in Vienna in 1993, the International Conference on Population and Development in Cairo in 1994 and World Summit for Social Development in Copenhagen in 1995.

The Rio Declaration declared that all people should be placed at the center of sustainable development. People are entitled to lead a healthy and productive life in harmony with nature. The Declaration also stressed that the demands of the present and future generations on the development and environment should be treated fairly. The conference in Vienna confirmed the importance of basic human rights for all the people and stressed the concept of human development. The Plan of Action adopted in Cairo confirmed that people are the country's most valuable resource and that the central objective of development lies in the individual people. The Copenhagen Declaration placed people at the center of development and demanded that the economy should respond to people's demand in a more efficient manner.

As indicated above, the UN conferences held during the first half of the 1990s have committed themselves to the promotion of development action plans that are centered around people. It signifies that guarantee of minimum life, which started from social security idea, has taken a new step towards realization of the most simple but extremely difficult task of realizing human society by pursuing happiness and security of the entire humanity.

#### **4. Initiative for a Caring World**

The Initiative for a Caring World was proposed by Prime Minister Hashimoto of Japan as the basic principle for realizing universal and genuine welfare centered around people such as human development and quality of life. It was proposed at the Summit held in Lyon, France in June 1996 and its contents were decided at the Denver Summit in June 1997 for the purpose of sharing the wisdom and experience of the developed countries and the developing countries alike with regard to a broad range of social security issues such as public health, medical insurance and pension system. An expression “a broad range of social security” used in this proposal indicates the fact that it seeks the ultimate goal for the humanity of improvement of welfare for the humanity as a whole. This Initiative for a Caring World was already discussed in terms of the process with developing countries in mind at the East Asian Meeting of Cabinet Members in Charge of Social Security which was held in Okinawa in December 1996 and will be discussed from theoretical and practical point of view at policymaking meetings in the area of social security in the Asian countries scheduled for January 1998 (tentative title: the East Asian Meeting of High-Level Officials on Caring Societies). Meanwhile, steady progress is expected with regard to the process for developed countries particularly at the Ministerial Meeting on Social Security of OECD which is scheduled for June 1998.

## II. Asia as Seen from the Viewpoint of Demographic Transition

As mentioned earlier, the human development indices of the UN are comprised of three fundamental elements of average life expectancy at birth, education and income. Income is a typical index of economic development while life expectancy and education are typical social development indices. Although they are only three elements, they incorporate both aspects of economic development and social development in an attempt to express this comprehensive area of human development with three simple elements.

Average life expectancy at birth, which is an element that summarizes the complex mortality situation of a population group, is an important index that reflects the level of health such as public health, medical care and condition of nutritional intake. In addition to average life expectancy, there is demographic transition index expressed by two indices of total fertility rate indicating fertility. The level of fertility is influenced by social elements such as the value held by demographic group towards children, religion, government programs on fertility control and educational level of the people (literacy rate). Fertility can therefore be seen as an index reflecting a part of social development level of a demographic group.

Social progress can be regarded as a process of improving mortality rate (extension of average life expectancy at birth) and lowering of fertility rate (total fertility rate). The level of achievement for these rates is calculated by setting the goal for lowering fertility to the replacement level and the goal for extending life expectancy to the longest age that has been realized at present. In the event the fertility has reached the replacement level and average life expectancy has reached the longest life expectancy, a value of 0.5 are given to both fertility and life expectancy to make a total of 1.0. If life expectancy value is 0.4 and fertility value is 0.3, the achievement rate will be 0.7, leaving room of 0.3 for improvement.

Although the statistics on fertility and life expectancy are slightly old, the results of calculation on East and Southeast Asian countries are shown in Table 1. Demographic transition index is shown at the last column of the table. Japan is the only country with 1.0 index. Japan's demographic transition index is 1.0 because her fertility has fallen below replacement level since long ago and life expectancy in Japan is used as the goal of average life expectancy as the longest life expectancy in the world.

In East Asia, all countries except for Mongolia is showing low fertility around the replacement level and average life expectancy exceeding 70 years. As a result, demographic transition index is showing high values in excess of 0.85. In Southeast Asia, however, total fertility rate has exceeded 3 except in Singapore and Thailand (which is close to reaching the replacement level) and average life expectancy has not reached 70 years. For this reason, demographic transition index is at the low level of 0.6 with Malaysia having the highest index of 0.75.

Table 1 Demographic transition indices of East and Southeast Asian countries

Country or region	Total fertility rate	Average expectation of life at birth (male/female combined, years)	Demographic transition index
East Asia			
Japan	1.5	79.0	1.00
Hong Kong	1.2	77.9	0.99
Taiwan	1.7	73.8	0.93
Korea	1.8	70.6	0.88
China	2.2	70.9	0.88
North Korea (DPRK)	2.4	70.7	0.85
Mongolia	4.7	63.4	0.54
Southeast Asia			
Singapore	1.8	74.5	0.90
Thailand	2.2	68.1	0.85
Malaysia	3.5	70.7	0.75
Indonesia	3.0	60.1	0.68
Philippines	4.0	64.9	0.63
Vietnam	3.9	63.9	0.63

Source: Toshio KURODA; Chapter 1 Demographic Transition in Japan and Its Spread in Asia, The Population and Society of Postwar Japan Based on Half a Century of Surveys on Family Planning, edited by the Population Problems Research Council: The Mainichi Newspapers, 1994, p.16



Table 2 shows an example of relationship that exists between such demographic transition index and economic development. A comparison of income per capita as a general index of economic development with demographic transition was made. In East Asia, a clear correlation can be observed between the high level of demographic transition index and high income per capita. In other words, countries with high income level have low fertility and long average life expectancy. Affluent societies generally offer sufficient public health and medical service and have high degree of urbanization, high level of education, and small number of children through fertility control.

Table 2 Demographic transition indices and GNP per capita of East and Southeast Asian countries

Country or region	Population in 1992 (million)	Demographic transition index	GNP per capita
East Asia			
Japan	124.2	1.00	25,430
Hong Kong	5.7	0.99	11,490
Taiwan	20.5	0.93	7,332
Korea	43.7	0.88	5,400
China	1,188.0	0.88	370
North Korea (DPRK)	22.6	0.85	---
Mongolia	2.3	0.54	---
Southeast Asia			
Singapore	2.8	0.90	11,160
Thailand	57.8	0.85	1,420
Malaysia	18.6	0.75	2,320
Indonesia	184.4	0.68	570
Philippines	65.2	0.63	730
Vietnam	69.5	0.63	---

Source: Figures for population obtained from 1992 ESCAP Population Data Sheet. Data on GNP per capita and data on Taiwan obtained from World Development Report of the World Bank. Demographic transition index obtained from Table 1.

However, such correlation does not always exist between economic development and social development. As can be seen in the case of China in Table 2, income per capita is only one fifteenth of that of Korea which is the second lowest among other countries in East Asia and one seventieth of that of Japan, even though demographic transition index of China is at the same level as Korea. Setting aside the technical issue of calculating the national income, such unbalanced combination of incredibly low income and high demographic transition index indicates the potential of social development creating sufficient effect under low level of economic development.

Southeast Asian countries in Table 2 also suggest the existence of a similar possibility, i.e. lack of parallel relationship between economic development and social development and existence of time lag between the two. For instance, GNP per capita in Malaysia is 63% higher than that of Thailand even though demographic transition index of Malaysia is lower than that of Thailand. A similar trend can also be observed between Philippines and Indonesia. Despite the fact that GNP per capita of Indonesia, at 570, is low compared to 730 of Philippines, her demographic transition index is higher in comparison to Philippines.

The relationship between demographic transition index and GNP per capita was examined as indices representing the degrees of social and economic development. The conclusion was that the two generally had parallel relationship in the developing countries but that social development may move ahead of economic development in individual cases. In other words, it indicates that social development can take place ahead of economic development. While emphasis is given to average life expectancy at birth in the UN human development, demographic transition index is characterized by incorporating both the average life expectancy and fertility as well as life and death. In this sense, there is room for the concept of demographic transition contributing to the theories of social development and human development.

### III. Multiple Structure of Demographic Transition in Asia

Asia is a region comprised of a wide diversity of cultures and also of various stages of development. This feature differs considerably from the Western cultural societies. It suggests that there is much room for mutual cooperation and complementation among countries in Asia. In this section, the changes and differences among the four regions are examined with emphasis on demographic transition. The results are as shown in Table 3.

Table 3 Regional demographics in the four regions of Asia

	East Asia	Southeast Asia	Central and South Asia	West Asia
Total fertility rate	1.88	31.5	3.74	4.05
Average life expectancy at birth (male and female)	69.7	63.7	60.4	66.3
Crude birth rate (per 1000 population)	17.5	26.4	29.5	29.7
Crude death rate (per 1000 population)	7.2	8.0	9.8	7.2
Natural increase rate (‰)	10.3	18.4	19.7	22.5
Infant mortality rate (per 1000 births)	41	54	78	60
Dependency ratio	Total	47.4	63.3	70.3
	Children	37.3	56.2	63.0
	Elderly	10.0	7.0	7.3

Source: United Nations, World Population Prospects, the 1996 Revision

In the foregoing table, Asia is divided into 4 regions; namely East Asia, Southeast Asia, Central and South Asia and West Asia. Although the data is limited to fertility, mortality, natural increase and infant mortality, considerable difference exists among regions to indicate a clear order of development stage that exists among them.

In total fertility rate, East Asia is already below the replacement level at 1.88 while other regions show extremely high in the order of Southeast Asia, Central and South Asia and West Asia. Average life expectancy at birth is 70 years in East Asia while that in Central and South Asia is only 60 years. In infant mortality rate, East Asia has a low figure of 41 per 1000 births while that of Central and South Asia is nearly twice as high at 78. Natural increase rate is only 1% in East Asia as opposed to about 2% in other three regions, particularly high in 2.25% in West Asia.

The foregoing basic indices concerning population clearly indicate the existence of large disparity that exists with regard to social and economic development in respective regions, i.e. the human development proposed by the UN, within Asia. It goes without saying that even greater disparity exists on the national level.

Therefore, there is no panacea that can be applied to all countries. For this reason, it is necessary to develop efficient policies and programs according to the characteristics of each country through close information exchange mutually in addition to constant analysis of basic friends and characteristics of their own population development.

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# Brunei

## I. Land characteristics, and the general economic situation

Brunei (Negara Brunei Darussalam) is located on the northwest side of Borneo Island. It is a nation with an area of 5,765 km<sup>2</sup> surrounded by the Malaysian state of Sarawak, and the capital is Bandar Seri Begawan. The Brunei territory is separated by the Limbang District of Sarawak, with the western district of Bandar Seri Begawan being composed of the three districts of Brunei-Muara, Tutong, and Belait. About 97% of the population resides in these districts.

About 80% of Brunei's land is covered by tropical rainforest jungle, and the climate is a hot, humid tropical rainforest climate. Rainfall in the capital district reaches 3,000mm annually, with totals rising to more than 5,000mm in the interior. November to January is the tropical monsoon season, with breezes and lots of rain. And the dry season is in March and April, the hottest months of the year.

Brunei's general economic situation depends greatly on the price of oil. Oil was discovered in Brunei in 1929, and foreign exchange income due to oil exports has since provided economic support for the country. In particular, while high oil prices in the latter half of 1990 gave Brunei an economic cushion, the slide in oil prices since 1992 has dealt a big shock to the economy. Nevertheless, exports of abundant oil and natural gas resources has preserved the stability of this country's economic situation.

## II. National development plan

The first national development plan was adopted in 1952, and the 7th plan (1996-2000) is currently being implemented. The long-term goals of these development plans are as follows.

- To make qualitative improvements in the people's lives
- To effectively utilize the national wealth
- To develop human resources
- To eliminate unemployment
- To maintain a moderate rate of inflation
- To build a self-reliant and mutually supporting society
- To ensure that Malays can take the leadership in the industrial and commercial sectors
- To build a clean, healthy environment

In looking at the accomplishments of the 6th plan, what stands out first is the declining share of the economy held by the oil sector. In other words, where the oil sector accounted for 76% in 1985, it had fallen to 36% in 1995. On one hand, economic activities in the government sector and the private non-oil sector have become much more vibrant. This shift from the oil sector to the non-oil sector will enable Brunei to continue its efforts to maintain economic strength in the future. The development strategy adopted for the 7th plan calls for attaining even more balanced economic and social growth.

### III. Population conditions

Table 1 Brunei's vital statistics

Item		1989	1994	1995	1996
Population (1,000 people)	Total	246.3	284.5	296.0	305.1
	Male	130.4	150.0	156.6	161.5
	Female	115.9	134.5	139.4	143.6
Rate of population increase (%)		2.9	3.0	4.0	3.1
Composition of population by age group (%)	0-14	35.3	33.8	33.2	32.9
	15-54	58.7	59.5	60.2	60.3
	Over 55	6.0	6.7	6.6	6.8
Birth rate/1,000 people		28.1	25.6	24.8	25.0
Mortality rate/1,000 people		3.4	3.2	2.9	3.3
Infant mortality rate		9.0	8.4	7.9	6.9
Item					
Average life expectancy	Male	/	1971	1981	1991
	Female		61.9	70.1	72.1
Employment rate	Total		62.1	72.7	76.5
	Male		53.3	59.6	65.6
	Female		80.2	83.1	82.2
Unemployment rate			20.0	31.3	46.4
		2.6	3.6	4.7	

Note: The population includes those people with citizenship rights, permanent residency rights, and temporary residency rights.

Source: Statistics Division, Department of Economic Planning and Development, Ministry of Finance, Brunei Darussalam 'Key Indicators 1997'

Brunei's vital statistics are as shown in Table 1. The population in 1996 was 305,100 (161,500 men, 143,600 women), and the population growth rate in the past several years has ranged from 2.9% to 4.1%, with a generally upward trend in the rate of population increase. This population increase is due to a government policy of not instituting any artificial population control measures. In other words, the report given at the World Summit on Social Development conducted in 1995 clarified that the government policy was not so much to seek reduction in family size as to improve the family's overall welfare.

By age group, while the population in the young age group of 14 and under has been declining slightly, and the size of the middle and older age groups has been increasing slightly, the trends are not particularly conspicuous. It would appear, then, that the country still has some time leeway before becoming an aging population.

In addition, the decline in infant mortality rates is due to improvements and growth in medicine and health, as will be discussed later.

#### IV. The poverty

Due to various government policies, absolute poverty is not a major problem in Brunei. The groups targeted for public assistance by the government are as follows.

- (1) People with dependent relatives who have lost a spouse due to death or divorce
- (2) Orphans without income, regardless of whether they are attending school
- (3) Invalids without income, who have certification from a doctor of illness, bodily disability, or mental disability

Public relief is offered to those with citizenship rights only. The monthly sums for public relief are as follows (as of 1997).

Head of household:	150 dollars
Wife of household head:	80 dollars
Children (up to 4th child):	65 dollars

#### V. The employment and unemployment

According to the 1995 labor survey, the labor population was 122,839 people, of which 6,059 people were in an unemployed condition. Therefore, the unemployment rate was 4.9%. Table 2 shows comparisons of population characteristics in terms of the employed population and the unemployed population.

Table 2 Employment situation (1995 survey)

Characteristics		Employed (%)	Unemployed (%)
Age group	15-19	2.1	21.7
	20-24	13.2	37.1
	25-29	19.6	17.8
	30-39	35.2	14.5
	40+	29.8	8.8
Gender	Male	59.2	41.4
	Female	40.8	58.6
Race	Malay	61.9	86.2
	Non-Malay	38.1	13.8
Citizenship	Brunei citizen	65.4	91.0
	Other country citizen	34.6	9.0
Extent of education	Primary school or none	23.5	18.2
	Lower middle school	24.6	35.3
	Upper middle school	37.2	43.2
	Technical/high school	14.6	3.3

Labor population 122,839    Employed population 116,780    Unemployed population 6,059

Source: Statistics Division, Department of Economic Planning and Development, Ministry of Finance

For comparison by age group, the middle and older age groups hold a high percentage of the employed population, while the younger age group has a high percentage of the unemployed population. For the unemployment and employment situations by gender, men hold a high percentage of the employed population, and a low percentage of the unemployed population, while women are in the opposite situation.

By race, attention is drawn to the high percentage of the unemployed held by Malays. This situation coincides with citizenship, where Brunei citizens hold a large proportion of the unemployed population, while citizens of other countries hold a low percentage. This result is undoubtedly due to the fact that people who are citizens of other countries enter Brunei in search of employment opportunities.

While the level of education does not appear to show a distinct difference between the employed and unemployed populations, the trends show that people with high education levels are blessed with more employment opportunities.

## **VI. Women in development**

Women account for 47.1% of the total population (1996), and the average lifespan for women is 76.5 years (1991), surpassing that of the men. From a physiological standpoint, this situation for women is exhibiting the same trends seen in advanced nations or in other developing nations. From the social standpoint, however, the role of women, while improved somewhat, remains restricted. In other words, whereas the employment rate for men is 82.2%, it is 46.4% for women (1991). And while the situation can be said to be greatly improved when compared to an employment rate of just 31.2% for women in 1981, there is still plenty of room for effort. There is room for improvement in the area of literacy, as well, where the rate is 93% for men and 85% for women (1991).

That women have a lower rate of participation in the workplace than men is not because of poor treatment in the workplace. In government announcements, women have the same rights as men in the workplace, are assured of the same wages for performing identical work, and are accorded equal status. This phenomenon may actually be a reflection of the country's religious and cultural elements. It should be noted that female public employees are allowed to take 56 days of paid leave for childbirth, and are given time off for childcare should their children be admitted to hospital.

## **VII. Juveniles and youths**

In Brunei, people aged six to 15 are classified as juveniles, while those aged 16 to 39 are classed as youths. The national census of 1991 found that 129,000 people were youths, for about 43% of the total population. It follows that healthy nurturing of youths can be equated to healthy nurturing of the people as a whole, and it is a subject of profound interest for the government.

Various policies are being taken for healthy nurturing of youths. These include, for example, technical and handicraft centers, industrial schools, and employment and technical schools engaging in practical education to encourage wage employment or independent self-employment.

Although the number of students withdrawing from the school system early is not that high, it remains a major problem.

## **VIII. Social problems**

Social problems such as street children, child labor, child prostitution, and child selling do not exist in Brunei.

Drug use among youths is a major problem, however. In fact, the number of drug-using youths is increasing. To deal with this problem, a drug control bureau and a rehabilitation center have been established.

The drug control bureau is cooperating with the police, customs, and the immigration bureau to control the smuggling and use of illegal drugs.

## IX. Education

Residents of Brunei receive at least 12 years of education at no cost. According to 1991 statistics, the literacy rate of juveniles aged 10 to 14 was 98.8%, with remaining illiterate juveniles being children with learning disabilities, etc. The number of juveniles attending school in 1991 and 1993 were as shown in the table.3

Table 3 Number of children attending school, by type of school and level of education

Education level	1991			1993		
	Public	Private	Total	Public	Private	Total
Primary education						
Preschool education	4,000	4,400	8,400	4,100	7,400	11,500
Primary school, grades 1-6	28,100	9,300	37,400	28,400	11,700	40,100
Total	32,100	13,700	45,800	32,500	19,100	51,600
Middle school education						
Lower level	13,700	2,600	16,300	14,000	2,000	16,000
Upper level	6,500	800	7,300	8,000	1,000	9,000
Total	20,200	3,400	23,600	22,000	3,000	25,000

## X. The housing

Public employees living in rented housing provided by the government. This housing is not of good quality, however. The 6th national development plan included 72 housing construction plans, of which 33 plans were implemented. Construction of public employee housing is an important issue in the 7th plan, as well.

General housing construction is conducted by the government and by private-sector developers. The government's housing construction plan includes a national housing development plan, a housing construction plan for landless aborigine people, and land grant plans. These respective plans are provided as services to qualified residents.

## XI. The health

In Brunei, the health holds an important policy position, and great improvements have been seen in the past several years. As a result, infectious diseases have been virtually eradicated, and most health problems incurred by the people are diseases or accidents related to people's lifestyles, including heart disease, malignant tumors, diabetes, and traffic accidents.

Moreover, the average lifespan has reached 72.0 years for men and 76.6 years for women, while the infant mortality rate has fallen sharply from 9.0 per 1,000 live births in 1989 to 6.9 in 1995. In addition, the mortality rate for women giving birth has fallen from 11.1 per 1,000 women giving birth in 1991 to 7.9 in 1995. This improvement in survival assurance is based on an improved health situation that has accompanied growth in the social and economic environment.

The improved health situation also depends to a large degree on improved public sanitation. About 98.1% of children have received the triple vaccine and the polio vaccine, while 86.6% of children have received the tuberculosis vaccine, 78.5% of children have received the measles vaccine, 95.1% of children have received diphtheria shots, 95.0% of children have received tetanus shots, and 100.0% of children have received rubella shots. The vaccine for hepatitis B is given to all newborns.

Local health, maternity and infant health, and school health are constantly subject to review and improvement. Medical attention for maternity and infant health is free of charge.

## **XII. The environment issue**

A rising population, rapid urbanization, and inadequate development of sanitation infrastructure is spreading pollution in water sources and along the coastline. Furthermore, releases of untreated residential wastewater is aggravating pollution in these districts. River pollution is also a problem that cannot be overlooked. A garbage disposal system has been implemented to resolve these environmental pollution problems, and its effectiveness is being felt.

While there are no air pollution sources inside Brunei, air pollution caused by smoke pollution coming in from neighboring countries has become a major problem.

## **XIII. Sanitation, drinking water, and sewage**

Construction of a Brunei drinking water system began in 1948 in the capital of Bandar Seri Begawan (then called Bandar Brunei). Purified water was first provided in 1953. While the water volume at that time was about 1.3 million kiloliters, the system by 1965 had been developed to the point of handling a water volume of 10 million liters per day.

There are currently water purification plants at four locations, Sungai Tutong, Sungai Belait, Labi, and Tembureng, each providing drinking water for their respective districts.

The main sewer line systems are developed in urban areas. About 59% of the people have access to suitable sanitation facilities. Newly constructed housing is always connected to sewer line systems, and branch sewer lines are connected to the main sewer lines. A vacuum sewer line system was introduced in 1994 on an experimental basis in Kampong Ayer.

## **XIV. Social welfare and social security**

The ministry of culture, youth, and sports is in charge of social welfare. Its main activity is to work to improve the welfare of people in socially underprivileged positions who require aid and advice. Specific activities include providing economic assistance and allowances to widows, orphans, the elderly, and the disabled.

Concerning pensions, there is the elderly and disabled persons pension law, which mandates pensions for the elderly and vision-impaired, allowances for the dependents of people with Hansen's disease or of mentally disabled people, and pensions for the disabled.



## **XV. Conclusion**

Because Brunei has been able to acquire large sums of foreign currency income through exports of oil and natural gas, and to generate a high value for its gross national product, the country is in a fairly advanced state of social development. These natural resources are expected to run dry in the not-so-distant future, however, and the government is keenly aware of that eventuality. The government is therefore aiming to better develop social policy.

In the social welfare department, the government's general policy is to take preventive measures, and to put emphasis on preventing social problems before they arise. What is being emphasized in order to achieve this policy is the traditional social group, self-reliant individuals, and mutual support between families and within the local society.

The society that comes after the natural resources that are the nation's source of income run dry will need to be a society where each citizen exercises self-reliance and mutually supports each other.

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# Cambodia

## I. Geography

Cambodia has a land area of 181,035km<sup>2</sup> and shares borders with Laos and Thailand in the north, with Thailand in the west, with Vietnam in the east and faces the Gulf of Thailand in the south. The climate is hot and humid with highest temperature exceeding 40°C during the months of April and May. Seasons are divided into rainy season and dry season--the rainy season lasting from May to October and the dry season lasting from November to April. The capital city of Phnom Penh has a precipitation of about 140mm. The water level of the Mekong River starts to rise in June and drops around October. The alluvial soil created by the swelling and subsiding of the Mekong River tumbles the riverbed soil. It also creates natural levees and makes it possible to grow vegetables in fertile field behind these levees. Fish is caught in parts of the country facing the Gulf of Thailand. Fish is also the staple food of Cambodia. Cambodia is a country coexisting with its abundant nature manifested in the form of plains, forests, rivers and the sea. It has lakes in the central plains and the Mekong River flowing from north to south. Her mountains are located along the northern and northeastern borders. Cambodia is a rich country blessed with plains and water.

## II. Economy and industry

It was in 1979 that the economic system of Cambodia made the transition from a planned economy to a market economy. Farmers were able to trade their agricultural products freely in the market. Private ownership of small factories and shops was permitted and placed the private sector at the center of economic activities. Land ownership was also permitted after the introduction of open market economic policies. Foreign investment increased, particularly from the overseas Chinese, and the market economy started taking root.

Nonetheless, Cambodia is one of the poorest nations in the world. During the 1960s, GDP per capita of most Southeast Asian countries ranged between \$100 and \$150. After entering the 1990s, however, GDP per capita of Thailand and Malaysia exceeded \$1,000 while that of Cambodia remained stagnant. In 1986, Cambodia laid down the 5-Year Plan for Economic Recovery and Development centered on her key industry of agriculture, forestry and fisheries in an attempt to restore productivity. However, sufficient recovery of the economy was not achieved owing to natural disasters and shortage of capital and labor.

Cambodia has an industrial structure in which agriculture accounts for 45% of total production. The fact that 80% of population is engaged in agriculture clearly indicates that the Cambodian economy is built on agriculture. As shown in Table 1, however, the component ratio of the agricultural sector in GDP has been gradually declining since 1988. Meanwhile, the industrial sector is increasing its share. Increase in the share of construction industry following the economic recovery has become conspicuous following the slump of manufacturing industry and sluggish rice production in agriculture. The slight increase in the share of the service industry is assumed to have resulted from activation of physical distribution and mobility among people that followed the entry of Phnom Penh entered into the market economy.

Table 1 Changes in GDP component ratio by sector in Cambodia  
(based on fixed pricing as of 1989)

(unit: %)

	1988	1989	1990	1991	1992	1993 (estimated)
Agricultural sector	50.5	52.3	52.3	51.8	49.4	48.2
Grains and rubber	31.1	32.5	30.4	30.2	28.2	28.2
Rice	20.9	21.2	20.4	18.2	16.6	16.0
Other	10.2	11.2	10.0	12.1	11.5	12.2
Livestock	11.9	13.4	14.0	13.2	13.1	14.7
Fisheries	4.3	3.9	5.1	5.1	4.5	4.4
Forestry	3.2	2.5	2.8	3.3	3.5	0.9
Industrial sector	5.7	15.4	14.9	15.1	16.3	16.9
Mining and digging	1.0	1.0	1.1	1.1	1.1	1.2
Manufacturing	6.8	7.5	7.1	7.0	6.8	6.9
Electric power	0.3	0.2	0.2	0.2	0.2	0.2
Construction	7.6	6.6	6.7	6.7	8.2	8.7
Service sector	33.8	32.3	32.8	33.1	34.4	34.8
Transportation/communication	2.8	2.7	2.6	2.7	2.9	3.0
Wholesale/retail	14.1	13.0	12.5	13.1	14.2	14.3
Hotel/restaurant	0.1	0.2	0.3	0.4	0.5	0.5
Administration/education/health	4.2	3.9	4.5	4.2	3.9	3.9
Householding	6.5	6.4	6.5	6.2	6.2	6.4
Others	6.1	6.2	6.4	6.5	6.7	6.9
GDP	100.0	100.0	100.0	100.0	100.0	100.0

Source: "Datasheet of Developing Countries: Cambodia," International Cooperation Institute, Japan International Cooperation Agency, 1996

Reference: "Report on the Cambodian Economy," Asia Development Bank, December 1991

### III. Population

According to UNDP, Cambodia had a total population of about 10,200,000 and average life expectancy of 52 years in 1995. The country is comprised of 20 provinces, 3 cities, 172 districts and 1,547 villages, and 85% of total population is engaged in agriculture. The province with largest population in 1994 among provinces and cities was Kampong Cham Province located northeast of Phnom Penh, which had a population of 1,520,000. It was followed by 928,000 of Prey Province in the east of Phnom Penh, 894,000 of Kandal Province surrounding Phnom Penh and 670,000 of Takeo Province in the south of Phnom Penh. The city of Phnom Penh ranks fifth with population of 703,000. Phnom Penh City and its surrounding provinces account for 49.7% of the total population of Cambodia. Roughly speaking, 50% of the population of Cambodia lives in Phnom Penh and its vicinity and the other 50% are distributed in other regions. Among provinces that are remote from Phnom Penh, Battambang Province at the Thai border has the sixth largest population of 637,000. Provinces located along the borders with Laos and Vietnam tend to have less population. About 90% of the total population live in the central plains. The percentage of urban population is about 12% of the total population, and Phnom Penh is the city with the largest population. In reality, migrators and

squatters from rural areas are increasing and are said to exceed 1 million in number. Average annual population increase rate is 2.7%.

On the other hand, WHO announced in 1992 that there are 4,318,804 men and 4,681,511 women in Cambodia, indicating that there are more women than men in the country. In particular, women outnumber men considerably in the productive age population between ages 15 and 64 (Table 2). This is the result of reduction in male population owing to the civil war and social disturbance that continued over an extended period of time. Young population below age 15 accounts for 46% of the total population to form a pyramid-shaped demographic structure, which is typical of developing countries. Cambodia has the highest birth rate in Southeast Asia of 40 births per 1,000 population. Average number of births given by a woman is also high at 4.5. Infant mortality rate of those below age 5 is 200 per 1,000 infants (1989). This is more than twice as high as the average of Southeast Asia of 83.

Khmer is the official language in Cambodia. As for ethnic groups, Khmers account for five-sixths of the entire population and are mostly engaged in farming. There are 500,000 Chinese-Cambodians, 400,000 Vietnamese-Cambodians and 110,000 Cham-Cambodians. There are also minority groups among highland Khmers such as Punon, Suthian, Kuie and Po.

Table 2 Male and female population of Cambodia by age (1992)

Age	Total	Male	Female
Ages 0-4	1,710,250	867,097	843,153
Ages 5-14	2,520,368	1,234,980	1,285,388
Ages 15-17	450,066	222,486	227,580
Ages 18-64	4,050,592	1,875,424	2,175,168
Ages 65 and above	270,039	118,817	151,222
Total	9,001,315	4,318,804	4,681,511

Source: Same as Table 1

Reference: Rural Integration Strategy Mission, Health Report, WHO, Feb. 1992

#### IV. Transportation and communication

The transportation system in Cambodia is comprised of road transportation, railroad transportation and inland water transportation. The road network is divided into national road, provincial road and local road. The majority of roads were built prior to World War II. The roads with total extension of 34,100km are in seriously damaged condition because of the civil war, flood and excessive traffic. Bridges are also damaged to the same extent. They are far from being maintained in perfect manner due to shortage of machinery and equipment for road maintenance, shortage of engineers and shortage of technical capacity and funds. The railroad network is comprised of the northwestern route that runs from Phnom Penh and runs in the northwestern direction of the Thai border, and the southwestern route that runs from Phnom Penh to Kampong Cham Port. Owing to destruction of rail and communication facility by the vortex of war, however, only 2 to 3 trains are presently being operated on each of these routes. Improvement of the railroad transport in general is desired considering the superannuation of the vehicles.

The communication system of Cambodia had been in relatively good condition until 1970. The civil war that broke out in 1970 destroyed the communication system. Although international

communication network was partially formed starting in 1986, improvement of domestic communication is still lagging behind. While it is impossible to communicate by phone within Phnom Penh, it is possible to communicate with areas outside of Phnom Penh by using the radio system. The construction of the communication system has not made any progress owing to reasons such as superannuation of facility and equipment, shortage of parts and shortage of engineers. The Cambodian Government, however, has a plan to restore the communication base to a considerable degree through assistance from overseas.

## **V. Health and medicine**

### **1. Health and medicine administration**

The organization of the Ministry of Health in Cambodia, which was reorganized in May 1992, has a senior vice minister and two vice prime ministers assisting the Minister of Health, with the Minister's Cabinet and the Health Bureau playing the central part. The Minister's Cabinet is comprised of 5 divisions, transportation equipment, secretary, personnel affairs and international exchange, while the Health Bureau directly controls the national medical facilities and consists of 6 departments—statistics/planning, technology, pharmaceutical, treatment and personnel training.

In January 1991, CCH (Coordinating Committee for Health) was created as a consultative body for the Minister of Health. The body is comprised of vice minister, bureau chiefs, directors of national medical facilities and representatives from NGOs and foreign aid organizations. The objective of CCH lies in preparing the basic principles for the development of health and medicine in Cambodia, guidelines for improvement and the plans concerning health and medicine, and submitting them to the Minister of Health. CCH launched its activities in 1992 with cooperation from WHO and UNICEF. As the budget from the Ministry of Health is intended for the central health and medicine service in Phnom Penh, local health budget comes from provincial development budget which is requested by respective provinces to the Ministry of Planning.

### **2. Present status of health and medicine**

According to the statistics from UN in 1991, average annual population increase rate between 1990 and 1991 is 2.2%. Birth rate is also high and greatly exceeds the average for Southeast Asia, indicating a high-fertility, high-mortality demographic pattern. In particular, extremely high infant mortality rate is the result of not only war damage but deterioration of health, medicine and hygiene. According to the 1992 data from the Ministry of Health of Cambodia, malaria is the greatest cause of death in all the years surveyed (Table 3).

Table 3 Order of fatal diseases in Cambodia between 1987 and 1991  
(Number of deaths per population of 100,000)

Name of disease	1983		1987		1990		1991	
	Rank	Deaths	Rank	Deaths	Rank	Deaths	Rank	Deaths
1. Diarrhea	2	5.77	5	2.16	4	0.81	6	0.43
2. Parasitism		----		----		0.00		0.00
3. Dysentery	3	4.03	3	2.56	6	0.31	7	0.37
4. Malaria	1	10.01	1	14.02	1	10.02	1	13.03
5. Tuberculosis	7	1.51	4	2.45	2	2.12	4	0.65
6. Venereal diseases (not finalized)		0.00		0.03	10	0.03		----
7. Typhoid	9	1.05		----	5	0.57	8	0.16
8. Hemorrhagic fever	6	1.92	2	4.22	3	0.99	2	1.70
9. Rabies		0.10	8	0.15	8	0.09	5	0.47
10. Chickenpox		0.10		0.00		0.02		0.00
11. Framboesia	10	0.34		0.00		0.00		0.00
12. Leprosy		0.10	10	0.06		0.02	9	0.01
13. Blackwater fever	8	1.20	9	0.06	9	0.06		----
14. Cholera	5	2.03	7	0.15		0.00	3	1.30
15. Measles	4	2.07	6	2.10	7	0.11		----

Source: Same as Table 1

When the condition in 1987 is compared with that of 1991, however, a decline in disease-caused mortality rate can be observed. Diseases with high morbidity rate from 1990 to 1991 were diarrhea, fever, dysentery and malaria, indicating a typical disease structure of a developing country (Table 4). It is presumed that low age groups are suffering from diseases in Cambodia where young population between ages 0-15 accounts for nearly half of the total population.

Table 4 Diseases with high morbidity rate and mortality rate in Cambodia between 1990 and 1991

Disease	Morbidity rate per 100,000 population		Mortality rate per 100,000 population	
	1990	1991	1990	1991
1. Diarrhea	2,733.02	1,781.68	0.81	0.43
2. Fever	2,187.72	192.85	0.00	0.00
3. Dysentery	1,789.50	495.27	0.31	0.37
4. Malaria	1,023.65	1,296.66	10.04	13.03
5. Tuberculosis	466.78	95.20	2.12	0.65
6. Venereal diseases (estimated)	124.23	15.45	0.03	---
7. Typhoid	108.48	42.48	0.57	0.16
8. Hemorrhagic fever	103.69	37.66	6.99	1.70
9. Rabies	85.25	6.04	0.09	0.47
10. Chickenpox	38.06	2.28	0.02	0.00
11. Framboesia	38.81	23.25	0.00	0.00
12. Leprosy	29.44	15.42	0.02	0.01
13. Carbuncle	1.30	0.29	0.06	---
14. Cholera	0.58	12.28	0.00	1.30

Source: Same as Table 1

### 3. Drinking water

The population having access to safe drinking only accounted 3% of the total population in 1985-1988 average. While no particular problem exists with regard to water supply in the city of Phnom Penh, leakage from water supply piping and filthy water are strongly influencing the water volume. Medical facilities that are located at the end of the city water main have low water pressure and are limited in terms of the amount of water they can receive from the city water supply. To solve such water shortage problem, some hospitals are building wells to replenish their own water supply.

### 4. Drainage

Regarding drainage, the majority of medical facilities use ground permeation toilet for primary treatment. Medical drainage is directly discharged into the city sewer. As this has the danger of causing contagious diseases, improvement of primary drainage treatment facility at respective medical facilities is desired.

### 5. Medical facilities

There are 1,571 hospitals in Cambodia as of 1991 and many of these hospitals have not recovered their outdated facilities and machinery. According to the 1993 data from the Ministry of Health, there are 936 doctors, 2,622 registered nurses and 1,844 registered midwives throughout Cambodia. A wide gap exists in these numbers between Phnom Penh and local regions (Table 5).

Table 5 Statistics on the health sector of Cambodia (1993)

	Persons	Phnom Penh (%)	Local regions (%)
Number of doctors	986	626 (63)	360 (37)
Number of population for each doctor	9,440	1,104	23,935
Number of primary health workers	1,810	697 (39)	1,113 (61)
Number of registered nurses	6,920	1,329 (19)	5,591 (81)
Number of registered nurses per doctor	7	2	16
Number of practical nurses	2,622	931 (36)	1,691 (64)
Number of registered midwives	1,844	84 (05)	1,760 (95)
Number of registered midwives	2	0.1	5
Number of practical midwives	1,120	307 (27)	813 (73)

Source: Same as Table 1

## VI. Education

### 1. Present condition

The most important aspect in achieving the economic recovery of Cambodia is training of people through education. Destruction of the education system, persecution of teachers, renunciation of school facilities and textbooks that occurred during the Pol Pot administration continue to cripple the progress of education in Cambodia even today. The current education system consists of 3 year kindergarten, 5 year primary school, 3 year junior high school, 3 year senior high school, 3 to 4 year special technical school that has been established as an alternative for senior high school and 3-4 year university. However, the content of education is insufficient, in quality and in quantity, as a combined result of shortage of teachers, absolute shortage of schools in comparison to school age

population and poor quality of school facilities such as textbooks and desks. Enrolment rate of elementary schools is said to be about 30% of school age population. The Cambodian government is currently building and repairing schools, training teachers and offering vocational training with cooperation from international agencies, foreign governments, overseas assistance organizations and NGOs.

## **2. Education policy of the Cambodian government**

The Ministry of Education, Youth and Sports is in charge of school education, non-formal education, vocational education, AIDS and nutritional education. Its main education policy is as follows.

- i) Offer opportunity to receive education to all the people
- ii) Establish national education system throughout the country
- iii) Adhere to freedom of education and equal access to education
- iv) Guarantee compulsory education
- v) Promote improvement of vocational education and vocational skills
- vi) Carry out improvement and modernization of the education system in accordance with the socioeconomic demand of the country

Concrete measures that have been described are as follows.

### **(1) Construction and repair of schools**

Community residents and temples are contributing to construction and repair of schools not only in financial terms but in provision of labor. Construction of schools is a major concern for local residents. The construction is realized through cooperation among the government, overseas assistance organizations and NGOs, and is carried out by either builder consignment or resident participation. The former has the merit of superior construction skills and definite work period and the demerit of high construction cost and difficulty in reflecting the opinions of the local residents. On the other hand, the latter, which is practically a hand-made construction, will have a weak structure unless proper technical guidance is provided, and often delayed significantly because the villagers can only contribute their labor when they have time to spare. However, the buildings are easier to maintain once they are completed because monks and villagers offer their service for the construction by using materials provided to them by the government and NGOs. In addition, it has the merit of significantly lowering the construction cost as it does not require any cost for labor. Both methods are being used in Cambodia.

### **(2) Non-formal education**

Literacy education for enabling illiterate persons to read and write is being offered outside of formal schools by using temple facilities. Agricultural knowledge and skills, nutritional education and health education are also being offered. Teachers are mostly monks and members of the community.



### **(3) AIDS and nutritional education**

AIDS education has been started at schools for prevention of AIDS with the purpose of propagating knowledge about AIDS among students as well as their families. Emphasis is also given to nutritional education. As many people have become disabled because of unbalanced ingestion of nutrients. For this reason, nutritional education is being offered with emphasis on vitamin intake with particular aim of preventing amblyopia caused by lack of vitamin A.

### **(4) Problems of education**

The Ministry of Education, Youth and Sports has enumerated the problems of education as follows.

- i) Enrolment rate of school age children is not perfect, particularly in rural areas.
- ii) The number of schools, classrooms and educational facilities is still not sufficient, and many schools are in poor condition of not having doors and windows.
- iii) The percentage of dropout and re-enrolment is high in elementary schools. Most of them are girls.
- iv) There is no guidebook on the fundamentals of teaching and training.
- v) The condition remains poor with regard to human development.
- vi) Management of education and the management system for centralization or decentralization need to be improved.
- vii) The Cambodian government lacks the funds to continue the projects that have been started by NGOs and overseas assistance organizations after they complete their roles.

## **III. Women and development**

Khemara, a NGO for the advancement of Cambodian women through their self-effort, has made the following statement about women in Cambodia. "Women in Cambodia are affected by the reduction of male population due to war and other causes. Two out of every 3 farmers are women and nearly 90% of women are engaged in some kind of economic activity. An average Cambodian woman receives only 2 years of education. As for their children, 38% of children under age 5 were born premature." Khemara is the most influential group on the issues of women in Cambodia. It is also the largest NGO in Cambodia and carries out its activities in cooperation with the Ministry of Social Issues, Labor and Veterans. As activities related to women in Cambodia are largely dependent on Khemara, the contents of its activities are introduced in the following.

Khemara, which is comprised of 47 staff members and more than 50 volunteers (all of who are Cambodian women), is working on improving the lives of women through the method of community development. Khemara's programs are as follows.

### **1. Training activities**

Literacy education and leader training on village level.

### **2. Small-scale project activities**

Teaching women who are starting their small-scale business by building shops and stalls about methods of financing, mastering of skills and management.

### **3. Health activities**

Assistance for disabled persons, establishment of health centers and offering of infant health, public health and health education.

### **4. Family support activities**

Promotion of family livelihood improvement through volunteer network.

### **5. Social development of rural areas**

Comprehensive implementation of activities such as health, education, income generation and public health at isolated rural areas.

## **VIII. Social welfare**

Social welfare in Cambodia is under the jurisdiction of the Ministry of Social Issues, Labor and Veterans. Since no detailed data on social welfare is available, the policy of social welfare will be explained by relying on "Prospective Guidelines on Social Issues in Cambodia for Periods 1995 and 1996-2000 in the Ministry of Social Issues, Labor and Veterans."

### **1. Issue of disabled persons**

According to a study by the International Red Cross, there are 180,000 disabled persons, which account for 2% of total population, as of 1995. An average of 200 persons are disabled every day by landmines. The number of disabled persons in Cambodia is high owing to civil war, landmines, malnutrition and poor health and medical system. International organizations and foreign private assistance groups play an important role in addition to the Cambodian government in the assistance activities. The Ministry has stated that it will cooperate with other ministries and representatives of disabled persons to take necessary measures to put the social life of disabled persons on the track. For the time being, the Ministry is placing highest priority on training experts to look after disabled persons.

### **2. Issue of street children and homeless people**

There are street children and homeless people whose accurate numbers are unknown in Phnom Penh and other cities. The Cambodian government is considering to implement a fact-finding survey on street children and homeless people and measures to reduce their number by the year 2000.

### **3. Protection of orphans**

- Implement policies for offering basic care, education and vocational training to orphans to enable their social and psychological independence.
- Carry out a survey and monitoring of the present condition of orphans.
- Work together with related ministries, community groups, NGOs, foreign private assistance groups and international organizations.

### **4. Support for self-sustenance of widows**

- The government will offer support for self-sustenance of widows

- The government will work with community groups, NGOs, foreign private assistance groups and international organizations.
- The government will also work with women's groups and offer capital and technical assistance for those starting small-scale business.
- The government will promote its programs with women-related departments of relate ministries by establishing one or two pilot districts in rural and urban areas. The program includes vocational training, support for starting small-scale businesses and support for improvement of livelihood.

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# China

Entering the 1990s, the government of the Chinese People's Democratic Republic is tending to place more emphasis than ever on social development projects. In preparation for the Social Development Summit held in 1995, the State Committee in 1994 held the first "National Social Development Working Conference" since the establishment of Chinese People's Democratic Republic. The conference drew up plans with the objectives of balanced development of both the economy and society, and of sustained development, incorporating them into the nation's "9th Five-Year Plan" and the 1996-2010 development plan. China's economy, society, and national life has proceeded with stability and entered a period of balance since the mid-1990s, showing steady improvement in the national economy and in social life. Here, we use 1995 data to survey the social situation in the early 1990s.

In 1995, China's society overall showed steady growth. The national economy developed gradually, economic mechanisms were improved, the rising prices of goods was clearly brought under control, the people's lives continued to grow better, and new progress was seen in all social projects. According to a social development evaluation conducted by the State Statistics Bureau, the general index for the nation's social development grew by 10% in 1995 from 1994. The specifics are as shown in the graph below.

Table 1 Trends in social development indices for 1995 (previous year = 100)

Sector	1991	1992	1993	1994	1995
General index	110	110	106	110	110
Environment	127	103	108	110	110
Population	102	124	104	99	105
Basic economy	116	120	139	128	125
Income distribution	114	110	97	120	115
Labor employment	120	95	98	101	105
Social insurance	106	114	113	110	108
Sanitation and health	109	115	107	96	102
Education, science, and technology	110	101	102	119	118
Culture and sports	104	106	102	98	100
Social order	106	111	85	117	108

## I. Economic and employment conditions

### 1. Macroeconomic stability and steady growth

#### (1) Economic aggregates, and speed of growth

The Chinese government, reflecting on the problem of fast economic growth and excess investment in fixed assets that occurred from 1992, set a goal in late 1993 for a "soft landing" (method for reducing investment in fixed assets in order to bring inflation and the speed of economic growth under control), and embarked on rigorous adjustment. Some positive effects of this policy began to appear in 1995, and improvement came steadily as the speed of economic growth was brought under control. Gross domestic product (GDP) in 1995 was 5.8261 trillion yuan which, at an exchange rate of 8.36 yuan to the U.S. dollar, comes to 696.535 billion U.S. dollars, a rise of 10.5% over the previous year. The GDP growth rate in 1994 had been 12.6%. GDP per capita in 1995 was 4,810 yuan, or 575.06 U.S. dollars. Gross national product (GNP) for 1995 was 5.7277 trillion yuan, or 684.771 billion U.S. dollars, a 10.2% rise over the previous year, and GNP per capita was 4,754 yuan, or 568.36 U.S. dollars.(1)

## **(2) Industrial structure**

The industrial structure is the most important part of China's economic structure, and efforts in the early 1990s resulted in significant progress being made toward modernization of China's industry. Primary industries declined from a 27.1% share of gross domestic product (GDP) in 1990 to 20.6% in 1995, while secondary industries rose from 41.6% to 48.4%, and tertiary industries moved from 31.3% to 31.1%. The ratio of agricultural to non-agricultural stood approximately at 20:80. This proportion surpassed the average value of 28% that is indicative of low-income agricultural nations. However, the ratio of third-stage industries has not yet reached the average value of 36% (1994) indicative of low-income nations. It should be noted, though, that the numbers in this latter category may vary depending on the method of calculation. Be that as it may, the share held by tertiary industries in China remains low. The reason for this probably lies in the fact that China remains largely un-urbanized. In China, primary industry is agriculture, while secondary industry is manufacturing and tertiary industry is the services industry.

## **(3) Social demand, consumption, and investment**

Consumption and demand grew steadily in China in 1995. Total sales of goods (2.062 trillion yuan) was up by 10.4% over the previous year. That was close to the 10.7% average annual increase in total sales achieved in 1991-1995. Total social consumption also steadily climbed in 1995, to reach 3.49622 trillion yuan. This marked a 28.5% rise over 1994, which was virtually identical to the average annual increases registered for 1991-1995. Total social consumption accounted for 58.8% of GDP in 1995, of which 46.8% was individual consumption and 12.0% was corporate consumption.

While investment increased in 1995, investment in fixed assets was effectively brought under control. Total investment came to 2.3587 trillion yuan, accounting for 40.5% of GDP for that year. The amount was 26.9% higher than 1994, and demonstrated a slight slowing from the 29.6% average annual growth of total social investment seen in 1991-1995. In particular, the pace of total investment in fixed assets clearly slowed, with an increase of 21.9%. Nevertheless, this still left the annual average rate of increase for 1991-1995 at 34.1%. Total savings for 1995 (bank and trust company deposits) were 4.5956 trillion yuan in 1995, equivalent to 78.9% of GDP. Total tax revenues were 603.804 billion yuan, or 10.36% of GDP. The central government's fiscal expenditures came to 199.54 billion yuan, or 3.42% of GDP.

While exports rose slightly, imports were slightly lower. Total exports by value in 1995 were 1.2451 trillion yuan, for a 21.4% share of GDP, and represented a 22.9% increase over 1994. The annual average growth rate for 1991-1995 was 19.1%. Imports by value were 1.10477 trillion yuan, or 18.96% of GDP, and were 14.2% more than 1994. This was below the annual average rate of 19.9% for 1991-1995. The figure was the result of a government policy to restrict imports.

### **4. Convergence of rising prices**

Inflation in 1994 was the worst in history for China. In that year, the retail prices of goods were nationwide 21.7% higher than 1993, while prices for individual consumption rose by 24.1%. By 1995, however, a series of macroeconomic policies had brought inflation under control, with the prices index showing clearly lower figures month by month. The rise in retail prices was just 14.8% higher than 1994, to come within the government's goal. The rise in prices continued to converge downward in January to November 1996. Retail prices nationwide for that period were 6.2% higher than the previous year, while prices for individual consumption rose by 8.5% over the previous year.(2)

## **2. The labor situation: improvements and problems**

### **(1) Labor and employment rates**

The total number of people employed nationwide in 1995 was 623.88 million people, a rise of 1.5% over the previous year. It was a normal pace. The rural employed population was 450.42 million people, while the urban employed population was 173.46 million people, for a 72.2% and 17.8% share, respectively, of the total number of employed people. According to data taken from a 1.4% population sample survey conducted on October 1, 1995, the nation's total population of working age, consisting of males aged 16-64 and females aged 16-49, was 710,125,180 people. The employment rate was therefore 623.88 million/710.12518 million = 87.85%. Since no accurate data exists on male and female employment rates, this will have to serve for reference only. The nation's total employed population in urban areas was 149.08 million people, of which women accounted for 57.55 million people, or 38.6% of the total. The male to female population ratio nationwide, however, is 104.2:100, and the labor population is also probably at this ratio. Working from this assumption, the urban employment ratio of men to women is about 10% on the high side. There is as yet no data on employment rates by age group.

### **(2) Employment structure**

Like the industrial structure, China's employment structure underwent great changes in the period up to the mid-1990s. In 1990-1995, the share of the national population engaged in primary industries declined from 60.0% to 52.9%, while that in secondary industries rose from 21.4% to 23.0%, and in tertiary industries from 18.6% to 24.1%. And not only that, the pace of change in the employment structure also picked up speed. Whereas the employment population in primary industries went from 70.5% in 1978 to 60.0% in 1990, a fall of as much as 10 percentage points, the decline required 12 years. By contrast, it dropped by another seven percentage points in just the five years of 1990-1995. Since the economic reforms commenced, 180 million of the agricultural labor population has shifted to the non-agricultural labor population. Of that number, 50% can be said to have made the transition in 1991-1995. At present, however, the agricultural labor population, with 52.9% of the total population, account for just 20.6% of the gross domestic product. Their productivity remains low.

### **(3) Growth in the people's net income**

The average income of the nation's employed population was 5,500 yuan in 1995 which, after the effects of price rises is excluded, was an increase of 3.8% over 1994. According to a sample survey conducted by the State Statistics Bureau, average income in urban areas was 3,855 yuan in 1995, an increase of 21% over 1994. In rural areas net income averaged 1,550 yuan, an increase of 29% over 1994. When the effects of price rises are excluded, the figures meant a rise of 4% for urban areas and 5% for rural areas.

### **(4) Unemployment**

According to statistics by the State Labor Department, the number of unemployed in China was 4.76 million people in 1994, for an unemployment rate of 2.8%. Calculations for the same period, taken from a nationwide labor employment sample survey conducted by the State Statistics Bureau, put the unemployed in China's urban areas at 6.8 million people, for an unemployment rate of about 3.5%.

While the recorded unemployment rate in urban areas was 2.9% in 1995, the 1.4% population sample survey conducted on October 1, 1995 found an urban unemployment rate of 5.03%. The unemployed population was 10 million people. As reforms in state enterprises have progressed, the number of excess personnel in enterprises has been increasing. That is probably the main reason why unemployment rates in China's urban areas have been rising. According to estimates by the Labor Department, the number of people

awaiting employment in 1996 was 13.5 million. Of these, 2 million people were considered to have added to the unemployed population. Of these 2 million people, women outnumbered men. But a certain newspaper has reported that, as the unemployed population has increased, "underemployment" in urban areas has begun to appear. It would appear, then, that at least some of those "off-duty" people (told by enterprises to wait at home for further orders) have found new work but are not yet classed as employed because they still want to receive allowances from the enterprises. This may be the reason why the recorded unemployment numbers are rising.

## **II. Population, migration, and urbanization**

### **1. Total population: Low growth rates, large population rises, and imbalances between regions**

China's population is the largest in the world. The population is an important variable influencing the economy and social growth. Restricting population growth is a long-term basic policy for China. As of end-1995, China's total population was 1.21121 billion people, with a natural rate of increase of 10.55. The nationwide natural rates of increase for 1991-1994 was 14.39, 12.98, 11.60, 11.49, and 11.21, respectively. These show that the rate of population increase in China is declining year by year. The falling rate of population increase is due to skilled implementation of planned birth control policies, and to a reduction in both birth rates and mortality rates due to progress in medical health projects. The birth rate in 1995 was 17.12, while the mortality rate was 6.57. In 1990, these rates were 21.06 and 6.67, respectively. The policies have been so successfully implemented that China's population growth level has progressed ahead of its economic growth level. The nation is now entering the stage of "low birth rates, low death rates, and low growth." Currently, China's natural population growth rate not only falls below the 18.0 level seen in low-income countries, but is also lower than the 15.0 level of middle-income countries.(3) But because the population base is already huge, the amount of population increase for 1991-1995 was 13.245 million people, swallowing up an average of 7% of GDP each year.(4)

Although population increase rates are declining each year, differences in society, culture, and economy are resulting in imbalances between regions in the rate of population increase. Even while the natural rate of population increase was falling nationwide during the 1990s, differences between provinces, cities, and districts were widening. The registered population in Shanghai City actually showed a decline in 1993, with a natural population growth rate of minus 0.78. The city has reached 40 years early the level predicted for China as a whole. Nevertheless, natural population increase rates remain above the national average in many regions, particularly in the middle and western areas. Controlling the population growth in these regions will remain somewhat difficult.(5)

### **2. Aging of the population structure**

A sample survey covering 1.4% of the total population was conducted in 1995. Of the survey total of 12,366,954 people, 3,306,220 were aged 0-14, for 26.7% of the total. Those aged 15-64 numbered 8,232,607 people, for 66.7% of the survey total. The population aged 65 and over was 828,127 people, or 6.7%. This kind of population structure shows that China's population is approaching the stage of aging populations. Many large cities entered the era of the aged society in the early 1990s. Estimates have put China's population aged 65 and over at 7.01% of the total by 2001. In other words, while the economy remains at a low-income stage, the population has been rapidly aging, and the burden coefficient on the national employed population has already reached 50.22. Of this total, the juvenile burden coefficient was 40.16, and the aged burden coefficient was 10.06.

China's population structure by gender is normal. Of the total 1995 population of 1.21121 billion people, males numbered 618.08 million and females 593.13 million. These accounted for 51.03% and 48.97% of the total population, respectively. The male to female ratio was 104.2:100.

### **3. Population flows**

The population movement in China since the reforms began has been unprecedentedly large, with population flows between urban and rural areas, and between cities, becoming a well-remarked phenomenon of society life. Since there are no national statistics on population flows, we shall here use partial data to pursue the discussion.

The imbalance of growth between urban and rural areas appears to be the main cause of population flows between these two areas, and particularly the massive flow of farmers into the cities. There is no accurate data on just how large the population movement has been. According to certain materials, the population flow from rural areas into urban areas had reached 50 million people by the end of 1995, amounting to 30% of the 147 million people (people with registered urban residences) employed in the nation's cities. That figure amounts to a half of the total employed population at state enterprises. In other words, one in four of the urban employed population is a farmer that has come from a rural area. In the same way, populations of interior cities and rural areas are moving on a similar scale to the coastal region's growing cities and rural areas. According to data on urban population flows in certain coastal regions, found in the China Urban Statistics Yearbook (1995), the population inflow rate in coastal urban areas was 17.78% in 1994, with an outflow rate of 7.53%, for a total movement rate of 24.91% and a net movement rate of 9.85%, and an average monthly population flow of 31,666,488 people.

### **4. Urbanization phenomenon**

China's rural population declined from 73.6% of the total in 1990 to 71.0% in 1995, while the urban population rose from 24.4% in 1990 to 29.0% in 1995. In these five years, even if the urban and rural population structures are assumed to have not undergone a basic change, industrialization and urbanization have together worked to change the population structure. Moreover, when the population of those people who actually live and work in urban areas, but are not counted as urban population under the residential registration system, is considered, the extent of population flow looms even larger.

According to the China Urban Statistics Yearbook (1995), the urban population as of end-1994 resided mainly in cities of under 200,000 people or in cities of 200,000 to 500,000. The populations of these two city classes accounted for 44.51% and 29.09%, respectively, for a shared total of 73.6% of the urban population. The population in cities of 500,000 to 1 million people, cities of 1 million to 2 million, and cities of 2 million people or more, was 8.35%, 8.19%, and 9.87%, respectively, of the total urban population. The progress of urbanization in China has been quite uneven. Whereas urbanization is quite far advanced in the North China, Northeast, and East China regions, it has lagged in the Northwest region. China's average population density was 324.4 people/km<sup>2</sup> in 1994, with 754.1 people/km<sup>2</sup> in the East China region, 577.2 people/km<sup>2</sup> in the Middle South region, 418.4 people/km<sup>2</sup> in the Southwest region, and 370.2 people/km<sup>2</sup> in the North China region. The Northeast region was at 273.1 people/km<sup>2</sup>, while the Northwest region was 41.1 people/km<sup>2</sup>.

### **5. Population policy**

The promotion of planned birth control policies has been remarkably successful in the 1990s. The birth rate fell below the replacement rate in the early 1990s. (An announcement by the State Statistical Bureau in 1992 put the average birth rate at 2.0.) This shows that China has converted to a population replacement birth pattern ahead of its economic growth level, and that China's birth rate planning has been successfully



implemented.

In fact, China's birth rate planning has demonstrated a fair amount of flexibility. Since men are needed for agricultural work in rural areas, some rural districts have allowed families to have a second child when the first child was a girl. Moreover, population policies are looser in regions where minority races are predominant. On the other hand, implementation of policies concerning population flow and urbanization has yet to make a serious breakthrough in resolving the problems despite much effort on the part of the government, especially when compared with the results of China's population control and birth rate planning. The massive population flows have not resulted in the kind of urbanization seen in advanced nations. Instead, even though the farmers coming into urban areas do provide essential labor for the urban areas, they have no registration and become a "fluid population" that has an adverse effect on the urban economy.

### III. A society with well-balanced growth

#### 1. Poverty

For the huge developing nation of China, poverty is a barrier to the progress of modernization. In its efforts to resolve the poverty issue, the government has created new organizations and systems since the 1980s, and has implemented a number of administrative measures that resulted in a large reduction in the poverty population.

##### (1) The poverty line

In the 1980s, the Chinese government borrowed from the experience of foreign countries to institute the concept of a poverty line. But because China is such a vast nation with such large development imbalances between regions, there is still no unified nationwide poverty line. The major cities each have their own poverty line standards.

The State Statistics Bureau defines the poverty line as the minimum expenses required for necessary consumer items and services to live for a certain period of time, space, and stage of social development. The poverty line for rural areas was 199.6 yuan in 1984, and 317 yuan in 1992.(6)

Based on the poverty line, the government has created the "minimum living guarantee line" system, and provides living allowances to urban-area residents who are below the poverty line to maintain basic living standards. In 1996, the Civil Administration Department officially instituted the "Urban Resident Minimum Living Guarantee Line" for all of the nation's urban areas. By the end of the year, the system had been implemented in 90 cities, offering guarantees to 849,200 people with funding amounting to 298.664 million yuan. By May 1997, the system had been implemented in 206 cities, or about one-third of all administrative cities in the nation. The system has been instituted as shown in the graph below.

Table 2

Minimum monthly guarantee line (yuan)	No. of cities	Percentage of the 206 cities	City name
200 yuan or less	15	8.48%	Shanghai, Tianjin, and other major cities in the coastal regions
150-199	29	18.18%	Beijing, Hangzhou, Fuzhou, Dairen, Ningbo, etc.
100-149	109	66.06%	Chongqing, Shijiaya, Changchun, Jinan, and other cities
99 or less	12	7.27%	Chenyang, Nanchang, Baoji, etc.

These cities adjust their guarantee lines in response to rising prices. Some cities distribute food tickets, while other cities assist the poor with cash allowances.(7)

## (2) Divergent income distribution

Divergent social income levels are related to poverty. In 1995, the State Statistics Bureau surveyed 35,520 urban households. Conditions in each type of household are as shown in the table below.

Table 3

By income category	Lowest income house-holds	Low income house-holds	Lower middle income house-holds	Middle income house-holds	Upper middle income house-holds	High income house-holds	Highest income house-holds
Percentage of households surveyed	10.0	10.0	20.0	20.0	20.0	10.0	10.0
Average annual income per capita (yuan)	2177.72	2778.49	3363.67	4073.88	4958.42	6036.43	8231.31

According to the survey, the income disparity between the highest 10% of households and the lowest 10% of households was 3.8 times. The top group had an annual average income per capita of 8,231.31 yuan.

Meanwhile, the results of a 1995 survey of rural households conducted by the State Statistics Bureau found that the average annual income per capita in rural areas is as shown in the table below.

Table 4

Income per capita	Share of total (%)
500 yuan or less	5.36
500-1000 yuan	24.87
1000-1500 yuan	26.6
1500-2000 yuan	17.25
2000 yuan or more	25.92

As can be seen in the table, income disparities among farmers are rather large. The same survey found that average annual income per capita of households surveyed in 1995 was 1,577.74 yuan. It would appear that at least 56.73% of the people had incomes below the average.

The above data shows that divergent income levels are a serious problem in both urban and rural areas. At the same time, the disparity between urban and rural areas is growing wider. In a survey of 100,000 urban and rural households conducted by the State Statistics Bureau, a comparison of the top 20% of high-income households and bottom 20% of low-income households found a poverty gap of 3.1 times in urban areas in 1994, and 3.8 times in 1995. In rural areas, the disparity was 3.3 times in 1994, and 6.6 times in 1995. The average poverty gap between urban and rural areas was 5.7 times. The government sees the need to adopt clear policies toward resolving the issue of daily larger numbers of poor people in urban areas, and of farmers unable to raise their incomes. The decline of 30 million in the number of poor people achieved under the urban-area minimum living guarantee systems and the 8th Five-Year Plan are the results of the government effort in this area.

## (3) No. of poor people, and income standards

The poor population in China is found mainly in rural areas, and is concentrated mainly in the Western region where natural conditions are not so good. In 1993, the government confirmed that 80 million people living rural areas across the nation had not achieved adequate "warm and well-fed standard." The "87" poverty assistance policy was instituted, and after seven years of effort, the problem of "warm and well-fed" for 80 million people has been resolved. To date, 35 million people have escaped from poverty.

China does not have neighborhoods of concentrated poverty as is often seen in the large cities of foreign countries. Poor people are distributed throughout the urban areas. Estimates have put the number of urban residents in absolute poverty at 12 million people, at the very least, and some researchers estimate the total at 12-15 million people.(8) The poor population in urban areas mainly consists of the "off-duty" people and the socially weak, and while there is no data concerning their income standards, their monthly income as derived from the "minimum living guarantee line" is generally assumed to be around 200 yuan. Laborers from rural areas, who reside in the suburbs in poor living environments, and who have low incomes, number around 50 million people.

#### **(4) The number of people accommodated in repatriation centers**

The government has utilized three methods for accommodating and repatriating people flowing into the cities. People received into repatriation camps for repatriation, or who are directly repatriated, are sent to farms that receive aid from the national government. In 1996, the government established 720 of these repatriation camps, which received and repatriated 233,478 people. The annual cost was 213.633 million yuan. Expenditure per person for accommodation and repatriation was 915 yuan, with 55 farms receiving assistance from the national government for an average of 3,723 people accommodated and repatriated. The cost of these farms was 32.411 million yuan, with expenditures per person of 8,705 yuan. While there was no data on the number of people merely repatriated without being accommodated at a repatriation center, the annual cost for these activities was 12.706 million yuan. Expenditures for accommodation and repatriation amounted to 2.13% of civil administration project costs for 1996.(9)

## **2. Education beginning to grow**

China's education projects in the mid-1990s are beginning to grow from foundations laid several years earlier.

### **(1) General literacy levels rising**

Illiteracy rates dropped from more than 80% before establishment of the current government to 15.88% by 1990, and by 1994 the illiteracy rate had fallen to 7% of the nation's youth and adult age groups. Before establishment of the current government, illiteracy among women was over 90% of the total female population, and by 1994 had fallen to just 30% of the female population.(10) The government has announced its intentions to eradicate illiteracy by the end of this century.

The scale and structure of China's education system has grown and improved to some degree. The following graph shows conditions in the education system in 1995.

Table 5

By category of school	No. of schools	No. of full-time teachers (10,000 people)	No. of registered students (10,000 people)	No. of students per teachers
General colleges	1054	40.1	290.6	7.2
Secondary schools	95,216	388.3	191.6	15.9
Technical schools	4,049	25.7	372.2	
General middle and high schools	81,020	333.4	5,371.0	
Primary schools	668,685	566.4	13,195.2	23.3

### **(2) National school entry and graduation rates**

School entry and graduation rates are indexes that generally evaluate basic education. Graduation rates used as statistics in China differ slightly from the grade level graduation rates used in foreign countries.

Nevertheless, the concept of retention rate after students enter school is close to the idea of grade level graduation rates in foreign countries.

Retention rate, using primary school as an example, refers to the ratio of students remaining at completion of primary school to the number of students entering first grade.

Table 6 Conditions of all school levels in 1995

School	Entry rate (%)	Retention rate (%)	Rate of graduate advancement to higher level
Primary school	98.5	82.78	90.8
Middle school	78.4	87.46	48.3
High school	33.6	---	---
College	6.5	---	---

Education expenses in 1995 totaled 119.38 billion yuan, accounting for 2.05% of GDP. Clearly, the share of education expenses of GDP is low. The ratio is lower than some developing countries. This is because tax income has been declining in recent years, and the Chinese government has been investing funds in state-owned enterprises. Once reform of the state-owned enterprises is achieved, and the central government's fiscal absorption capacity improves, the situation should begin to improve.

### (3) Women's status and conditions

The government is working to boost the status of women and to protect women's rights. The rights of women are protected by law, such as the Women's Rights Security Law promulgated in 1992, and the Maternity Security Law of 1994. In 1995, the government announced the "China Women's Development Outline" (1995-2000). This is the first plan in China to specifically target women's development. Under the law, women in China have the same political rights as men, with the same right to receive an education and to work. The government has prepared a series of policy measures to assure that women can participate in management of society.

In the mid-1990s, the social status of women has improved somewhat, in their right to receive an education, to engage in work, and to receive employment training.

First, after long years of effort, the ratio of girls entering school reached 98.15% in 1995, virtually identical to the average school entry rate of 98.5%. And not only that, retention rates for primary school girls have risen steadily, reaching 80.59% in 1995.<sup>(12)</sup> The China Juvenile and Youth Fund has set up a "Young Girls Scholarship Program" for the purpose of assisting girls who cannot go to school, providing economic assistance to a total of 50,000 girls through 1994 so that they could return to school.

Next, the rights of women to work have also been secured. The effects of enterprise reforms has caused many people to go "off-duty," a condition that has affected a fair number of women, as well, who are left in a state of "waiting for work." Employed women in urban areas still account for just 35.6% of the total number of employed.

The third point that should be covered is the performance of women in employment training. Through 1995, 96 million rural women had received practical technical training, and 580,000 farming women won recognition as accomplished technicians. Where enterprise reforms has put pressure on women's employment, the Labor Department, the Women's Employment Department of the National Congress of Labor Unions, and the National Women's Federation have joined together to establish "Women's Re-Employment Information and Guidance Centers" in 19 large and medium-sized cities, creating courses in computers and management. In 1996, the Labor Department implemented a comprehensive re-employment project, promoting re-employment

programs in 23 provinces, districts, and cities. These programs cover funding, industrial structures, employment training, employment services, social insurance, and the employment views of laborers. Each district has developed special preferential policies that include measures to restrict personnel management (layoffs), as well as funding, location, taxes, and commercial industries, for a total of 12 categories and nearly 100 items.(13)

Many problems remain that should not be ignored for women's development in China. The number of unemployed women, for example, is double the number of men. And there were 128 million illiterate women in 1994, 70% of the total number of illiterate people. The government is exerting efforts to resolve these problems.

#### **(4) Environment and sanitation**

The government takes full consideration for protection of the environment. In the 10-plus years since reforms began, has instituted the Environmental Protection Law of the People's Democratic Republic of China, and many other laws for protection of the natural environment. The State Council announced an environmental protection policy that consists of more than 20 items, with the adoption of more than 600 items of regional environmental protection rules. This was the world's first strategic plan to be adopted on a national level. The people's awareness of the environment has been rising in the past several years.

Retaining a balance between economic growth and the society overall has improved the people's environmental, sanitary, and living conditions. Water and sewer system rates in urban areas reached 93.0% in 1995.(14) In rural areas, the population with access to improved water quality was 779 million, or 84.8% of the rural population.(15) And 43.68% of the rural population had access to water and sewer systems. In the area of public sanitation, there were in urban areas as of 1995 36.7 hectares of green space, 6.0 kilometers of underground water lines, and 6.1 public toilet sites for every 10,000 residents. In addition, 107.48 million kilograms of dust and 30.71 million kilograms of pollutants were treated. In the area of garbage disposal, disposal of industrial waste by enterprises nationwide was as follows.

Wastewater disposal volume was 37.28508 billion tons, of which industrial treatment handled 21.56615 billion tons, with the post-industrial processed wastewater being 12.2868 billion tons. Total gas emissions volume was 1.23407 billion tons, with industrial dust recovered being 28.95 million tons. Solid waste volume was 644.74 million tons, with the emissions volume being 22.42 million tons, and the cumulative total of solid waste being 6.64055 billion tons. The industrial solid waste disposal volume was 142.04 million tons.

While the people's awareness of environmental protection has become relatively greater, environmental pollution problems remain quite severe in certain localities, with some village enterprises causing worsening pollution problems in economically developing rural areas. In recent years, the government has ordered the closure of village enterprises that had caused particularly severe pollution, while environmental destruction due to population pressures has become noticeable in Middle and Western regions.

#### **(5) Health and medicine**

Health and medicine reveal the nation's overall strength. Sanitation and medical projects showed remarkable growth in the years to 1995, improving the people's physical constitutions. Populations in urban areas, and in rural areas with medical facilities, have access to medical services. Villages with medical institutions account for 89.9% of all villages. Programs to prevent infectious diseases have shown excellent results. In 1995, the tuberculosis vaccination rate for newborn infants was 94.0%, with the measles vaccination rate at 89%(16). In the same year, the nationwide infection rate for measles was 4.83 per 100,000 people, and the mortality rate was 0.01 per 100,000 people, for a mortality rate of 0.19. For malaria, there were 49,699 cases of malaria nationwide, of whom 34 people died. The average annual infection rate was 4.19 per 100,000

people. The number of sick people and the infection rate was lower by 20.0% and 20.7%, respectively, from the 1994 figures. The mortality rate was also slightly lower.(17) While social diseases (due to prostitution, etc.) had previously not been a noticeable problem, the number of people ill with AIDS, etc., has increased. As of the first half of 1995, there were 2,428 announced cases of people infected with the AIDS virus, of which 77 people had become AIDS patients. Of these, 531 people were found to be infected with the AIDS virus in 1994. In the first half of 1995, 654 people were found to be infected, of which 12 people had become AIDS patients, surpassing the figure for the entire year of 1994. Experts calculate that the potential number of people infected with the AIDS virus in China may reach 50-100,000 people, and the number of AIDS victims may begin to multiply at a rapid speed.(18) Policies for AIDS prevention and cure will be important sanitation and medical issues in the future. Handicapped people in China totaled 55 million people in 1995. State budget expenditures for sanitation and health projects reached 2.54% of the total in 1994.(19)

## **(6) Maternal and infant health**

Maternal and infant health is an important index of the nation's social development, and of its sanitation and medical project development. While Maternal and infant health showed reasonable results in the mid-1990s, there was an imbalance between regions in the results. The national infant mortality rate was 33 in 1994.(20) According to the results of the Health Department's mortality monitoring network in 30 provinces, cities, and districts, and vital statistics for child deaths aged 5 or below, the maternity mortality rate in districts taking statistics was 61.9 per 10,000 women, which broke down into an urban rate of 39.2 per 10,000 women and a rural rate of 76.0 per 10,000 women. The infant mortality rate was 36.4, while the mortality rate for children aged 5 and below was 44.5. While the maternity mortality rate was approaching advanced-nation levels in the Beijing, Tianjin, and Shanghai districts, it remained at developing country levels in the broad interior.(21) Maternity mortality rates are related to the childbirth methods used. In China, the spread of regular childbirth methods has helped to reduce maternity mortality rates. In 1993, regular childbirth methods accounted for 83.6% of all births nationwide. While there is no data at the province level in 1995, county level data shows that regular childbirth methods accounted for 87.6% of all child births.(22) There are no statistics for traditional childbirth methods. In urban areas, however, the traditional childbirth methods are virtually non-existent. In the vast majority of localities in rural areas, as well, trained experts are assisting in childbirth. Traditional childbirth methods are still practiced to some degree in border areas, poor districts, and minority ethnic group districts.

## **Conclusion**

Since the reforms and opening, China's economy and social development have followed a tortuous path. In the 1990s, the government has aggressively pushed for development balanced between the economy and society. The government has prepared a series of policy measures that seek to assure social development and quality improvements in the people's lives. But China remains a developing country, and lagging economic development has been an obstacle to improvement of the people's lives. Social development has particularly lagged for rural and poorer districts. The government is putting efforts into resolving these issues.

## **Notes**

1. The above data, and the following data which are not annotated, are quoted from China statistical yearbook 1996. Beijing: China statistical publishing house, 1996.

2. See Jiang liu, Lu xueyi, Shan tianlun, eds. 1997. Analysis and prodiction of China social situation 1996\_1997, p126. Beijing: China social science press.
3. ibid. p28
4. ibid.
5. See Weng jieming, Zhang ximing, Zhang tao. Qu kemin, eds. 1997. 1996\_1997. China development situation and trond, p239. Beijing: China social press.
6. See Zheng hangsheng, et al. cd. 1997. China society in a rapid transition from tradition to modernization, p305. Beijing: China people's university press.
7. The data come from the Disaster Relief Department of Civil Affairs Ministry.
8. See Notes No.2, p92.
9. See the Planning and Accounting Department of Civil Affairs Ministry, ed. 1997. China statistical yearbook for civil affairs 1997, the seventh section. Beijing: China social press.
10. See China education yearbook 1995, p135. Beijing: renmin education publishing house, 1996.
11. See China statistical yearbook for education 1995, pp346\_347. Beijing: renmin education publishing house, 1996.
12. ibid.
13. See China yearbook 1996, p146. Beijing: China yearbook publishing house, 1996.
14. See China economy yearbook 1996, p328. Beijing: economy publishing house, 1996.
15. See China public health yearbook 1996, p91. Beijing: renmin public health press, 1996.
16. ibid. p404.
17. ibid. p458.
18. See China encyclopedic yearbook 1996, p498. Beijing: China yearbook publishing house, 1996.
19. See Notes No.15, appendix.
20. See Notes No.17.
21. See Notes No.2, p279.
22. See Notes No.15, p418.

# Indonesia

## I. Economy

Indonesia is one of the Asian Pacific countries which over the last decade has experienced high economic growth. In 1994 the real GDP growth (at 1993 constant prices) was 7.54%, and in 1995 recorded 8.21%. Nonoil GDP increased at 8.01% in 1994 and 9.24% in 1995. While the country's GNP increased at 7.71% in 1994 and 7.38% in 1995. This growth shows an obvious impact of the successful economic development through a strong promotion in private investment and imposition of deregulation on October 1993. Economic sectors which experienced growth rate over 10% in 1994 and 1995 were manufacturing industry; electricity, gas and water supply; construction; and financial and business services. Some sectors have moderate growth around 5%-8% like mining and quarrying; trade, hotel and restaurant; and transport and communication. Agriculture and community services increased at below 5% (CBS, 1997a).

As the country's economy is growing faster and accompanied by low rate of population growth, GDP and GNP percapita have increased significantly. In 1993 the GDP percapita reached to US \$ 842. The figure jumped to US \$ 928 in 1994 and US \$ 1,039 in 1995. While the GNP percapita in 1993 was US \$ 810. The figure rose to US \$ 893 in 1994 and US \$ 994 in 1995. However, among the six Asean countries the Indonesia's GNP percapita in 1994 still ranked least (BPS, 1997).

Manufacturing sector nowadays becomes a prime mover for Indonesian economy. Since the disappearance of oil bonanza in 1980s and the role of agriculture has become smaller, the manufacturing sector becomes a backbone of the Indonesian economy. The share to the country's GDP in 1993 was 22.30%. The figure gradually increased to 23.30% in 1994 and 23.86% in 1995. Other sectors which shares increased over the same period were construction, transport and communication, and financial and business services. In 1995 the shares of these three sectors to the country's GDP were 7.61%, 7.18%, and 8.96% respectively. While the shares of agriculture, mining and quarrying, and community services have been gradually decreasing. In 1995 the contributions of these three sectors to the country's GDP were 16.09%, 9.25%, and 9.23% respectively.

The private consumption expenditure seems to be relatively constant over 1993-1995 and still the first rank in the contribution to the country's GDP. The figure in 1995 was about 57.76% of the country's GDP. This high expenditure indicates that people still tended to consume more goods and services rather than to save money. On the other hand, the share of government expenditure appears to fall over 1993-1995. The figure decreased from 9.02% in 1993 to 8.04% in 1995 (BPS, 1997b).

The share of gross domestic investment to the country's GDP tend to rise over 1993-1995. The figure increased from 26.28% in 1993 to 29.28% in 1995. This is parallel with the increasing share of manufacturing sector to the country's GDP over the same period. The contribution of export to the country's GDP shows a biggest portion in the government revenue. The share of this component to the country's GDP increased from 26.75% in 1993 to 27.23% in 1995. The increasing share of export to the country's GDP, however, was offset by the increasing share of import from 23.77% in 1993 to 27.08% in 1995. Statistics indicate that the growth rate of export dropped from 9.10% in 1994 to 8.55% in 1995, while the growth rate of import rose from 14.50% in 1994 to 15.81% in 1995 (CBS, 1997a). This situation may be due to the more openness in the country's external trade which induced import flow to the domestic market either for consumption, raw material or capital goods.



## ii. Employment

According to the CBS statistics (1997b), in 1996 there were 58.3% of Indonesians aged 10 years and over who were employed. The highest rate of employment was in Bali (65.5%) and the lowest was in DKI Jakarta (44.1%) - of course, this is due to the fact that Jakarta is only represented by urban population. The second lowest was, however, South Sulawesi (45.5%) followed by Riau (46.8%) and West Java (46.8%). When we look at gender disparity, male were in the labor force almost twice (72.3%) as much as female (44.6%).

As observed from Table 1, there has been a slow decline of the percentage of labor force in the agricultural sector. This may be due to the increasing number of large scale agrobusinesses and the diminishing small individual farmings. Although participation in the services sector increase reasonably, the manufacturing sector does not show significant increase in the last five years.

Table 1: Labour force (%) by main sectors 1990 & 1995

Main sectors	1990	1995
Agriculture	49.9	44.0
Manufacturing	16.7	18.5
Services	33.4	37.6

Source: CBS (1997c)

It is important to note that during the last two decades there have been increase of female participation in the labor force. In the period of 1980-1990 it was observed that the participation rate had increased from 32.7% to 39.2%. The highest increase of 9-10% was attributable to women aged 20-39 years old. The absolute number of entrants from that age group had increased from 52.2% to 96.6% (Triaswati, 1996). It is expected that in the year 1998 the participation rate will reach 44%. In the labor intensive export oriented manufactures (such as textile, garment, and footwear) women participation has been around 64% (Pangestu, & Hendytio, 1997).

The following table demonstrates the annual growth rate of net earnings of laborers according to their educational attainment. The highest rate was found among laborers with senior secondary education (17.7%), while the lowest was found among those with diploma III education (13.9%). However, if one includes average inflation rate of about 7% a year, the real growth rates of net earnings of laborers varies between 6-11% only.

Table 2: Average net earnings per month by educational attainment 1992 and 1996.

Education	1992 a) Rp	1996 b) Rp	Growth rate (%)
Primary School	90,372	145,735	15.3
Junior High School	126,362	209,329	16.4
Senior High School	154,344	263,449	17.7
Diploma III	269,031	419,001	13.9
University	295,246	487,463	16.3

Source: a. Laborers/Employees Situation in Indonesia 1992.

b. Laborers/Employees Situation in Indonesia 1996.

During the period of 1990 to 1995 there was an increase in (open) unemployment from 3.2% to 7.2%. In the urban areas it was increased from 6.1% to 11.1% while in the rural areas the percentage had increased from 2.1 to 5.3 (CBS, 1997c). A recent analysis by the World Bank (Tzannatos, & Sayed, 1997) observed the following characteristics:

- (1) Underemployment is a major problem in Indonesia. In 1990 there were 28 million (37%) workers who worked less than 35 hours a week. In 1996 the figure was 40.96 (CBS, 1997a). It is projected that in 1998 the underemployment will increase to 32 million. The highest underemployment is in the agricultural sector which is around 51% in 1990. The incidence in Java is higher (53%) than in the outer islands (48%).
- (2) Over the last decade the rate of unemployment in Indonesia has been 2.5-3% across all age groups. The highest rate of unemployment occurs in 15-19 years and 20-24 years age groups and those with educational attainment above senior secondary school.
- (3) The higher the education the higher the rate of unemployment. The highest rate is among upper secondary graduates.
- (4) There is an improvement of length of unemployment for first time job seekers from 10 months in 1988 to 9 months in 1992. The trend is improving over the years, especially for graduates of senior vocational secondary schools.

This report would also like to acknowledge the participation of children age 5-14 years old in the labor market. In 1996 there were 1.8 million children age 10-14 years old who were economically active. The percentage of those age 5-9 years old who were in the labor market was about 1% of that age group. Most of them work as unpaid family workers or helping their parents in the agricultural sectors. Small studies (Irwanto et al., 1995; Pardoen et al., 1996) have indicated that they work hard in the market places, garbage dumpsites, small factories, plantations, and in the sea. Some of their works involve hazardous materials such as glue, thinner, dusts, around heavy machineries, etc. Those who work in the formal sectors spent more than 5 hours a day (Asra et al, 1994; 1996; Irwanto, 1996).

### III. Demography (population)

According to the 1995 intercensal survey (BPS, 1996) the population of Indonesia has reached 194 million. In 1997 the population of Indonesia will reach its doubling figure from the year 1962 when the population was 100 million (McNicoll, 1997). The 200 millionth Indonesian was estimated to be born in early 1997. The doubling time would have come earlier if the fertility control launched in 1972 had not been successful. Reviews by demographers (Ananta, 1997; Adioetomo, 1997; Caldwell, 1997; McNicoll, 1997) indicate that Indonesia has demonstrate impressive success in its National Family Planning Program. Currently there are 2.9 children born by every Indonesian woman and the population grows approximately 1.7 percent per year<sup>1</sup>. Approaching the year 2,000 the country is about to enter the most exciting period in which the Net Reproduction Rate (NRR) will equal to 1<sup>2</sup>. Wiranatakusumah and Anwar (1994) call the period as the "golden era" of high productivity and competitiveness. The demographic structure will slowly change from a predominantly young (under 15 years old) into more people in the productive age. As depicted in Table 3, the growth rate of population aged 0-14 is much slower than the older population. This means that in the future,

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<sup>1</sup> Lowest growth rate was found in Yogyakarta (0.57) and the highest (above 4%) were in the provinces of Riau, Bengkulu, and East Kalimantan.

<sup>2</sup> Adioetomo (1997) argues that with a total fertility rate of 2.9 and contraceptive prevalence of 54% in 1994, the country will reach the NRR equal to one in 2010.

Table 3 Population growth rate and gender ratio by age groups 1900-1996

Age groups	Percentages 1996				Growth Rate 1990-1996	Gender ratio	
	Male		Female			1990	1996
	Ur	Ru	Ur	Ru			
0-4	8.9	10.2	8.4	9.7	0.02	105.3	103.5
5-9	10.2	12.8	9.7	12.1	-1.21	105.6	103.3
10-14	11.9	13.3	11.4	12.4	0.67	105.8	102.8
15-19	11.8	10.0	11.9	9.1	2.69	101.2	106.1
20-24	9.5	6.7	10.6	8.1	2.35	88.7	102.2
25-29	9.0	6.3	9.5	8.3	1.39	91.3	92.6
30-34	7.5	7.1	8.0	7.7	2.15	98.8	90.4
35-39	7.5	7.5	7.4	7.6	3.97	107.3	97.7
40 +	23.6	25.4	23.1	25.0	3.08	95.8	93.4
Total	100	100	100	100	1.69	99.4	99.5

Source: BPS (1997a).

Indonesia is going to have less children or younger dependents but at the same time more dependents in the old age (Irwanto & Tan, 1996). The United Nations predicted that in the year 2020 the growth rate of population age 0-39 will approach to 0.0 (McNicoll, 1997)<sup>3</sup>. As observed from Table 4 below, the dependency ratio of the elderly is increasing rapidly through out the year while dependency ratio of the young is declining.

Table 4 Dependency Ratio 1990 -2025

Years	Dependency ratio			
	Young (0-15)		Old (65>)	
	Urban	Rural	Urban	Rural
1990	53.50	65.41	4.93	7.00
1995	48.18	57.41	5.87	7.60
2000	41.89	49.48	6.19	7.57
2005	38.73	45.18	7.09	8.33
2010	35.23	40.58	7.80	8.86
2015	32.03	36.49	8.32	9.22
2020	29.56	33.36	9.77	10.62
2025	27.58	30.62	11.59	12.41

Source: Ananta & Anwar (1994). Numbers are estimated.

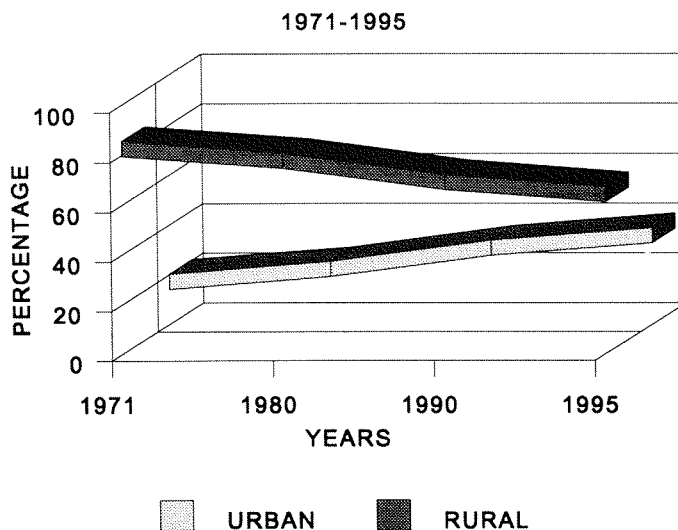
In 1996 the percentage of people living in the urban areas is estimated at 36%. As indicated in Figure 1 the percentages of people living in the urban areas have grown rapidly since twenty years ago. The following provinces already have half of their population living in urban areas.

Bali	43.5%
North Sumatra	47.3%
West Java	51.6%
East Kalimantan	51.7%

<sup>3</sup>The growth rate of population age 0-19 will reach 0.0 in the year 2010.

Although Indonesia has achieved a reasonably low rate of population growth, the distribution still pose serious challenge for development programs. As observed in Table 5, half of the population reside in the Java and Madura islands which is only 7% of the total land area of the country. The percentage of people living in the urban areas in Java (38.4% in 1993)<sup>4</sup> is much higher than those in other islands. Firman argued that the share of urban population of Java in 1994 is already 69% in comparison to 31 percent to the other islands.

Figure 1 People living in urban areas



Source: CBS (1997c)

An analysis by ESCAP in 1993 (Firman, 1997) has indicated that the increase of urban population in 1980-1985 was mostly due to migration and reclassification (which account for 64.8% of the change in urban population).

Table 5 Population Distribution

Islands	% area	1930		1980		1990	
		Total (Million)	%	Total (Million)	%	Total (Million)	%
Java and Madura	6.9	41.7	68.7	91.3	61.9	107.5	59.9
Sumatra	24.7	8.2	13.5	28.0	19.0	36.4	20.3
Kalimantan	28.1	2.2	3.6	6.7	4.5	9.1	5.1
Sulawesi	9.9	4.2	6.9	10.4	7.1	12.5	7.1
Other islands*	30.4	4.6	7.3	11.1	7.5	13.6	7.6

Source: Ananta et al., 1996.

<sup>4</sup> The figure may be higher since the criteria to categorize a locality as urban or rural is limited when applied to "progressive" rural areas in Java and Sumatra. Urban population outside of Java comprise only 26% of the population. One should also bear in mind that big cities are undergoing internal restructuring which pushed the manufacturing industries to the fringes of the cities along with their infrastructures which may transform a village to a small city (Firman, 1997).

Although there was an increase of total migration from 7.8% in 1980 to 9.9% in 1990, most people in the country remain in their place of birth. The highest migration rate happens in the Sumatra (30.6%) and Java (50.5%), especially to the greater area of Jakarta (18.1%) and West Java (17.3%) where employment opportunities are higher than other regions. Some areas in Java and Bali have more people moving out than coming in. Net migration in Central Java is -17.8%, East Java - 8.4% and Bali -0.7%.

The national population policy has been antinatalist in its nature since the launching of the Family Planning Program in 1973. The program is designed to achieve low fertility rate, improve rate of infant mortality and morbidity, and improve the welfare of the family through transmigration, fertility control, and (more recently) rigorous small-scale economic interventions to the families (reflected also in the Law No. 10/1992 on Population Development and Family Welfare). As a follow-up of the Program of Action of ICPD -1994, the family planning program is geared toward better (quality) services and higher participation of men.

## 1. Poverty

Since 1978 Indonesia has measured poverty using the basic needs approach -- fulfilment of 2,100 calorie per day, per capita. In 1996 this was valued at Rp. 38.426,-/month in the urban areas (or Rp. 1,300,-/day) and Rp. 27.413,-/month in the rural areas (Rp. 920,-/day)<sup>5</sup>. As indicated in Table 6 below, the massive poverty which characterized the country during its early development as an independent nation had decreased and by the 1980s progress has continued steadily since then. In fact the GDP growth from that period has been steady at above 7% annually.

Table 6 People living under the poverty line 1980-1996

Urban/rural	1980	1990	1993	1996
Urban	29.04 (9.5 million)	16.12 (9.0 million)	13.45 (8.7 million)	9.71 (7.2 million)
Rural	28.42 (32.8 million)	15.6 (19.5 million)	13.79 (17.2 million)	12.30 (15.3 million)

Source: BPS (1997a).

The reduction of poverty has been relatively higher in urban than in rural areas. Although absolute numbers continue to be large in rural areas, the reduction in the percentage of people below the poverty line is smaller. When we examine poverty in the provinces, the following are the most recent distribution of poverty in the provinces:

<sup>5</sup> These are 1996 figures revised upwards from the 1993 calculation. The poverty lines are 37% and 50% higher for urban and rural areas respectively in comparison to 1993 (BPS, 1997). Exchange rates Rp. to US\$ have been floating during this period between Rp. in mid 1993 to Rp. 3,000 = US\$ 1 in August 1997)

Table 7 Distribution of poverty by province (%), 1996

< 5.00%	5.00-9.99%	10.00-14.99%	15.00-19.99%	20.00%>
DKI Jakarta	Sumbar	DI Aceh	NTB	NTT
Bali	Riau	Sumut	Maluku	Timor Timur
	Jambi	Sumsel		Kalbar
	Bengkulu	Lampung		Irian Jaya
	Jabar	Jateng		
	Kaltim	DI Yogyakarta		
	Sulteng	Jatim		
	Sultra	Kalteng		
		Kalsel		
		Sulut		

Sumber: BPS (1997b).

A more detailed analysis of poverty tells us that not all segments in the society have significantly profited from national development. In an analysis of Table 8 one may find that over the period 1980-1990 rural households engaged in the agricultural sector tended to have the lowest GNP per capita and their relative positions (ranks) have not improved after ten years of national development.

Table 8 Household income per capita 1980-1990

Household group	1980	1985	1990
Agricultural labourers	103.8	247.4	438.4
Agricultural operators owning less than 0.5 ha of land	136.4	237.7	566.5
Agricultural operators owning 0.5-1 ha of land	156.0	348.1	683.3
Agricultural operators owning more than 1 ha of land	201.5	567.9	1053.4
Rural lower level non-agricultural household	202.5	316.6	640.4
Rural non labour force household	152.1	310.8	935.6
Rural higher level non-agricultural household	339.2	530.8	1048.6
Urban lower level non-agricultural households	292.0	554.1	830.4
Urban non labour force households	245.1	595.0	951.1
Urban higher level non-agricultural households	548.0	906.6	1882.2
Total	207.7	427.3	870.7

Source: BPS (1996).

Another way of looking at how development has affected the poorest poor may be observed from Table 9 below. When we look at the distribution of national income the poorest poor do not gain much of the share after 20 years of development. We find a somewhat more equitable distribution of income but the bottom 20% of households do not make dramatic gains.

Table 9 Distribution of income

Households (%)	INCOME	
	1970-75 (%)	1989-94 (%)
Share of top 20%	52%	42%
Share of bottom 40%	17%	21%
Share of bottom 20%	7%	9%

Source: World Bank, 1996

As a comparison, we may observe that Gini coefficient is higher in 1996 (0.356) than in 1990 (0.321). The inequality is especially conspicuous in the provinces of DKI Jakarta, DI Yogyakarta, and Irian Jaya (Welfare Indicators 1996). The challenge, as yet unresolved is how to help improve the situation of the poorest people. After so many years we are learning that economic improvement alone may not be sufficient to alleviate poverty among the poorest.

Data on population and the income level people living in the slum and squatter areas are absent. The official statistics (CBS, 1997d) however, recorded that 30.8% of households live in houses with floor less than 10 meter squares per capita. In the provinces of Irian Jaya, West Kalimantan, East and West Nusatenggara, and East Timor, half or more of households have less than 10 meter square percapita.

## 2. Education

From 1945 to 1979 the structure of formal education in Indonesia was 2-6-3-3-3-2. The duration of study at pre-primary level was two years, primary level was six years, and at junior and senior secondary levels were three years respectively. At tertiary level following the Dutch university tradition students required three years to complete the course requirements for *sarjana muda* (bachelor) degree and two additional years for *sarjana* (Drs.) degree.

In 1980 a significant modification was made in higher education sector. The three-year *sarjana muda* degree was abolished, and the duration of study for *sarjana* degree was reduced from five to four years. The four-year university education leads to S1 (strata 1) degree (equivalent to college level in the U.S.). Postgraduate studies leading to S2 (master degree) and S3 (Ph.D degree) were introduced. To complete the course requirements for S2 and S3 degrees, graduate students require two additional years beyond S1 degree level and three years beyond S2 degree level. At pre-primary level a slight modification was also made in 1983. The duration of study was lengthened from two to three years to accommodate children aged four. The structure of formal education since then becomes 3-6-3-3-4-2-3.

At pre-primary level the private sector is extremely dominant. Statistics show that in 1995/96 about 99.8% of 40,175 kindergartens were privately managed with the student population amounted to 1,640,775. The remains were state-owned with the student population of about 8,370 (Departemen Pendidikan dan Kebudayaan, 1997). Since private sector is extremely dominant in the provision of pre-primary education, in general only children from middle and upper income families have access to kindergartens. However, pre-primary education is not a prerequisite for the admission to primary school.

Primary education in Indonesia is a six-year course, and compulsory for children aged 7-12. It should be noted, however, that compulsory education in Indonesia is not pure compulsory in that there is no penalty applied for the parents whose children are not enrolled in primary school. The program is more like the universalization of primary education. Since the introduction of universal primary education in 1984, primary schools are currently available in almost parts of the country due to the widespread construction of the schools under the *Inpress* program. In contrast to pre-primary schooling, primary education in Indonesia is mostly provided by the government. About 93.3% of 149,954 primary schools in 1995/96 were operated by the

government with the student population amounted to 24,056,591. The remains were privately managed with the student population of about 1,891,983 (Depdikbud, 1997).

Outside the primary school program operated by Ministry of Education and Culture, there is another school program operated by Ministry of Religious Affairs namely *Madrasah Ibtidaiyah*. This type of school is primarily supported by the Islamic groups under the guidance of and with some financial supports from Ministry of Religious Affairs. Religious training in *Madrasah* schools is given more emphasis.

Statistics indicate that during the period of 1990/91-1994/95 the graduation rates of primary education were around 93%-96%. Although the graduation rates are relatively high, the transition rates from primary to junior high school are still relatively low. The rates during the same period were around 60%-67% (Depdikbud, 1997).

Current situation indicates that Indonesia has almost attained universal primary education. Statistics from the 1996 Susenas evidenced a very high level of primary education coverage. The participation rates at primary level in 1996 were about 97.2% in urban and 93.1% in rural areas. There is almost no gender disparity in the enrollment at primary level. The adult literacy rates in 1996 were about 90.9% for male and 81.3% for female (BPS, 1997a).

Secondary education in Indonesia is divided into two cycles i.e. junior (lower) and senior (upper) secondary. The duration of study is three years respectively. It accepts students aged 13 for junior and 16 for senior levels. At upper level there are academic (general senior secondary schools) as well as vocational schools. General senior secondary schools are particularly designed to prepare the students for higher education, while vocational schools are provided to those who may join the labor force after school completion. Majority of the enrollments in senior secondary schools are in academic route. About 61% of upper secondary enrollments in 1995/96 were in general senior secondary schools (SMU) (Depdikbud, 1997).

Most secondary schools are privately managed. At lower level the figure in 1995/96 was about 55%, while at upper level the proportion was about 72.8%. Outside the schools operated by Ministry of Education and Culture, there are other types of secondary schools operated by and under the guidance of Ministry of Religious Affairs namely *Madrasah Tsanawiyah* at lower secondary and *Madrasah Aliyah* at upper secondary.

Statistics indicate that during the period of 1990/91-1994/95 the graduation rates of lower secondary education were about 93%-95%. The corresponding figures at upper secondary level were about 92%-97%. The transition rates from lower to upper secondary school during the same period were about 78%-90%. The transition rates from upper secondary to tertiary school, however, are still relatively lower. The figures during the same period were about 31%-46% (Depdikbud, 1997).

Recent statistics indicate that rural-urban disparity in the participation rates at secondary school is strongly marked. The participation rate at lower secondary school in rural area was about 69.2% in 1996, while in urban area the corresponding figure was about 87.5%. At upper secondary school, the participation rate in rural area was about 34.4%, while in urban area the figure was about 66% (Biro Pusat Statistik, 1997). It is expected that universal secondary education will be attained by 2013 (Boediono et al., 1992).

Following the US university tradition, the structure of higher education in Indonesia since 1980 has become as follows: diploma program (S0), strata 1 degree program (S1), strata 2 degree program (S2), and strata 3 degree program (S3). A diploma program (S0) is a non-degree post secondary education which is directly oriented to employment needs. The nature of the training is directed towards a relatively narrow field and emphasized on skill formation. The training duration varies between 80 to 120 credit units which normally takes one to three years to complete. Strata 1 (S1) university education awards a basic university degree. The nature of the training is to provide a strong foundation for individual development in alpha and beta sciences. The graduates are expected to develop their respective skills and knowledge through either working experiences or further formal and non-formal trainings. The training duration varies between 144 to 160 credit units which normally takes four years to complete.



Strata 2 university education is a graduate study awarding master degree. The nature of the training at this level can be narrower in scope but deeper in the treatment of subject areas, or broader in scope covering other fields of study, and is more scientific oriented. The training duration varies between 36 to 50 credit units beyond S1 credit requirement which normally takes two years to complete. Strata 3 university education is a postgraduate study leading to Ph.D degree. The training stresses upon scientific individual research. It is hoped that the graduates would be able to make a significant contribution to the development of science and technology. The training duration varies between 48 to 53 credit units beyond S2 credit requirement which normally takes three years to complete.

Recent study indicates that there was a big mismatch between the S1 degree programs at higher education and the need of educated manpower in the labor market. Currently the ratio between alpha and beta sciences students at higher education is about 24:76. The need of educated manpower in the labor market, however, has been otherwise. The surpluses of university graduates were particularly found in social/behavioral sciences, humanities, law, mass communication and documentation, and agriculture/forestry/fishery. The surpluses of university graduates (S1) in social/behavioral sciences were about 200%, humanities 222%, law 465%, agriculture 232%, and mass communication and documentation 166%. On the other hand, shortages of educated manpower were particularly found in pure science, economics/business administration, and applied engineering. The shortages of university graduates in pure science were about 98%, economics/business administration 10%, and applied engineering 6% (Kompas, August 5, 1994).

Among the six Asean Countries (Indonesia, Malaysia, Singapore, Brunei, Thailand, and Philippines), the educational budget in Indonesia (as % to GDP) is the lowest. During the fourth five-year development plan the proportion has steady declined from 1.95% in 1984/85 to 1.03% in 1988/89. It was strongly indicated that during the fifth five-year development plan the proportion has gradually increased from 0.99% in 1989/90 to 1.47 in 1992/93. By 1994/95 the figure has dropped to 1.40% (Ministry of Education and Culture, 1997).

### 3. Status of Women

According to the CBS statistics (CBS, 1997d) in the rural areas there is still an observed lower literacy rate among women (78.1) than men (89.4). In the urban areas the gap between both gender is narrowing (male = 96.9 and female = 91.0).

Status of women in the education sector looks very promising. After twenty years of concerted effort to enlarge capacity for education, especially at the primary and secondary level, beginning 1990 there was only negligible gender differences of enrollment of students age 7-12 years and clear tendency of narrowing gender gaps in all levels of education (see Table 10).

Table 10 Gender ratio (F/100M) of primary and secondary school students 1990-1994

Years	Primary	J Secondary	S Secondary
1990	94.4	84.2	79.1
1991	93.7	84.2	82.9
1992	93.7	84.3	79.3
1993	93.3	87.0	84.0
1994	92.9	89.7	84.1

Source: Oey-Gardiner (1997b) - computed from various MOEC statistics.

When we examine the gross enrollment ratio in 1995/96 at all levels of education, gender gaps persists only in the senior secondary and the higher education levels (Table 11). At the primary level, the difference is very minimal both in the rural and urban areas. Mayling-Oey Gardiner (1997a) in her analysis observes that: "To the extent that gender gaps persist, this is basically the result of selective admission, as once in the system, girls tend to do as well, if not better, than boys" (p. 146).

Table 11 Gross enrollment ratio in academic year 1995/96

Education levels	Gender	Urban	Rural	Urban+Rural
Primary	Male	109.4	108.2	108.6
	Female	106.1	106.4	107.5
	M+F	107.8	107.3	107.5
Junior Secondary	Male	89.5	63.5	72.6
	Female	87.3	62.8	71.8
	M+F	88.4	63.2	72.2
Senior Secondary	Male	73.5	34.7	50.1
	Female	65.6	28.8	44.4
	M+F	69.5	31.8	47.3
Higher Education	Male	25.1	3.4	12.8
	Female	17.7	2.1	8.7
	M+F	21.2	2.7	10.6

Source: MOEC (1997).

In the last 5 years, the average continuation rate from primary to Junior secondary school and from junior to senior secondary school were 71.29% and 90.40% respectively (Depdikbud, 1996). The gender composition (F/100M), however, have been steady at around 90.0 for both levels. In the higher education female students were only 38.6% of the student body (MOEC, 1997).

Other areas which concerns the status of women are the issues of economic and reproductive rights. Although women's share in the non-agricultural sectors changed only a little bit from 34.3% in 1980 to 35.9% in 1995 (Pangestu & Hendytio, 1997), the change in occupational distribution especially in professional (from 36.5% to 45.6%), managerial (from 10.3% to 16.1%) and clerical (from 13.5% to 26.72%) in the same period have rather been significant. In the managerial jobs, moreover, Indonesian women is not lagging behind other countries in the regions. Nonetheless, some important issues remain to be noted. First of all, in the manufacturing sector women earn only 46.55% in comparison with men. This is the lowest among ASEAN countries. Secondly, women are often discriminated in the workplace. When taking a job, women were required to sign a contract which prevent them from marrying during the first couple of years of their employment. No such contract is applied to men. Thirdly, women were not as well informed and discriminated within the bank credit system which prevents them from developing their own business. Fourth, Indonesian women are often denied property rights.

Writings on the status of women in Indonesia have put forward serious concern over the fulfillment of their reproductive rights. Although the National Family Planning Program has been attributed as one of the government program which may render means for women to be able to control their own fertility, practices in the communities have been widely criticized for lacking of concern of the welfare of women. The program was launched primarily to control population growth through the introduction of modern contraceptives. In the course of its development, women have been the main target while contraceptive for men have not been well promoted, hence not well received. Studies have compiled reasonable evidence of serious challenges to the

programs. Women are often given modern contraceptives without proper information nor choices of methods. When they experience side-effects, they are often forced by their circumstances to endure a lot of physical and emotional hazards since alternative methods may not be readily available, unaffordable, or culturally and religiously viewed as inappropriate (Wibowo, 1997; Irwanto et al., 1997).

#### 4. Sanitation

The provision of safe drinking water remains one of the biggest challenge of Indonesia national development (CBS, 1977e). In 1996 only 17.6% of the households have access to piped drinking water (mostly provided by the government). In the rural areas, only 6.1% of households have access to such facility. Those who have access to other safe drinking water sources were 42.4% households which was smaller in comparison to 1993 (47.3%). Such trend is also found in the rural areas (from 52.1% in 1993 to 47.7% in 1996).

According to the CBS (1997e) in 1995 46.2% of the garbage in the urban and 1.45% in the rural areas were managed by the collectors. The problem is that as many as 26.7% households in the rural and 38.6% households in the urban areas burn their garbage. In the urban areas 83.2% households have drainage facility in which only 64.9% are claimed to work well. In the rural areas, the percentage is 56% in which 44.5% work well.

#### 5. Health and medical care

In 1996 the calorie consumption percapita was 2020 kilo calories, lower than the targetted 2150 kilo calories for the 1998/1999. People in the rural areas consume a little more calorie (2040.2 kilo) than those living in the urban areas (1983.6 kilo).

The primary health care unit in the community is the PUSKESMAS or Community Health Centers. As indicated in Table 12, the number of such centers is currently 33 thousands. The centers serve areas roughly inhabited by 30,000 people through out the country. In her review of current studies, Iskandar (1997) observes that official data collected in 22 provinces show an average of 2.07 contacts per clients, ranging from 0.5 to 3.1. In the districts of Java and Bali, daily use of such centers ranges from 30 to 80 outpatient visitors a day. Although most of PUSKESMAS serve outpatients only, 21% of them do provide as many as 10 beds with occupancy rate from 0.39% in West Java and 32.1% Irian Jaya. In her report, she notices underutilization of public hospitals which is at odd with the current trend of morbidity rate. No satisfactory explanation has been sought other than that may correlate with the availability of medical equipments and instruments, population density, location of the facility (in or out of Java/Bali). She is convinced that the low utilization of public health services must have something to do with the quality of care.

Table 12 Health facilities and infrastructure 1995

Facilities/infrastructure	1995
Doctors per 100,000 population	10.4
Number of Community health centers (PUSKESMAS)	33,457
Community health centre per 100,000 population	17.1
No. hospitals beds per 100,000 population	60,6
No. of hospitals	118,306

Source: CBS (1997e).

The goal set forth by the government in 1997 is to immunize all children against six diseases, i.e., tuberculosis (BCG), diphtheria, pertusis, tetanus (DPT), polio and measles. In 1996 the official data (CNS, 1997e) show that 92.2% of urban and 86.2% of underfives children have been immunized. Only 38.1% and 26.4% of those children, however, have had complete immunization. The 1994 IDHS, children age 12-59 months who have been immunized were as follows:

Table 13 Vaccination of children age 12-59 months

Vaccinations	%
BCG	78.0
DPT1	76.5
DPT2	68.8
DPT3	59.3
Polio 0	2.2
Polio 1	78.1
Polio 2	70.4
Polio 3	60.5
Measles	66.4
All	52.7

Source: 1994 IDHS. Percentages of those who have cards and by mothers' reports

The 1994 IDHS also reported that mothers with higher education have significantly better record and rate of immunization. Complete immunization by the first 12 months was reported 44% which was higher than CBS report in 1992/93 (20%).

According to the latest record (as of 31 August 1997), there are 438 cases of HIV positive and 140 cases of AIDS. Half (58%) of those who developed AIDS have died. Infection among men (65% of cases) is dominant although we have observed increasing number of infection among women. A number of 4 children age 0-4 have been infected with the virus. Infection among youths age 15-19 account for 6% (28) of the cases. The major mode of transmission is heterosexual (66%), followed by homosexual contacts (16%). Children were infected through perinatal transmission (Mboi, 1997).

In Indonesia there are currently 1.7 million individuals who are blind, 1.6 million who have some physical disabilities, and 597 thousands who are deaf and mute. Among children age 0-14 years old there are 103.9 per 100,000 children who are handicapped. The number has increased significantly than in 1993 (57.7 per 100,000 children).

Traditional medical treatment is conducted sporadically in the country. There is nor formal record of such practices in the national statistics. It is noted in the health statistics 1995, however, that 25.4% of the population have admitted to use traditional medicine for health purposes in the previous months before the survey (CBS, 1996).

Government expenditure on health is very minimal. Iskandar argues that low public expenditure, which was only Rp. 3,257 percapita (national average in 1991/92), may have affected the health personnel and institutional development, quality care improvement, and utilization of services.

## 6. Child and maternal health

The 1994 IDHS recorded infant mortality rate of 66 death per 1,000 live-births and 33 death per 1,000 live-births for neo-natal mortality. The probability of dying between birth and the fifth birthday was 93 per 1,000 livebirths. Underfive mortality is 81 per live-births.

The highest rate of infant mortality was found in the provinces of West Nusatenggara (101), South Kalimantan (78), East Timor (73), and South Sulawesi (72).

In 1986 five major groups of diseases were listed as the major cause of death of underfives, i.e., diphtheria, pertussis, and measles as the first group followed by diarrhoea, acute respiratory infection, infectious and parasitic diseases and malaria. In the next five years, diarrhoea was recorded to be the major killer and in 1995 the major cause has shifted to respiratory tract infections (Iskandar, 1997).

Iskandar (1997) also observes that the actual magnitude of maternal mortality is rather obscure. The 1994 IDHS reported an MMR as 390 per 100,000 live births which is closer to the earlier CBS report (360/100,000 live births). WHO and UNICEF, however, reported a much higher figure which was 650/100,000 live births. The major causes of death were unaccessibility of quality maternal care (due to poverty), closely spaced births, and early marriages (which was about one in four women married at the age of 15 years old according to 1994 IDHS). Most women with delivery related problems reach the hospital too late or not at all (Iskandar, 1997). Only 48.8% of all birth deliveries in 1996, for example, were assisted by doctors and midwives (CBS, 1997e).

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# Korea

## I. Introduction

The purpose of this study lies in describing and commenting on the trends and condition of human development in Korea with emphasis on the quality of human life. The concept of development is comprised of three elements: 1) to lead a long and healthy life; 2) to acquire knowledge necessary for achieving proper standard of living; and 3) to access to the resources needed for a decent standard of living. In addition, various types of freedom necessary for guaranteeing creative and productive life and human rights are considered in human development. It is a well known fact that there are four core elements in the domain of human development that must be considered with top priority: 1) productivity; 2) equity, which places emphasis on the access to equal opportunity; 3) sustainability, which implies that such opportunity must be ensured not only for the present generation but for future generations; and 4) empowerment, which places importance on participating fully in the decision making that shape their lives (UNDP, 1995: 11-12).

The difficulty in explaining the condition of human development in a country is attributable to the difficulty in developing indicators that will make it possible to explain these core elements in an objective manner. However, the condition and the information concerning human development can be roughly divided into two domains. One is the formation of human capabilities - such as improved health, knowledge and skills. The other is the use people make of their acquired capabilities - for productive purposes, for leisure or for being active in cultural, social and political affairs.(ibid.:11) Compilation of information on these two domains by areas comprising the quality of life will become the process for describing the present condition of human development.

In this study, the indicators that are seen to objectively explain the quality of life in their respective domains such as poverty, education, health care and housing (which are the four domains that are regarded as typical intermediate needs of the people in the field of Social Policy), economy and labor, population/family structure, as well as status of women, social security, sanitation, maternal/child health, were utilized to explain the condition of human development. Official primary data were quoted as a rule, and if there were research and data that contradicted the statistics on the situation of respective domains, their contents were also included. While the most recent data were used as much as possible for the statistics on respective domains, time series-oriented data were presented as much as possible with the aim of identifying the trends of human development based on the judgment that these trends had to be grasped in addition to the present condition of human development.

## II. Augmented Concern for Human Development in Korea

The economic and social development in Korea has been promoted through a two-stage development strategy of the government. A strategy that fostered labor intensive industries and attempted to save people that were unemployed or under-employed from poverty through creation of jobs was used from the 1960s until the end of the 1970s. In other words, the period represented a process of growth strategy in which the trickle down effect of the outcomes of economic growth being naturally allotted to the poor class was maximized. At the end of the 1970s, however, social development emerged as the major task in state policy with the growth of expectations for welfare and the increase of concern for balanced social and economic development. In addition, a perception of reality contending that the hitherto economic growth cannot continue without considerable



expansion of the social development sector is spreading. The term “quality of life” appears to have become the in-word in Korea today. And there are relatively active academic efforts for evaluating the quality of life in the Korean society and Korean people from the viewpoint of international comparison are being made by reflecting such social atmosphere (see, for instance, Lee Hyun Song, 1995; Yoon Byung-Sik et. al., 1996; Park Kwang-Joon, 1995).

It is true that influence from international trends concerning human and social development exists at the backdrop of spreading of such consciousness. They include the publication of “Human Development Report” by UNDP and convening of international events such as the World Summit for Human and Social Development, the Fourth Conference on Women in Beijing, discussion of Korean government reports at the UN Social Rights Committee, HABITAT II and the Convention on Children’s Rights. Active participation of NGOs in such events also contributed to the heightened concern for human development in Korea. It is said that NGO activities can be categorized into a type that complements the government activities as a partner to the government and a type that criticizes government policies and focuses on exerting pressure on the government to choose more reasonable alternative policy. As far as the activities prevalent in present day, Korean NGOs are of the typical latter type. For instance, NGO’s Initial Report 1995 submitted to UN Social Rights Committee is thought to have played a major role in revealing to home and abroad the realities related in social rights in Korea that are far from achieving social and human development worthy of the country’s economic development.

The gap that was created from the unbalance between the level of economic development and that of social development can also be confirmed through the expansion of voluntary insurance. In the case of cancer insurance, which the private insurance companies started offering only a few years ago, 6 million people are estimated to have already subscribed to this insurance by the end of 1996. Moreover, Koreans paid 650,000 won in 1993 as premium for private insurance, marking the fifth highest percentage in the world against national income (Park Kwang-Joon, 1995). The foregoing statistics indicate an anxiety towards livelihood that exists among many classes who have the ability to pay .

### **III. Economy and Employment**

#### **1. Growth of economy**

##### **(1) Economic growth**

The Korean economy entered an era of \$10,000 in national income per capita in 1995. In 1995, gross national product (GNP) increased 14.7% from the previous year and reached 348.3 trillion won (\$451.7 billion), marking \$10,076 in national income per capita. After requiring 14 years to move up from \$100 in 1963 to \$1,000 in 1977 and 12 years to achieve \$5,000 from \$1,000, the country entered the era of \$10,000 national income 6 years after achieving the \$5,000 mark in 1989. This corresponds to 130 times increase from \$79 in 1960. It’s the result of high economic growth exceeding 8% in annual average that had continued for the past 30 years (Ministry of Finance and Economy, 1996: 19).

Table 1 shows the country’s GNP, GDP and GNP per capita for every 5 years from 1975 to 1995 in current prices and constant prices. As shown in this table, the Korean economy has been growing at a rapid rate.

Table 1 GNP, GDP &amp; per capita GNP

	G N P			G D P		Per Capita GNP	
	Current Market Prices (Billion Won)	Constant Market Prices (Billion Won)	G N P Deflator ('90=100)	Current Market Prices (Billion Won)	Constant Market Prices (Billion Won)	Current Market Prices (1,000 Won)	Current Dollars
1970	2,788	36,429	7.7	2,771	36,306	87	253
1975	10,129	53,109	19.1	10,296	53,670	287	594
1980	36,857	73,481	50.2	38,148	75,466	971	1,597
1985	79,301	108,130	73.3	82,062	111,330	1,952	2,242
1990	178,262	178,262	100.0	179,539	179,539	4,165	5,883
1995	348,284	254,734	136.7	351,295	257,536	7,769	10,076

Source : National Statistical Office, 1996 : 129.

## (2) Economic structure

To look at the economic structure that corresponds to the component ratio of added value created by respective economic sectors in GDP, agriculture, forestry and fisheries accounted for 7.0%, manufacturing and mining accounted for 27.2%, construction, electricity, gas and water service accounted for 15.8% and service industry accounted for 50.0% in 1994. Compared to 1990, agriculture, forestry and fisheries sector lost a substantial portion of its share while service and electricity/gas industries significantly increased their share.

## (3) Fiscal balance

Among final consumption expenditures, private expenditure amounted to 185,898.8 billion won in 1995. The percentage of private consumption expenditure in GDP continued to drop from 74.7% in 1970 to 64.4% in 1980, 53.7% in 1990 and 52.9% in 1995 (National Statistical Office, 1996: 137, hereinafter referred to as "NSO"). Meanwhile, the government final consumption expenditure amounted to 21,831 billion won in 1993 and accounted for about 18% of private consumption expenditure (NSO, 1995: 22).

Gross savings ratio has been increasing year to year, from 18.1% in 1970 to 23.2% in 1980, 35.9% in 1990 and 36.2% in 1995. Among the 36.2% gross savings ratio in 1995, private savings ratio accounts for 26.0%. The gross investment ratio was 34.3% in 1995 (NSO, 1996: 138).

Tax burden in fiscal 1996 amounted to 80,846.7 billion won, corresponding to 20.9% of GNP for the same year, of which national tax and local tax accounted for 16.2% and 4.7%, respectively (NSO, 1997: 191).

The central government expenditure in fiscal 1997 (budget) was 98,329 billion won (of which general account was 67,598.6 billion won), accounting for 22.5% of GNP. The scale of the central government finances has been increasing considerably every year, accompanied by increase in its ratio against GNP.

The increase rate of the central government expenditure from 1990 onward has been 20.5% in 1990, 21.0% in 1991, 11.4% in 1992, 16.8% in 1993 and 21.7% in 1994 (ibid.: 192). In 1997, national tax accounted for 94.8%, or 64,033.5 billion won, of the general account revenue budget of the central government.

As for the details of the revenue budget (general account) by functional composition of the central government expenditure, 58,480.8 billion won in general account in 1996 was comprised of general administrative expenses (10.6%), defense expenses (21.7%), social development expenses (8.5%), educational expenses (18.8%), economic development expenses (22.3%) and others (18.1%). Notable characteristics of the changes that have occurred in the composition of the revenue budget by function in the past 20 years are decline in the percentage of defense expenses and increase in the percentage of social development expenses. In other words, defense expenses, which accounted for 33% in 1977, dropped to 25.0% in 1990 and to 21.9% in 1995. On the other hand, social development expenses increased their share to 3.6%, 8.9% and 8.5% during the same

period (ibid.: 198-201). The fact that social development expenses have been expanding not only in their share but in their scale appears to reflect increased awareness of the “balanced social and economic development” that had been proposed after entering the 1980s.

The high percentage taken up by defense expenses is attributable to the situation unique to Korea, although voices are recently being raised to cut down on defense spending and use the money for welfare instead. However, no drastic change is anticipated with regard to defense expenses for some time, considering the fact that peace, along with income security and full employment, is one of the three pillars of welfare as indicated by W. Beveridge. This is one of the dilemmas of social welfare in Korea.

#### (4) Import/export and inflation

Export in fiscal 1996 amounted to approximately \$129.7 billion, corresponding to \$2,848 per capita. Total import reached approximately \$150.3 billion, corresponding to \$3,300 per capita. The major exporting countries and their percentage in fiscal 1996 were U.S. (16.7%), Japan (12.2%), China (8.8%), Hong Kong (8.6%) and Singapore (5.0%) (NSO, 1997: 242-243). Meanwhile, major importing countries and their percentage in 1995 and 1996, respectively, were Japan (24.1% and 20.9%), U.S. (22.5% and 22.2%), China (5.5% and 5.7%) and Germany (4.9% and 4.8%).

The rate of increase in consumer’s prices has been quite high at 8.6% in 1990, 6.2% in 1992 and 4.5% in 1995. The consumer price index when the 1990 level was regarded as 100 was 109.3 in 1991, 116.1 in 1992 and 135.1 in 1995 (NSO, 1996: 145).

## 2. Labor and employment

### (1) Labor force and labor participation rate

In fiscal 1995, population aged 15 years and over stood at 33,558,000, of which 20,797,000 were economically active to constitute an economic activity participation rate of 62.0%. This figure has been increasing every year. To look at the details of economic activity participation rate, the percentage was 72.2% for farm households and 60.6% for non-farm households. Male participation rate was 76.5% and female participation rate was 48.3%. The percentage of female participation rate against male participation rate was 63.1% and is increasing (NSO, 1996: 153). The percentage of employees against labor force is 64.8% for males and 59.1% for females, resulting in combined percentage of 62.5%.

### (2) Labor participation rate by industry

Among the total of 20,764,000 employed persons in fiscal 1996, 2,405,000 persons were engaged in agriculture, forestry and fisheries, 4,701,000 persons in mining and manufacturing and 13,757,000 persons in social overhead capital (SOC) and other sectors, each accounting for 11.6%, 22.6% and 65.8%, respectively (NSO, 1997: 126-127). Figure 1 compares the percentage of workers by industry in 1980 and 1995. This figure clearly indicates a decrease in agriculture, forestry and fisheries workers and an increase in SOC domain workers during the period.

Figure 1 Employed person by industry

	S.O.C & other services	mining & manufacturing	agriculture, forestry & fishing
1980	43.5	22.5	34.0
1995	64.0	23.5	12.5

\*Numbers of Employed Person : 13,684,000(1980), 20,377,000(1995)

Source: Reconstructed by the Author based on National Statistical Office, 1997:120.

### **(3) Wages**

Worker wages have been increasing significantly since the 1980s. For instance, monthly average nominal wages went up from 176,058 won in 1980 to 324,283 won in 1985, 642,309 won in 1990 and 1,098,984 won in 1994. In real wages, the figure has increased from 323,024 won in 1980 to 422,244 won, 642,309 won and 849,292 won during the same period (Korean Institute for Health and Social Affairs, 1996: 108-109; hereinafter referred to as "KIHSA"). Annual increase rate of real wages from 1990 to 1995 was 9.4%, 7.5%, 8.4%, 7.0%, 6.1% and 6.4%, respectively (NSO, 1997: 137).

### **(4) Unemployment rate and labor dispute**

In fiscal 1996, population aged 15 years and over stood at 34,182,000, comprised of 21,188,000 economically active population and 12,994,000 economically inactive population, resulting in an economic activity participation rate of 62.0%. There were 425,000 unemployed persons, or only 2% of total, in the economically active population. Unemployment in Korea had remained at a level below 3% since 1988 until now.

Labor dispute increased dramatically after entering the 1980s but started to decline rapidly after entering the 1990s after reaching the peak at the end of the 1980s. The number of labor dispute incidences and number of working days lost due to such labor disputes reached 3,749 incidents and 6,946,935 days in 1987, 1,616 incidents and 6,351,443 days in 1989, but dropped rapidly to 144 incidents and 1,527,612 days in 1993 and 88 incidents and 392,581 days in 1995 (ibid.: 140).

## **IV. Population and Family**

### **1. Population**

#### **(1) Growth and structure of population**

Total population of Korea has continued to increase from 31,466,000 in 1970 to 37,436,000 in 1980, 43,411,000 in 1990 and 44,606,000 in 1995. In 1995, the Korean population accounted for 0.79% of the world population, ranking 25<sup>th</sup> in the world and 13<sup>th</sup> in Asia in number of population. The rate of population increase between 1985 and the present has averaged at 1%.

According to the 1995 Population and Housing Census, Korea has a total population of 44,606,199 (including 55,015 non-citizens). Male population is 22,379,492 and female population is 22,208,183, resulting in male-female ratio of 50.2 to 49.8 (KIHSA, 1996: 72-73). Average national age as of 1995 was 30.1 for males, 32.4 for females and 31.2 for both genders combined, which is a considerable improvement over 22.3 for males, 23.9 for females and 23.1 for both genders in 1960. Average life expectancy in 1995 was 69.6 years for males, 77.4 years for females and 73.5 years for both genders. These figures also represent significant increase over 52.4 years in 1960 and 65.8 years in 1980 (ibid.: 380).

Population structure by age in Figure 2 reveals that the changes in population structure that has occurred in the past 20 years has been accompanied by aging of population coupled with low fertility. Comparing the situation in 1975 to that in 1995, the percentage of population aged under 15 years decreased from 38.1% to 23.2% while that of population aged between 15 and 64 increased from 58% to 70% and that of population aged 65 years and above increased from 3.5% to 6.1%. In the age group aged 65 years and above, females accounted for 62.9% of total. As in other developed countries, the simultaneous advancement of aging of population and low fertility in the Korean society is anticipated to exert tremendous impact not only on the social security system but on the society as a whole. The time required for the ratio of elderly population to

rise from 7% to 14% is said to be 25 years for Korea. No country has experienced such rapid increase with the exception of Japan.

Figure 2 Population structure: by age and sex

	0-14	15-64	65	Population
1975	38.1	58.4	3.5	34,706,620
1985	29.9	65.8	4.3	40,448,486
1995	23.2	70.7	6.1	44,606,199
	M: 52.5 F:47.5	M : 50.5	F : 49.5	M31.1 F:62.9

Source: Reconstructed by the Author based on the Population and Housing Census Report, 1995.

## (2) Fertility rate and mortality rate

Total fertility rate (TFR) in 1994 was 1.8. Compared to 4.5 in 1970, 3.4 in 1975 and 2.8 in 1980, this indicates a rapid decline over a short period of time. Total fertility rate has remained more or less constant between 1.6 and 1.8 from 1985 until present.

Mortality rate (number of deaths per 1,000 population) has gone down for both males and females. Mortality rate for males dropped from 9.2 in 1970 to 6.4 in 1990 and 6.2 in 1994 while the figure also dropped from 6.8 to 4.7 for females during the same period. By age group, the largest decline in mortality rate was observed among the group aged 0-4 years. During the period from 1970 to 1994, the mortality rate for this age group dropped from 4.7 to 1.4 for males and from 4.5 to 1.2 for females (NSO, 1996: 97-98). Life expectancy by age was 67.7 years and 75.7 years for males and females of age 0, respectively; 30.9 years and 37.9 years for males and females of age 40, respectively; and 15.5 years and 20.1 years for males and females of age 60, respectively (KIHSA, 1996: 92).

## (3) Urbanization

Urbanization has advanced rapidly in Korea. Urbanization rate increased rapidly from 28.0% in 1960 to 41.2% in 1970 and 57.3% in 1980. In 1995, 74.4% of total population lived in the urban area (Korea Women's Development Institute, 1997: 50; hereinafter referred to as "KWDI").

Migration of rural population into cities is the largest factor in urbanization of Korea. There are also two noteworthy points in the urbanization phenomenon. One is the fact that 45% of the entire population live in the Seoul Region, the so-called metropolitan district, and the other is the fact that the population of 6 major cities such as Seoul and Pusan account for 47.8% of the entire population (KIHSA, 1996: 89). These are considered as typical indices that explain the over-urbanization that is occurring in Korea.

## (4) Population policy

Population policy in Korea has been seeking to solve the quantitative problem of population for the past 30 years. In other words, the main objective of the population policy has been to quantitatively control population through birth control. The population policy mainly relying on family planning projects as policy measure started in 1962 and built the base for social development. However, Korea has entered the age of low fertility as indicated by the fact that total fertility rate has remained around 1.7 during the last 10 years, forcing Korea to seek a shift from the existing population policy. Therefore, the Korean government has been making efforts toward the so-called "New Population Policy," which is a policy seeking improvement of population resources

and welfare suitable for the age of low fertility. Main programs under this policy are focusing on areas such as reproductive health, administration of related information centers, maternal and neonatal protection, more active approach towards sexual issues among youth, strengthening of neonatal check-up project, maternal health care and dissolution of gender imbalance (Oh Dae-Gyu, 1997).

## 2. Family

### (1) Family structure

In 1995, there were 12.96 million households in Korea. Average number of persons per household was 3.34 persons, a reduction of 1.16 from the figure in 1980. As for distribution of household composition, nearly two-thirds of all households in 1995 were two-generation families, with three-generation families, single-generation families and single families accounting for 9.9%, 13.0% and 12.7%, respectively. As can be seen in Figure 3, a comparison of family structure in 1980 and that in 1995 reveals a characteristic of decrease in three-generation families coupled with an increase in single families.

Figure 3 Households by area, household type and average size of household

	Total Household	One Generation	Two Generation	Three Generation	One Person	Others	Average Size
1980	7,969,000	8.3	68.5	16.5	4.8	1.9	4.50
1990	11,355,000	10.7	66.3	12.2	9.0	1.8	3.77
1995	12,961,000	13.0	62.8	9.9	12.7	1.6	3.34

Source: Reconstructed by the Author based on the Korean Women's Development Institute, 1995: 70-71.

### (2) Marriage and divorce

Average age of first marriage for women increased from 21.6 years in 1960 to 25.5 in 1990 while the figure for men also increased from 25.4 years to 28.6 years during the same period. Number of divorced couples increased from 23,150 in 1980 to 58,196 in 1994, tripling the number of divorces for every 100 marriages from 5.5 in 1980 to 15.8 in 1994. As for the rate of divorce by age, men and women in their thirties accounted for the highest percentage of 51.1% in 1994. Average age of divorce also went up from 31.3 years in 1985 to 34.1 years in 1995 for women and from 35.6 years to 38.0 years for men (ibid.).

## V. Social Development

### 1. Poverty

#### (1) Poverty and benefits for the poor

In Korea, the people that are officially recognized as living in poverty are referred to as Livelihood Protection (public assistance) recipients. Livelihood Protection recipients are selected from the people that meet certain requirements among those earning below 200,000 or 210,000 won in monthly income and having household asset of less than 25 million or 27 million won (according to criteria for 1996). There is no official poverty line for the country and the criteria for selecting the poor are decided every year according to the guidelines from the Ministry of Health and Welfare. The number of home relief recipients increased from 1.83 million (4.8% of total population) in 1980 to 2.27 million (5.6% of total population) in 1985. The figure continued to drop after reaching this peak, reaching 1.75 million in 1995 (3.9% of total population). The

percentage of Livelihood Protection recipients among the elderly of ages 65 and above was 10.1% in 1995 (NSO, 1996: 337-352).

It is an undeniable fact that economic growth itself was one of the most important factor that affected the reduction of absolute poverty population from 41% in 1965 to less than 10% of that figure after 30 years. While it is not possible to generalize the approach of attempting to solve the issue of absolute poverty through policies giving priority to economic growth (and there is room for dispute even in the Korean society whether the method was truly effective), there is no doubt that this rapid economic growth at least played an important role in making it possible to break away over a short period of time from the absolute poverty that persisted during the 1960s and the 1970s.

Those who are selected as Livelihood Protection recipients will receive support in terms of living expenses, education, medical care and employment. While the amount will differ depending on the level of income, average monthly amount of support provided per recipient was 92,000 won in 1996. Needless to say, these are services offered according to the criteria of the central government and do not include services that are provided additionally by municipal governments.

## (2) Income distribution

According to the official government statistics, distribution structure in Korea is improving. The changes in income distribution from 1985 to 1993 are shown in Figure 4. During this period, the share held by the top 20% in national income dropped from 52.7% to 49.29% while that held by the bottom 20% increased from 6.96% to 7.47% during the same period to indicate improvement in terms of fair income distribution. Gini's coefficient for the period also changed from 0.3439 to 0.3097 to reflect improvement in income disparity. Moreover, the share held by the top 10% decreased from 27.62% to 24.31% during the period while that of the bottom 10% increased from 2.59% to 2.75% (NSO, 1996: 143).

Figure 4 Distribution of Income

	bottom 20%(A)	middle 60%	Top 20%(B)	
1985	6.96	40.32	52.72	A:B=1:7.57
1993	7.47	43.26	49.29	A:B=1:6.60

Index of Concentration (Gini's Coefficient): 0.3449(1985),0.3097(1993)

Source: Reconstructed by the Author based on National Statistical Office, 1996: 143.

However, it is strongly argued that the actual income distribution is worsening in reality (Park Sun-II, 1994), partly owing to the fact that capital income was not included in these official statistics. At the same time, many scholars point out the low level of labor distribution.

## (3) Welfare institutions for the poor

While welfare institutions are generally not solely intended for admitting and protecting the poor, almost all of the inmates of welfare institution are the poor in Korea, because eligibility for the institutional care is nearly limited to the poor.

Korea does not have the system which is seen among the developed countries of eliminating the limit on income at the time of admission to a welfare institution and either charging that person (or the person obligated to support that person) according to their ability to pay. Therefore, no charges are imposed on those admitted for the use of institution. This, on the other hand, means that only those that are considered to lack the purchasing

capacity in the market economy are eligible for the institution, making the inmates of welfare institutions synonymous to official poor class in the country. Owing to these circumstances, peoples utilizing welfare institutions are extremely limited amidst absolute shortage of welfare institutions. For instance, out of 257,556 poor persons among those aged 65 years and above (which accounts for 10 % of the entire population in this age group in 1995), only 8,396 have been admitted to welfare institutions (NSO, 1996: 347). This means that extremely limited number (3% of the poor elderly and 0.3% of all elderly persons) are being protected by welfare institutions that only accept those officially acknowledged as poor, and the figures clearly indicate the absolute shortage of welfare institutions. In 1994, there was one welfare institution for every 60,942 persons. The number of people that have been admitted to welfare institutions was 76,860 in 778 institutions. There were 42,058 males and 34,802 females, and the average number of people admitted per institution was 99 (KIHSA, 1996: 266). Average annual budget per person was highest at welfare institutions for the handicapped at 4.97 million won, followed by welfare institutions for the elderly at 3.58 million won and welfare facilities for children at 2.99 million won.

## **2. Social security**

### **(1) System of social security**

It was relatively recently that Korea was able to put its social security system in place. The National Pension System was implemented in 1988 and the goal of medical services for the whole nation was achieved in 1989. While public assistance and Workmen's Compensation were implemented relatively early, Employment Insurance and Minimum Wage System were not realized until 1995 and 1989, respectively. Although the pension system covers almost everyone in the country and the health care services actually covers the entire population, the benefit is far from being high in amount and is offered in a limited manner. For instance, an international report (DHHS, 1995) suggest that medical insurance is not implemented in Korea because cash payment of injury and sickness allowance is not included in the medical insurance benefit.

Aside from the scholars, the government admits the backwardness of welfare in Korea to a certain extent and is striving to develop policies for improving its level. In addition, active efforts are being made among the scholars to explain why the welfare in Korea is relatively underdeveloped compared to other countries that are at the same level of economic development as Korea. Factors that are being considered include policies placing higher priority on economic development, north-south division of the country that accompany high defense spending, monopolistic capitalist perspective and State oriented theories. A rational choice theory arguing that the cause of backwardness of welfare lies in the decision made by policy-makers (which holds that public welfare brings about less benefit compared to its cost) is even heard in the recent years (Kim Tae-Sung, 1996). On the other hand, some point out that the so-called "family ideology," in which the cultural tradition of informal support network and the intention of the government policy emphasizing cultural tradition and family responsibility have been skillfully combined, is hindering the development of welfare (Park Kwang-Joon, 1995). An extraordinary phenomenon of informal network of social support being strengthened in the process of industrialization is taking place in Korea.

### **(2) Social security budget**

The percentage held by social development sector accounts in the budget is considerably low. As shown in Table 2, social development budget accounts for only 1.20% of GNP and only about 8% of the government budget. The fact that the budget for Health and Welfare Bureau, which is the main section for welfare, only accounted for 4% of the government budget symbolizes the relatively low development of this sector.



Table 2 Related statistics on social welfare expenditures (1991-1995)

	Unit	1991	1993	1995
GNP(Current A)	Billion Won	198 472	266 540	347 300
Central Government Expenditures				
General Account (B)	Hundred Million Won	313 822	380 500	518 811
Social Development (C)	Hundred Million Won	32 043	35 046	41 814
Social Security (D)	Hundred Million Won	19 959	24 148	29 245
Ministry of Health and Welfare (E)	Hundred Million Won	14 629	16 552	19 839
Ratio to GNP				
General Account (B/A)	%	15.81	14.27	14.93
Social Development (C/A)	%	1.61	1.31	1.20
Social Security (D/A)	%	1.01	0.90	0.84
Ministry of Health and Welfare (E/A)	%	0.74	0.62	0.57
Ratio to General Account				
Social Development (C/B)	%	10.21	9.21	8.05
Social Security (D/B)	%	6.36	6.35	5.63
Ministry of Health and Welfare (E/B)	%	4.66	4.35	3.82

Source : Ministry of Finance and Economy, Summary of Budget for Fiscal Year 1996, 1996.

Needless to say, it is not possible to explain the standard of national life based on government expenditure alone because the aging rate of population and the timing of social security system must also be taken into consideration. In the case of Korea, the low aging rate and the fact that the pension system, which is an important factor in the social security finance, was not implemented until 1988, i.e. low government spending attributable to an immature pension system, are also responsible for this standard. However, the fact that the absolute amount of the budget is low must be admitted.

### 3. Education

#### (1) Average years of education

While illiteracy rate is widely used as an index showing the educational level of the people, "ordinary national schooling years" is used in place of this index because illiterate persons hardly exist in Korea. For instance, it has been indicated in "Social Indicators in Korea" (NSO, 1996) that "schooling years" will be used in view of these circumstances (NSO, 1996: 518). Average national schooling years, which refers to the average years of education received by the entire population of ages 6 and above except for those currently enrolled in schools, was 11.09 years for males, 9.26 years for females, and 10.14 years for both genders in 1995.

#### (2) Education system

The education system in Korea has 6-6-4 system when regarded in terms of elementary education, secondary education and tertiary education, i.e. 6 years of elementary school, 3 years each of lower secondary school(junior high school) and upper secondary school(high school) and 4 years of university. As for the number of schools and teachers, there were 138,369 teachers at 5,772 elementary schools, 99,931 teachers at 2,683 lower secondary schools, 99,067 teachers at 1,830 at upper secondary schools in 1995. Among institutions of higher education, there were 10,384 professors at 145 junior colleges and 45,853 professors at 263 universities (NSO, 1996: 212-213).

As of 1994, the number of students for every teacher or professor was 30, 23 and 34 in elementary education, secondary education and tertiary education, respectively (not including part-time instructors) (NSO, 1995: 120), indicating a considerable difference with the level of developed countries.

### **(3) Enrollment and dropout rate**

The enrollment rate, which represents the percentage of those actually enrolled in schools against the school age population, was 98.7%, 100.6% and 89.9% for elementary schools, lower secondary schools and higher secondary schools, respectively, in 1995. The enrollment rate for tertiary education was 63.6% for males, 37.3% for females, 50.8% for males and females combined in 1994. As for advancement rate, 99.9% of elementary school graduates advanced to lower secondary school, 98.5% of lower secondary school graduates advanced to higher secondary school, and 51.4% of higher secondary school graduates advanced to university in 1995.

The dropout rate in 1995 was 0.8% at lower secondary schools, 2.1% at higher secondary schools, 15.9% at junior colleges and 16.8% at universities (NSO, 1996: 206-236).

### **(4) Educational expenditure**

Educational expenditure has a relatively high share in the government budget in Korea. The percentage of the Ministry of Education's budget in the government budget has never fallen below 20% after surpassing the mark and reaching 20.6% in 1982 and continued to increase year after year. At 12,496 billion won, the Ministry of Education's budget accounted for 22.8% of the government budget in 1995, of which schooling expenses amounted to 11,519 billion won or 92.2% of the Ministry of Education's budget. Total public education expenses, which is the total of public education expenses at schools, regardless of public or private, amounted to 19,215 billion won in the same year, accounting for 5.5% of GDP. Aside from these public education expenses, it is becoming almost common to receive private education in addition to public education in Korea partly because of the competition existing over entrance examinations. As a result, the scale of private education has exceeded that of public education and has given rise to demand for qualitative improvement of public education. Educational expenses are also taking up a high percentage in household consumption expenditures, partly due to increase in private education expenses. Educational expenses accounted for 9.8% and 10.5% of expenditure at urban and rural households, respectively (ibid.: 227).

## **4. Housing**

### **(1) Housing supply rate**

Housing supply rate in Korea is still low compared to developed countries but has been improved from year to year, rising from 71.2% in 1980 to 86.1% in 1995. The volume of housing construction has also reached a considerable scale with 228,000 and 391,000 houses being built by the public sector and private sector, respectively, in 1995. Housing investment rate, which corresponds to the percentage of the amount invested in residential buildings against GNP, also went up from 5.9% to 7.9% during the same period (NSO, 1996: 281).

In reality, however, housing supply rate is still not sufficient and a considerable number of low quality houses exist. According to a study, about 20% of Seoul citizens have not secured the minimum housing standard and no significant improvements have been made in this regard for the past 30 years. In addition, it is said that more than 20,000 households live in extremely poor housing conditions (Ha Sung-Kyu, 1996: 100).

### **(2) Form of housing and housing expenses**

Household distribution by type of housing included 59.7% single houses and 26.8% apartment houses. Major characteristics that can be observed here is the increase in apartment housing during the past 20 years.

Apartment housing accounted for only 0.7% of all residents in 1970 but increased rapidly to 4.9% in 1980, 14.8% in 1990 and 26.8%. A look at distribution of households by type of tenancy indicates that 53.3% of households have ownership to their houses. The percentage of housing expenses per household in 1995 was 9.0% in urban areas and 8.0% in rural areas (NSO, 1996: 286).

### (3) Housing space

As shown in Table 3, housing space is an area that has seen significant improvement over the past 20 years. In addition to increase in amount of space per household, the number of rooms per household increased and the number of persons per room was reduced by more than half during the same period from 2.3 to 1.1.

Table 3 Housing space

	Floor Space(?)		Rooms		Housing Units by No. of Living Households(%)			
	Per Househ old	Per Person	Per Househ old	Persons per Room	One House hold	Two	Three	Four or More
1975	41.4	8.2	2.2	2.3	75.6	15.1	5.5	3.8
1980	45.8	10.1	2.2	2.1	71.8	16.9	6.5	4.8
1985	46.4	11.3	2.2	1.8	69.7	16.8	7.5	6.0
1990	51.0	13.8	2.5	1.5	72.2	13.7	6.9	7.3
1995	58.9	17.1	3.1	1.1	-	-	-	-

Source: National Statistical Office, 1996: 290.

## 5. Status of women

### (1) Enrollment rate of female students

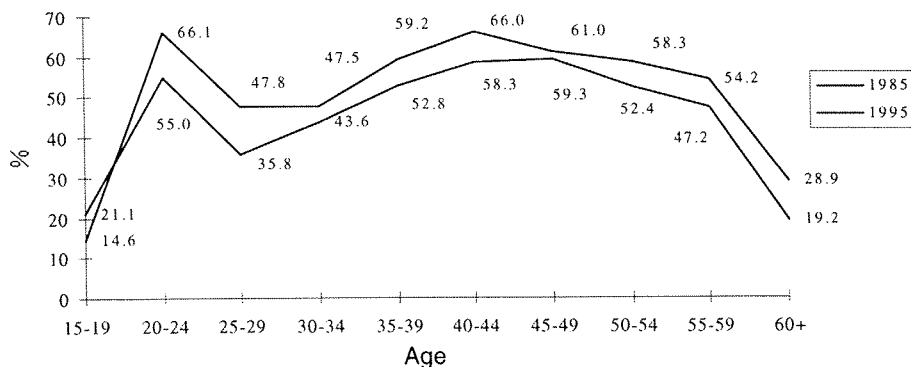
Enrollment rate of female students against that of male students becomes smaller as the level becomes closer to higher education. In 1995 and 1996, the upper secondary school enrollment rate for male students was 52.9% and 61.5%, respectively, as opposed to 49.8% and 53.1% for female students, respectively, even though no difference existed in enrollment rate on the elementary and lower secondary levels (KWDI, 1997: 92-93). The gap between the two, however, is becoming smaller every year. For instance, the percentage of female students having bachelor's degree against male students having bachelor's degree has continued to increase from 31.8% in 1980 to 37.0% in 1990 and 41.4% in 1995.

### (2) Participation of women in economic activities

Economic activity participation rate in 1995 was 76.5% for males and 48.3% for females, resulting in female participation rate against male participation rate of 63.1%. Economic activity participation rate of women has been increasing every year, from 39.3% in 1970 to 42.8% in 1980 and 47.0% in 1990. As can be seen from the increase in the rate of employment for women from 28.6% to 39.1% and 56.8% during the same period, and to 59.1% in 1995 (NSO, 1996: 152-153), the gender gap is becoming smaller.

As revealed in Figure 5, economic activity participation rate of women has taken the shape of a letter "M" to indicate the difficulty in engaging in economic activities during the period of their delivery and nursing. Although the wage ratio of women in all companies having 10 or more workers rose from 46.7% in 1985 to 53.4% in 1990 and 58.1% in 1995 (KWDI, 1997: 198-199), a large gap still remains.

Table 5 Economic activity participation rate (female)



Source: Reconstructed by the Author based on KWDI, 1997: 130-132.

While the percentage of women among vocational trainees has gone down from 24.5% in 1980 to 15.7% in 1994, the percentage of women in public vocational schools has been increasing from 4.0% in 1980 to 6.8% in 1990 and 8.1% in 1994.

### (3) Empowerment of women

According to the Human Development Report from the UNDP, Gender Empowerment Measure (GEM), which indicates the extent to which women are actively participating in the political/economic activities and policy making process, Korea dropped from its 50<sup>th</sup> rank in 1995 to 73<sup>rd</sup> rank in 1997 (UNDP, Human Development Report, 1995, 1997).

The percentage of women among parliamentarians has remained at an extremely low level. Following the birth of the first female parliamentarian (1 out of 200 parliamentarians elected for the first national assembly) in 1948, there were only 8 women among 276 parliamentarians (2.2%) that were elected in the general election of 1985 and 9 women among 299 parliamentarians (3.0%) that were elected in the 15<sup>th</sup> general election of 1996. In local assemblies, the results of the 1995 election reveals that women accounted for only 126, or 2.3%, of the total of 5,513 persons elected (KWDI, 1997: 309). The percentage of female committee members in the central government committees was 8.5% in 1996. These figures show not only that the status of women in Korea is low but that the problem has been persisting without any significant improvement.

## 6. Sanitation

### (1) Access to the safe water

Safe water supply rate is an area that is being improved at relatively high speed. The percentage which had remained at 42.4% in 1975 went up to 66.6% in 1985 and reached 82.9% in 1995, although considerable gap still remains among regions. While the percentage is high in large cities such as Seoul (99.9%) and Pusan (97.4%), there are regions where the rate is less than 50%. The amount of water usage per person per day has increased from 216 liters to 282 liters and 398 liters during the same period (NSO, 1996: 326).

### (2) Waste disposal

The volume of ordinary waste generation is increasing in total volume. Its content, however, indicates that the generation of household waste is decreasing while that of industrial waste is increasing at a rapid rate. Total waste generation rate increased from 89,847 tons per day in 1985 to 143,597 tons per day in 1995.

However, the volume of household waste decreased from 57,518 tons to 47,774 tons while the volume of household waste generation per person per day went down from 1.4kg to 1.1kg during the same period (ibid.: 321). Meanwhile, energy consumption per capita more than doubled during the same period.

## 7. Health and medical care

### (1) Calorie supply

Daily calorie intake per capita was 1,770kcal in 1994 represents a considerable decline from 2,082kcal in 1980 and only amounts to 85% of the recommended daily calorie supply of 2,082kcal.

Meanwhile, calorie intake through grains has continued to decrease over the years, dropping from 77.4% in 1980 to 61.3% in 1994 to indicate a tendency among the people to obtain calories from food sources other than grains. Meanwhile, protein intake has continued to increase every year and has exceeded the recommended daily supply. In other words, it has increased from 67.2g in 1980 to 71.9g in 1994 and has exceeded the recommended daily supply for that year of 59g by 120% (KIHSA, 1996: 248).

### (2) Medical resources and medical care service

Number of beds per 100,000 population has increased from 170.60 in 1980 to 244.94 in 1985, 312.99 in 1990 and 435.17 in 1995 (ibid.: 164)

Number of medical personnel per 100,000 population was 443.5 persons in 1995, and consisted of 93.94 doctors, 22.84 dentists, 14.93 herb doctors, 104.1 nurses, 135.42 nurse's aids and 6.08 pharmacists. Meanwhile, the number of population per medical personnel in 1995 was 784 persons per doctor, 3,278 persons per dentist, 5,147 persons per herb doctor, 145 persons per nurse and 1,037 persons per pharmacist (NSO, 1996: 272-273).

The health and medical care system in Korea covers the entire population through medical insurance intended for general public and medical aid intended for the poor. In 1994, about 1.59 million people were receiving medical aid and the remainder of the population was covered by medical care insurance. It was in 1989 that health and medical service was made available to everyone in Korea.

### (3) Immunization

Immunization against infectious diseases such as Tuberculosis and Measles, is offered to the vast majority of its intended recipients, in both urban and rural areas. As shown in Table 4, immunization rate for hepatitis has reached 98.9%.

Table 4 Immunization rates for the last birth ever experienced (%)

	BCG	Hepatitis	DPT / Poliomyelitis			Measles
			First	Second	Third	
Whole Country	98.5	98.9	95.1	99.5	99.5	94.3
Urban Area	98.8	99.2	95.3	99.5	99.5	95.7
Rural Area	97.1	97.7	93.7	99.4	99.4	87.5

Source: KIHSA, National Fertility and Family Health Survey, 1994.

### (4) AIDS and malaria

As of 1996, the number of AIDS patients in Korea is 608 including those that have died, consisting of 533 males (87.7%) and 75 females (12.3%). By age, those in their twenties and thirties account for the majority with 222 persons and 228 persons, respectively (KWDI, 1997: 245).

Occurrence of malaria is extremely rare. Less than 10 cases had been reported every year until the end of the 1980s and no incidents were reported in 1992 and 1993, although the number has increased in the recent years. There were 107 and 356 malaria cases in 1995 and 1996, respectively (NSO, 1997: 291).

## **(5) Disabled persons**

According to a report from the government in 1995 on the realities of disabled persons, total population of disabled persons was 1,028,837, consisting of 56.4% males and 43.6% females. By type of disability, physically disabled persons accounted for 67.7% (about 700,000 persons), followed by persons with hearing disability (14.9%), visual disability (7.1%), mental disability (6.8%) and speech disability (3.5%). Aging is also seen among disabled persons with those aged 60 years and above and those aged 70 years and above accounting for 44.1% and 25.1%, respectively, of the entire population of disabled persons. Emergence rate of disabled persons (number of disabled persons per 1,000 population) was 26.1 persons for males, 21.4 persons for females and 23.6 persons for both genders combined (NSO, 1996: 352).

General view, however, is that there are more disabled persons in reality than in the results of government study. One of the organizations of disabled persons has claimed that there are 4 million disabled persons. A study conducted by the Seoul Metropolitan Government has proven that 67.8% of disabled persons had disabilities that were incurred after birth and reveals that disabilities caused by drug abuse, traffic accidents and accidents at work are increasing in particular (NGO's Initial Report, 1994: 22).

## **(6) Traditional medicine**

The number of herb doctors that are engaged in traditional medicine have been increasing in the recent years. For instance, the number of beds at herb doctors increased rapidly from only 609 in 1981 to 1,290 in 1990 and 3,666 in 1995. During the same period, the number of herb doctors increased from 2,465 to 4,607 (KIHSA, 1996: 140, 162-163).

## **(7) Health and medical expenses**

According to the statistics by the World Bank, health and medical expenses per capita in Korea amounted to \$377 in 1990. Health expenses accounted for 6.6% of GDP, with 60% of these expenses being paid by individuals (ibid.: 417). Although the medical system in Korea covers the entire population, the amount paid by patient at the time of medical treatment is relatively high and has been pointed out as a problem. The percentage of the amount paid by patient, which is the sum of portions in total medical expenses that need to be paid by the patient and the amount paid by the patient in the form of insurance premium, is 70% for outpatients and 55% for inpatients. These rates are significantly high compared to those in developed countries and have become the cause for the increase in private medical expenses.

A report from a government agency used numerous indicators in the field of health and medicine to evaluate the quality of life in this domain. As a result, Korea was ranked 59th among the 174 countries that were included in the evaluation (Yoon Byung-Sik et al., 1996: 152).

## **8. Child and maternal health**

### **(1) Infant and maternal mortality rate**

Infant mortality rate was substantially improved from 45.4 in 1970 to 13.3 in 1985 and 8.8 in 1992-94 (KIHSA, 1996: 386). Maternal mortality rate per 10,000 persons has also been reduced from 17.5 in 1985 to 13.7 in 1991 (KWDI, 1997: 235).

## **(2) Place of delivery**

According to the National Fertility and Family Health Survey conducted in 1994, there were hardly any places of delivery that were not attended by trained health personnel. In other words, 31.8% of deliveries were performed at general hospitals, 21.3% at hospitals, 43.1% at clinics, 2.0% at maternity clinics and 0.7% at health clinics, and only 1.2% of deliveries were performed at homes and other places. The percentage of home delivery is slightly higher in rural areas (3.9%) than in urban areas (0.7%) (KIHSA, 1996: 101).

## **(3) Method of delivery**

High percentage of delivery through Cesarean section is a feature of child delivery in Korea and the percentage has been increasing every year. To look at the changes in percentage of Cesarean section among the subscribers of medical insurance for public servants and private school teachers, the percentage increased from 6.1% in 1985 to 14.9% in 1990 and to 26.5% in 1995. This phenomenon clearly indicates the distortion of medical structure and commercialization of medicine in Korea.

## **VI. Conclusion**

Korea has been putting forward its policies placing priority on economic development for the past 30 years and was able to achieve her goals to a certain extent. As a result of such policies, considerable unbalance has occurred between the economic and social life. However, in the present stage where the goal of economic growth has been achieved, voices demanding policies with more emphasis on social development and quality of human life worth of economic development, i.e. policies centering around human development, are being raised from the people. In addition, national consensus is being formed with regard to the need to take the opportunity of joining the OECD to reach the level of quality of life enjoyed by the OECD countries and pour energy into substantiation of the social development sector for some time. As rapid advancement of aging of population, drastic changes in family structure and sharp increase in financial burden as a result of various social security systems are expected to occur in Korea, substantiation of the social development sector appears to be an urgent task.

The underdevelopment of social development area in Korea is in relative terms with her economic development. Therefore, it is also a fact that considerable development has taken place in the human development sector during the past 30 years even when policies with emphasis on economic development were being carried out. This, though small in scale, is the result brought about by the direct policies for human development or the indirect effect of economic development. Although significant improvement has been made in the domain of education, sanitation, nutrition and average life expectancy, the reality is that more fundamental reform is needed in the domain of welfare, status of women and medical service for the poor class.

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# Laos

## I. Geography and People

The Lao People's Democratic Republic has a land area of 236,800 km<sup>2</sup>. This is about the same as Japan's main island of Honshu. It is an inland country bordered by five countries, China to the north, Myanmar to north and west, Cambodia to the south, Vietnam to the east, and Thailand to the west. Laos has traditionally had close links to its geographical neighbors of China, Vietnam, and Thailand. While this arrangement has tended to result in locally dispersed authority with a weak central government, the current government has been working to strengthen the central authority structure. Laos is dominated by highlands stretching southward from China's Yunnan Plateau, with the highest mountain reaching 2820 meters and many others topping 1000 meters all the way to the south end of the country. Mountainous regions occupy about 80% of the nation's total landmass.

The mountain and plateau districts are home to 60-70 minority ethnic groups. For convenience, the Laotian government divides the Laotians into three ethnic categories based on the altitude of their living areas. These are called the highland Lao, midland Lao, and lowland Lao. While Laotian is the national language of Laos, the ethnic groups are a highly diverse mix of both race and language. The highland Lao, who live in mountainous areas of more than 1000 meter elevation, are mountain tribes scattered across the entire country. They account for about 10% of the total population. The midland Lao, who live in the transitional regions between the mountains and lowlands, mainly practice slash-and-burn agriculture in the mountain valleys and account for about 20% of the total population. The lowland Lao live in fixed settlements in the lowlands along the Mekong River, engage in paddyland agriculture, and account for the vast majority of the population.

About 60% of Laotians are Buddhist, with the remainder being practitioners of spirit worship. The climate is a tropical monsoon climate that is divided into a rainy season and a dry season, with the rainy season coming in May to October and the dry season lasting from November to April. The average temperature in 1995 was 26.5°C, with the highest average temperatures coming in April, at 30.2°C, and the lowest in December, at 21.8°C.

## II. Economy and Industry

Following the birth of the socialist government in 1975, Laos has since proceeded with the construction of a socialist state. In the Three-Year Plan (1978-1980), the government aimed for a restoration of food production, while the 1st Five-Year Plan (1981-1985) placed emphasis on the transport and communications sectors, and on agriculture. In 1986, policy guidelines were implemented based on the "New Thought" concept for promotion of liberalization. This concept called for introduction of market economics within the framework of the socialist system. Its first results were obtained in the 2nd Five-Year Plan (1986-1990). This plan built on the results of the 1st Five-Year Plan to develop and expand the transport and communications systems, to establish self-sufficiency in food and assure food security, and to foster the development of agriculture and of forest product processing industries. While a decline in agricultural production and in electrical power generation due to a drought in 1987-1989 resulted in negative growth rates for 1987 and 1988, the economy recovered thereafter. Although the industrial structure of Laos is dominated by agriculture that can be subject to the vagaries of the weather, GDP is expected to continue to show annual growth of 5% or more as long there are no abnormal weather changes.

A look at the industrial structure in terms of proportion of GDP shows that agriculture accounted for 52% of

GDP in 1996 (Table 1). The fact that 85.5% of the employed population is engaged in agriculture also shows that the agricultural sector is the core industry of the Laotian economy. Nevertheless, the share held by the agricultural sector of GDP by industry has been declining annually since 1990. In its place, the share of the manufacturing sector has been rising, from 14.4% in 1990 to as far as 20.6% in 1996. The major manufacturing products are electrical power, wood products, cigarettes, clothing, soft drinks, and beer, with many of the manufactured products being closely related to agriculture and forestry products. Whereas manufactured products before the advent of "New Thought" had centered mainly around veneer sheet and other wood-processing products, manufacturing has become more diversified in recent years in response to impulses for forestry protection and environmental conservation, and as foreign investment in clothing manufacturing has appeared. Nevertheless, the huge effect that trends in rice production, the main agricultural product of Laos, has on the overall growth of the Laotian economy remains unchanged. The rice production value accounts for about 30% of gross domestic product. There is a huge imbalance between the value of Laotian exports and imports. The import value is double the export value. The main export items are lumber and wood products, followed by clothing and textiles, and electrical power. Major import items are machinery and raw materials.

Table 1 Laotian gross domestic product (GDP) by sector (1996)

Category	Ratio (%)
Agriculture	52.0
Manufacturing	20.6
Services	24.9
Import levies	2.5
Total	100.0

Source: From Laotian Government Documents (1997)

### III. Population

The total population of Laos was 4,727,600 people in 1996. The population has been steadily increasing, from 1.175 million people in 1950 to 2.177 million in 1960, 2.713 million in 1970, 3.205 million in 1980, 4.139 million in 1990, and 4,574,848 people in 1995. By age group, the share of the population in 1996 held by children age 0-14 was 44%, while the working-age population (age 15-64) accounted for 51%, and the elderly population (age 65 and over) for 3%, to form a pyramidal population structure with the youngest age group forming the broad base. The total population of Laos is projected to reach 5.37 million people in 2000, and 7.58 million in 2015. The population increase is due mainly to the natural increase arising from the much larger number of live births than deaths each year. The ordinary birth rate, which is the number of live births per 1000 people, was 45.1 in 1960, 44.4 in 1970, 45.1 in 1980, 45.1 in 1990, and 39.0 in 1995, revealing a virtually steady trend until 1990, followed by a sharp drop during the 1990s. Nevertheless, the ordinary birthrate in Laos remains much higher than adjacent countries. On the other hand, the crude mortality rate has been falling steadily, from 22.8 in 1960 to 22.6 in 1970, 20.7 in 1980, 16.9 in 1990, and 15.0 in 1995. As a result, the natural rate of increase had reached 24.0 in 1995. The average life expectancy in 1996 was 50 years for males and 51 years for females. Moreover, the average annual rate of population increase in the period of 1985-1995 was 2.4%. With the high number of live births being a major reason for the Laotian population increase, the government is considering programs to restrain the high birth rates, particularly in outlying rural areas where birth rates are particularly high.

For the distribution of population, a look at the population statistics for 1995 shows that the southern

districts have a large share of the population. The region from Savanakheth Province southward is the most populous, accounting for 35.8% of the total population, while the mountainous districts in the northern areas near the borders of China and Myanmar have the lowest share of the population. Populations in Laos tend to be concentrated in low-lying areas. Urban populations, accounting for 17.1% of the total, total about 781,000 people, while the remaining 82.9%, or about 3.79 million people, live in rural areas. The area with the highest urban population ratio is the capital district of Vientiane City. Of Vientiane City's total population of 524,107 people, 330,798 people (63.1%) live in urban areas, while 193,309 people (36.9%) live in rural areas. Progress toward the urbanization of Laos has been slow. On the other hand, the economically active population totaled 2,166,500 people in 1996, for 45.8% of the total population of 4,727,600 people. Women accounted for 1,121,230 of this number. Agriculture accounted for the overwhelming total of employed laborers, at 85.5% of the total, with manufacturing workers accounting for 4.1% and services industry workers for 4.0% (Table 2). While the unemployment rate is estimated to be 2%, this figure is calculated on the assumption that all agricultural workers are employed.

Table 2 Laotian labor force (1995) by sector

Industry	Share (%)
Agriculture	85.5
Manufacturing	4.1
Services	4.0
Other	6.4
Total	100.0

Source: Same as Table 1

#### IV. Transport and Communications

Domestic transport methods in Laos divide into overland transport and waterborne transport. Since no railroads exist, overland transport must use roads. Moreover, the country has no seaborne transport since it is a landlocked nation. Overland transport is the main form of both passenger transport and cargo transport. Overland transport accounts for more than 60% of total cargo transport, and for more than 90% of passenger transport. Laotian roads are generally undeveloped, with asphalt-paved roads accounting for less than 20% of the total. The remainder are either gravel or unpaved roads. The gravel roads often become impassable during the rainy season. And the unpaved roads are difficult for vehicles to traverse in either the dry or rainy seasons. For a mountainous country such as Laos, expansion of the road network and development of more roads is an issue of the highest priority. The lack of development of a road network retards the transport of goods and of people into the various regions of Laos and hinders economic activity.

Waterborne transport has since ancient times used the southward-flowing Mekong River that flows along the border with Thailand. The Mekong River is an important transport artery for linking the northern and southern parts of the country, and for linking Laos and Thailand. Due to the terrain conditions and the poor state of road network development, Laos is subject to many restrictions on overland transport. For this reason, the Mekong River and tributaries to the Mekong River play a supplementary role to overland transport for the transport of goods and of people. The basic infrastructure for social development is the modernization of transport and communications. The Laotian people are scattered throughout the land of Laos, with people found living in even the most mountainous districts. The necessity of communications development is therefore just as important as expansion of the road network. But creation of a communications network has

been slow. And the number of telephone sets in the country remains low. While there were 126 post offices in the country as of 1993, the number of postal facilities is on an upward trend. Nevertheless, some districts still do not have delivery of postal materials because of the poor state of road and other transport network development.

## V. Health and Public Sanitation

In 1996, the infant mortality rate per 1,000 infants in Laos was 113. This means that one out of every 10 infants are dying. The rate was 128.8 in 1980, 151.0 in 1985, 105.5 in 1990, 101.0 in 1991, and 99.0 in 1992, for a general decline in infant mortality year by year. Among the countries in the ESCAP region, the ones with the highest infant mortality rates were, in order, Afghanistan, at 163.0, Bhutan, 130.0, Cambodia, 117.0, Bangladesh, 109.0, Nepal, 100.0, Pakistan, 99.0, Laos, 99.0, India, 88.0, Myanmar, 83.0, and Tuvalu, 79.0. The infant mortality rate is one indicator of poverty. Most infant deaths can be traced to a lack of health, sanitation, and medical facilities.

In consideration of this situation, the Laotian government is putting particular emphasis in the health sector on the following two policies.

- i) Increase infrastructure resources for the public health sector.
- ii) Expand vaccinations and develop an effective health services network to reduce the incidence of infectious diseases and mortality rates.

And for more specific goals, the government has proposed the following.

- i) Strengthen services for maternity and infant health.
- ii) Assure adequate supplies of quality, low-priced medical goods.
- iii) Implement training of doctors and medical-related personnel to improve medical standards.
- iv) Foster health in local society through local resident participation and individual self-help efforts.
- v) Repair and renovate existing hospitals and clinics, particularly the provincial and district hospitals and health centers.

Since Laos is subject to a tropical climate with high temperatures and high humidity, it is beset by various local and infectious diseases. There are even 36,510 malaria sufferers (1996). The Laotian government has since 1979 been implementing a vaccination expansion program with the cooperation of the WHO and UNICEF. The government of Japan, as well, has provided oral polio vaccines since 1994 as support for a polio eradication program. As a result, the number of polio sufferers in Laos has declined. Table 3 shows the rates in 1996 for the main types of vaccinations.

Table 3 Vaccination rates in Laos (1996)

Type of vaccination	Implementation rate
Tuberculosis	61%
Measles	73%
Polio	68%
Total	100.0

Source: Same as Table 1

Medical and health facilities consist of, in order of size, national government-operated central hospitals, provincial hospitals in each of the provinces, and local hospitals in each district (Table 4). Some of the local hospitals are not functioning adequately due to shortages of funds, vehicles, medical equipment, medicines, etc.

While the volume of medical treatment is increasing, the number of doctors per unit of population remains low. In particular, the local areas are lagging noticeably behind urban areas in terms of doctors and medical facilities, and there are marked medical and health disparities between regions. According to a survey (1994) on what medical source people select when they become ill, 58% of respondents said they would first go to a pharmacy, while 17% said they would use traditional medicine, 12% would select conventional hospitals or clinics, and the remaining 13% would select self-treatment.

Table 4 Health-related facilities in Laos

(Units: No. of facilities, No. of people)

		1992	1993
No. of hospitals	Central hospitals	8	7
	Provincial hospitals	18	18
	Local hospitals	121	121
No. of clinics		723	723
Total		870	869
Population per unit	Beds	607	633
	Doctors	1,089	1,024

		1992	1993
No. of beds	Central hospitals	850	790
	Provincial hospitals	1,947	1,920
	Local hospitals	2,221	2,194
	No. of clinics	2,164	2,164
No. of doctors		1,246	1,405
No. of medical technicians		2,758	2,963
No. of nurses		5,417	5,602

Source: Association for Promotion of International Cooperation: "Laos: Cooperation Series by Developing Country, 3<sup>rd</sup> Edition," March 1995

Source: Committee for Planning and Co-operation, National Statistical Center, "Basic Statistics about the socio-economic development in the Lao P.D.R. 1993."

According to statistics presented by the Laotian government in 1996, about 40% of the nation's total population are estimated to have access to supplies of safe drinking water. The large majority of people in local areas use for their water sources shallow wells or river water that are prone to pollution. According to the Laotian Ministry of Public Health's 3rd Five-Year Plan (1992-1996), the number of people killed by water-related infectious diseases in 1991 was as estimated in Table 5. Half of the fatalities were children under age five, while one-third of that group were infants aged under one year. The government has taken measures to reduce the mortality rates among children under age five and among pregnant women. The major cause of death for children under age five was dehydration associated with diarrhea, or dysentery, and it is believed that provision of safe water supplies would greatly reduce this mortality rate. In addition, in local areas it is the responsibility of women during the dry season to draw water from distant sources. Drawing water consumes much energy that leaves pregnant women, in particular, susceptible to water-related infectious diseases. This problem would be reduced, as well, through the provision of safe water supplies in rural areas.

Garbage disposal is also important for public sanitation. In Vientiane City, garbage collection is conducted

on a regular basis along government office streets, and for hospitals, markets, etc. But because garbage collection systems for residential areas are not adequate, however, people in many places resort to independent disposal or to illegal dumping. United Nations Development Program (UNDP) survey has indicated the following locations as likely spots for illegal dumping.

- 1) Onto levees along the Mekong River, canals, and wastewater channels, or into the water channels
- 2) Roads where road sweeping is not conducted
- 3) Empty lots

Piles of garbage in canals and sewage channels, in particular, impedes their function as rainwater runoff channels or wastewater channels. It would appear that construction of a garbage disposal site would greatly improve sanitation in the vicinity of Vientiane City. There are as yet no sewage channels or facilities, and raw sewage either runs off or seeps into the ground.

## **VI. Education**

The Laotian government places great importance on the promotion of education. The basic system for regular education is five years of primary education (primary school), three years of secondary education (middle school), four years of higher education (high school), with four years of university. There is also dual-track education in vocational schools (two years) and technical schools (three years). Primary education is compulsory. School attendance in 1996 was 81.9% for primary education, 13.3% for secondary education, 4.8% for higher education, and 3% for university. The adult literacy rate was 74.23% for men and 71.97% for women, for an average of 73.1%. The proportion of GDP expended on education was 4%, with 17% of the government's budget being given over to education. Education prior to primary school includes nurseries (ages 0-2) and preschools (ages 3-5). The number of pupils per school at primary schools and middle schools is a low 80-120 students each. While this statistic reflects the mountainous characteristic of Laos and hints at reduced education efficiency and large cost burdens due to the cost of more facilities and other education expenses, it also fosters education rooted in the local community. If the economic situation in Laos is taken into consideration, the country's efforts in developing a basic education system are deserving of praise.

Laos has large regional differences in education. The highland Lao and midland Lao, who account for about 30% of the total population, include many different ethnic groups that do not speak Laotian on a daily basis. Moreover, effective education is difficult in sparsely populated areas where the population density per square kilometer is 10 people or less. While the proportion of students entering the first year of primary school is actually quite high in mountainous districts, many of the students withdraw before the first or second year of school is completed (Table 5). The rate of students advancing into middle school is therefore very low in mountainous areas. In those areas, people speak languages other than Laotian in daily conversation, and there are few people using those local languages who have the proper educational qualifications. Other educational factors include the availability of qualified teachers and of schools located reasonably close to where students live. For these reasons, the highland Lao and midland Lao have lower education levels than the lowland Lao. In addition, women have lower education levels than men, which has an effect on the employment opportunities for women (Table 6). Correction of the imbalance in educational opportunities for men and women is an issue for the future.

Table 5 The state of water-related infectious diseases in Laos in 1991

	No. of people	Proportion (%)
Over age 5	28,000	47
Aged 1 to 5	12,000	20
Under age 1	20,000	33
Total	60,000	100

Source: International Cooperation General Institute, Japan International Cooperation Agency: "Technical Information Datasheet for Developing Countries: Laos (1/2), Planning and Administration/Public Works and Public Service Projects," 1996.

Table 6-1 Primary education (primary school) in Laos by drop-out rate per school year (1990).

District	Drop-out rate by school grade					Average years completed
	1st year	2nd year	3rd year	4th year	5th year	
Vientiane	12	9	12	12	6	8.9
Phongsaly	31	13	18	9	22	14.3
Luang Namtha	29	23	15	5	50	22.2
Oudomsay	38	24	8	18	12	16.2
Bokeo	27	24	19	13	6	13.5
Luan Prabang	39	37	27	25	21	26.9
Houaphan	38	1	29	15	9	20.1
Sayabouli	11	8	8	11	5	9.0
Xieng Khouang	3	9	8	4	5	7.8
Vientiane	8	2	8	6	6	8.0
Bolikhamsay	20	22	13	14	8	11.6
Khammouane	19	11	13	11	10	10.6
Savabakhet	22	10	8	4	8	9.3
Saravane	29	9	15	3	8	11.1
Sekong	18	14	13	32	3	11.4
Champassak	13	15	15	13	17	11.8
Attopeu	30	40	10	14	6	15.4
Total	22	15	13	11	10	11.0

Source: Asian Population and Development Association, "Survey Report on Human Resource Development and Labor in the Asian Countries: Laos," March 1997

Source: Ministry of Education, the Lao P.D.R., 1990.

Table 6-2 Employment and unemployment rates in Laos for men and women, by education level (1992)

Education level	Employed		Unemployed	
	Men (%)	Women (%)	Men (%)	Women (%)
No education	14.2	29.9	3.1	13.0
Primary education	40.1	37.4	30.3	16.4
Lower secondary education	19.2	17.2	24.8	32.2
Upper secondary education	16.4	10.7	29.6	33.2
Vocational education	4.3	2.4	5.7	0.0
Technical education	3.0	1.2	3.9	5.4
University	2.8	1.3	2.7	0.0
Total	100	100	100	100

Source: Same as Table 6

Source: Ministry of Labor and Social Welfare, Laos P.D.R.: "Urban Area Labor Force Survey" (1992).

One area of education policy that is being emphasized is the training of teachers. Teacher training is being conducted by the central government and the provincial governments, and with the cooperation of UNICEF. Training content includes 1) the relationship between teacher and pupil, 2) classroom management, 3) education techniques, 4) education planning, 5) group discussions, and 6) the psychology of education. This training program has been praised as being the kernel toward reinvigorating the education system as a whole. The Fourth Party Congress (1985) laid down guidelines called "Education Reform 2000." The specific goals were as follows.

- i) Spread primary education to everyone
- ii) Improve school attendance levels in lower secondary education (from 35% to 45%)
- iii) Improve school attendance levels in upper secondary education (from 12% to 18%)
- iv) Improve primary education completion levels (from 40% to 80%)
- v) Improve the literacy rate for people age 15 to 40 (to 100%)
- vi) Spread preschool education
- vii) Improve the proportion of GDP spent on education (from 1.1% to 2.2%)
- viii) Establish 10 teacher's colleges

These goals include some that have already been achieved as of 1996, such as No.7). The education budget also places emphasis on budgets for technical and vocational schools.

The vocational training and technical training systems that exist include 1) vocational schools, 2) technical schools and advanced technical schools, 3) national technical research institutions, and 4) teacher's schools and medical universities. The vocational training schools are classified into primary, middle, and high schools. In 1994, there were 11 primary vocational training schools across the country (No. of students: 1,771), 27 middle vocational training schools (No. of students: 6,011), and eight high vocational training schools (No. of students: 2,181). One example of such a school is the Vientiane Vocational Training Center. This center was established in 1985 to improve on the unemployment problem of high school graduates by giving them vocational skills. The courses offered include ((1)) administrative accounting, ((2)) clothing making, ((3)) electrical equipment repair, ((4)) radio and television, and ((5)) computers, with the goal of mid-level skills. The trainees number 1,310 people (of which women number 758), with 85% of graduates finding employment. Problems at the school are at the level of teacher quality, including a lack of instructor knowledge about new technologies, and little training experience for instructors. Future goals include expansion of courses in response to economic development, such as 1) hotel management, 2) construction, 3) metalworking, 4) mechanical processing, and 5) agriculture. The emphasis in Laos on the education sector, or in other words, on efforts toward human development, is hinted at in the education budgets shown in Table 7.

Table 7 Trends in Laotian education budgets

Year	Budget amount (1 million Kip)	Proportion to total budget (%)	Proportion to GNP (%)
1990	11,843	8.3	1.93
1991	12,663	8.4	1.74
1992	11,902	8.3	1.87
1992-93	18,904	9.3	2.01
1993-94	24,363	9.7	2.30
1994-95	49,019	13.9	4.08
1995-96	46,559	12.8	3.21
1999-2000	89,400	-	-

Source: Same as Table 6

Note: 1992 is a nine-month budget; the budget for 1999-2000 is a projection.



## **VII. Social Welfare**

### **1. Disabled persons**

The Laos Ministry of Labor and Social Welfare is divided into Social Welfare Department, Retired Veterans Department, Pensions Department, and Social Security Fund Department. The number of disabled persons is as follows.

Hearing impaired: 12,076 people	(1995)
Vision impaired: 10,700 people	(1995)
Physically handicapped: 10,100 people	(1995)
Other disabilities: 30,800 people	(1995)

The Labor and Social Welfare Ministry announced in 1996 that there are about 40,000 disabled people and children. This figure includes people with injuries incurred during the Vietnam War. There are also about 20,000 orphans. While there are a total of five orphanages, these only have room for 1,350 people. The government has established villages for disabled people in 15 locations.

### **2. Juvenile problems**

- \* Some of the youths who withdraw early from middle school or high school turn to drugs or theft, particularly in the cities. Many of these youths are from lower-income families or from homes where the parents are divorced. The numbers of such youths is increasing, and is beginning to spread into rural areas.
- \* Many young girls from rural areas go into the cities to look for work at hotels or restaurants. With low wages and a poor living environment, some of these girls become unable to deal with urban life and turn to prostitution to survive.
- \* Numbers of street children can be seen near the markets in Vientiane City. Youths aged 10-15 are a common sight in the market, delivering goods or selling things on the street.

### **3. The poverty situation**

- \* Some residents of rural mountain districts have difficulty assuring themselves of food supplies.
- \* About 46% of the population is in poverty (according to 1996 statistics).
- \* Under Engel's coefficient, 72% of all households have low living standards. The average Engel coefficient for Laotians is 62%.
- \* About two-thirds of all households have an average monthly income between 8,000 Kip and 24,000 Kip. The poverty level under 8,000 Kip accounts for 9% of all households. In the ultra-poverty level of 4,000 Kip or less is 1% of all households. (from a 1993 survey)

It should be noted, however, that about half of all households in rural areas engage in subsistence agricultural production that they consume themselves.

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# Malaysia

Human development is usually pegged to economic growth. In the Malaysian context rapid economic growth has certainly reinforced human development. But the catch phrase in this respect has been equitable economic growth among the various races particularly the Bumiputras (especially Malays), Chinese, Indians and others.

History has a definite role in the current trends of human development in this multi-racial, multi-religious and multi-cultural society. The nation's colourful history has been influenced by Hinduism beginning the 8th century followed by Islam which gained a strong foothold in the 15th century.

Malacca, the trading metropolis in Southeast Asia attracted merchants from many parts of the world including Muslim merchants from Gujerat, India and a large number of Arab traders. Even Ming China staked its authority on 15th century Malacca.

Malacca's bustling trade and strategic location attracted Portugal. Malacca was conquered by the Portuguese in 1511 changed hands in 1641 when the Dutch lay siege to this port.

The English took over Malacca in 1795. Eighteenth and Nineteenth century Malaya was dominated by the English who thoroughly exploited the economic resources of the nation through the imposition of a divide and rule policy. At the centre of this policy were the Malay rulers who lost their power and authority to British Advisors and Residents.

The British encouraged Chinese migration to British Malaya to work the lucrative tin mines located in Kuala Lumpur, Ipoh, Taiping etc. South Indian workers were brought into the country as plantation and manual workers while the Malay population became farmers and fishermen.

The divide and rule policy was perfected by the British who encouraged vernacular education e.g. Tamil, Mandarin etc. to cater for the Tamils and Chinese. The Malays had their own religious and vernacular schools. The divide and rule policy created a serious wedge among the races and racial segregation became a hallmark of British rule in the Malay Peninsular.

Joys of independence in 1957 were short lived as the nation was torn apart by the May 13 racial riots in 1969. Economic and human development disparities coupled with mutual racial suspicions were seen as the root cause of this tragedy in Malaysian history. In the period 1957-1970 the top 10% of the population mainly comprising of Chinese increased their share of national income by 18%, while the poorest half (mostly Malays) saw their share fall by almost a third.<sup>1</sup> It was in this environment that the Malaysian Government in 1970 initiated its policy of "social engineering" or restructuring the society through the mechanisms of rapid economic growth and human development. This policy was mainly aimed at rectifying the economic imbalances and social disparities between the Bumiputras (mainly Malays) and non-Bumiputras.<sup>2</sup> Since independence the Bumiputeras make up slightly more than 50% of the total population. (See Table 1 for latest updates of population by ethnic group).

In 1971 the Government initiated the First Outline Perspective Plan 1971-1990 to promote economic growth and human development which was aimed to improve the economic and social positions of the Malays. This was followed by the Second Outline Perspective Plan 1991-2000 (OPP2). These plans focused on issues like poverty, corporate equity, employment and education. (Quantitative targets were also set by these plans which provided important guidelines for Malaysia's 5 Year Development Plans beginning with the Second Year Plan).

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<sup>1</sup> See Human Development Report 1996.

<sup>2</sup> The Bumiputras comprised Malays (who were the predominant ethnic group), Kadazans, Ibans, Bajaus etc.

Malaysia's phenomenal economic growth and success in human development endeavours was characterised by effective anti-poverty measures, provision of ample educational opportunities especially scholarships for Bumiputras, expansion of employment opportunities arising from rapid industrialization and prudent management of its economic and financial resources.

Malaysia achieved a robust growth of more than eight per cent in the last decade. In 1996 Malaysia registered a growth of 8.2 per cent while the projected growth for 1997 is 8 per cent. (See Table 2).

The Economist newspaper listed Malaysia as the fourth fastest growing country in the world when Malaysia was ranked behind Iraq, China and Vietnam. (See Table 3). The manufacturing sector is expected fuel economic growth with its projected double digit growth of 12.8% and 12.5% for 1996 and 1997 respectively. With the increase in gross national product (GNP) of 13.1 per cent in 1996 the per capita income of the population will rise by 10.5 per cent to reach RM11,118 in 1996. In terms of purchasing power parity, the per capita income is equivalent to US\$12,508, an increase of 10.4% from the 1995 level. Table 3 shows that the projected per capita income for 1997 would increase by 9.5% to RM12,171.

Rapid economic growth has advanced key indicators of human development in Malaysia. Economic gaps between the various ethnic groups which had undermined human development has been redressed to a large extent. But today the Bumiputeras (including and Bumiputera corporations owned by the government) enjoy 20 per cent of the corporate wealth in the country. The bigger slice in the economic pie and greater economic and education opportunities have contributed to the well-being of Bumiputeras in the Malaysia.

This is also reflected by the rapid industrialization which has offered tremendous opportunities for the Bumiputeras. In 1960 the percentage of labour force in agriculture was 63% but by 1990 only 27% of the labour force remained in this sector. Similarly the rapidly expanding service sector saw the labour force in this industry increasing from 25% to 50% in the same period. The declining labour force in agriculture which was mainly dominated by the Malays and the rising levels of employment in the service industry is a clear indicator of rapid migration from the rural to urban areas. The Government policy of social engineering was indeed a success in creating a more equitable distribution in the racial composition of urban areas. More significantly the massive migration of Malays to the urban areas played an important role in a more equitable distribution of economic opportunities for the Malays.

Poverty, the lack of income to fulfill a minimum material standard of well-being has many dimensions e.g. the capability to be well nourished etc. Nevertheless this part of the paper will largely be confined to the characteristics of income poverty in the nation

The incidence of hardcore poverty was also reduced from 3.9% in 1990 to 2.1% in 1995. The number of hardcore poor households decreased from 137,000 to 88,400 in the same period. (See Table 4). The Malaysian government initiated a number of programmes including:

- (a) Program Pembangunan Rakyat Termiskin (PPRT) 1989, which was designed to meet the needs of different sub groups among the hardcore poor. This programme also included income-generating projects.
- (b) Amanah Saham Bumiputera (ASB-PPRT) Loan Scheme 1992. Under this programme each hardcore poor household could obtain a RM5,000 interest-free loan to buy shares in the ASB Scheme.
- (c) Amanah Ikhtiar Malaysia (AIM), which utilized a new approach by providing loan capital to the hardcore poor to undertake businesses or small enterprises.

The results were gratifying:

- (a) About 16,7000 hardcore poor households benefitted from income generating projects (under PPRT programme) during the Sixth Malaysian Plan period.
- (b) By the end of 1995, a total of RM75.7 million in the form of dividends and bonuses was paid to the hardcore poor who participated in the ASB-PPRT programme.

- (c) During the same plan period AIM provided interest-free loans totalling RM77.1 million to about 36,200 poor and hardcore-poor households to venture into a number of small businesses e.g. poultry and livestock rearing, retailing groceries, servicing and repairing vehicles etc.

Finally, the Malaysian Government has resolved to reduce the poverty level to 5.5 per cent by the year 2000, and henceforth free society from poverty. In this respect much depends on the prudent financial management of departments and agencies entrusted by the Government to eradicate poverty and also to ensure that funds are directed to the target groups.

The Government also embarked on an ambitious programme to improve the quality of life among the hardcore poor and poor households under all its Five Year Plans. In the Sixth Malaysia Plan 1991-1995 the government made provisions to provide more basic amenities and services to this category of the population. The results were by 1995:

- (a) 88% of the urban and 72% of rural poor households enjoyed electricity.
- (b) 92% of the urban poor and 65% of the rural poor households had access to safe drinking water.
- (c) 77% of the poor in rural areas were within 9 kilometers of either a government or private clinic.
- (d) 94% of rural poor households were within 9 kilometers of a primary school while 60% were within the same distance of a secondary school.

Nonetheless the elimination of hardcore poverty is difficult because of cost, failure of the remnant group to take advantage of the various programmes to eradicate poverty and intensive competition in the agricultural sector due to greater economic liberalisation of the world economy.

Education in Malaysia has been a valuable tool for promoting rapid growth, human development and human resource development. The Second Outline Perspective Plan (1991-2000) and the Seventh Malaysia Plan (1996-2000) gave a special emphasis on improving the quality of education and training facilities in the country. Measures were taken to rationalize and strengthen the existing education system with a view to upgrade quality, promote greater equity and accessibility to education as well as cater to the needs of developing a competitive national economy.

Education as a priority area in the nation is reflected by the Government's annual allocation for this sector. In 1992, 16.9% of the Federal operating expenditure was given for education while the percentage for 1995 and 1996 were 22.9% (RM8.8 billion) and 23.2% (RM9.23 billion) respectively. Practically every child was enrolled in primary school by 1995.

In recognizing the importance of laying a strong foundation for children in their formative years, pre-school centres increased from 6,960 in 1990 to 10,350 in 1995. The number of children in the 5-6 years old category enrolled in these centres swelled from 328,800 in 1990 to 420,600 in 1995.<sup>3</sup> This represented an increase of 27.9%. It is also heartening to note that 81.6% (8,450) of pre-school centres was established by the public sector and that 80% of these centres were in the rural areas. About 204,000 rural children benefitted from these centres.

Primary, lower and upper secondary schools registered satisfactory growth in terms of enrollment and facilities. Table 5 shows that in the period 1990-1995 primary enrollment increased by 59.3 per cent while the figures for lower secondary and upper secondary were 22.8% and 9.8 per cent.

The Government's efforts to increase participation of poor children particularly rural children in the education system was implemented through a number of measures. These included provision of hostel facilities and financial assistance, a textbooks-on-loan scheme as well as health and nutrition programmes. During the Sixth Malaysia Plan 1991-1995 the Government spent:

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<sup>3</sup> Table 5 indicates that enrollment in pre-school centres established by the public sector increased from 173,570 in 1990 to 256,800 in 1995.

- (a) RM182 million on financial assistance to the poor, benefitting 0.5 million children.
- (b) RM339.4 million on the textbooks-on-loan programme which benefitted 2.6 million children and
- (c) RM139.4 million on the supplementary food programme. 0.5 million poor children took advantage of this programme.
- (d) Hostel facilities were expanded to benefit another 59,330 primary students.

High level investments in education and rapid expansion of facilities has been a major contributory factor to human resource and human development in the nation.

The health sector is both an integral part of socio-economic as well as human development. Health standards improved considerably with life expectancy rising from 66.7 to 69.3 for males between 1980 and 1995 and 71.6 to 74.0 for females. (See Table 6). Crude birth rates also improved from 30.9 in 1980 to 24.0 in 1995 whilst the figure for crude death rate was 5.3 and 4.5 respectively. Infant mortality dropped from 24.0 (1980) to 10.5% (1995), toddler mortality from 0.6 to 0.2 in the same period. Similarly the nation achieved a reduction in Maternal Perinatal and Neonatal Mortality rate as illustrated in Table 6.

The quality of health care could also be illustrated by the availability of an increased pool of medical and health professionals. The ratio of medical professionals to population were as follows. (See Table 7)

Table 7

	1990	1995	2000 (projected)
Doctors	1: 2,569	1: 2,177	1:1658
Dentists	1: 12,245	1: 11,552	1: 10,370
Pharmacists	1: 14,538	1: 12,756	1: 8,995

Source: Seventh Malaysia Plan, p.43.

The ratio of medical professionals to population achieved significant progress but there was a persistent shortage of these personnel especially in the public sector e.g. in 1995, there were 4,277 doctors (45%) employed by the Government as against 5,227 doctors in the private sector. Medical specialists, paramedics, laboratory technologists, nurses, occupational therapists etc. were also in short supply. In an effort to overcome this shortage in the public sector, the Malaysian Government sponsored 900 medical officers to pursue specialist courses locally and 169 for courses abroad. The recruited 274 doctors and 87 specialists from foreign countries like India, Myanmar etc. (on a contract basis)

Immunization programmes to prevent and reduce incidences of diseases e.g. tuberculosis, poliomyelitis etc., vaccination for prevention of Hepatitis and control of communicable diseases were also given priority by the Government. In this regard the incidence of typhoid and dysentery was reduced from 12.46 and 3.04 per 100,000 population respectively, in 1990 to 7.57 and 1.37 per 100,000 population in 1995. In 1994, 91% (502,000) infants, received complete immunization against diphtheria, pertussis, polio, tetanus and tuberculosis as compared with 79% in 1990.

In 1995 the National Plan of Action on Nutrition (NPAN) was initiated to address all forms of malnutrition in the country. Monitoring of the nutrition situation among children below five years will be stepped up to cover 80% by the year 2000 (compared to 50% in 1995). Severe malnutrition among children in this age group will be reduced from 0.42% in 1995 to 0.25% by the year 2000. The Government has also set a target to reduce severe anemia among pregnant mothers from 3.8% in 1995 to 1.9% by 2000.

Safe water supply and sanitation received continued priority particularly in the rural areas. In this respect, 83.5% of rural households were provided with safe water in 1994. For urban areas the percentage was 97%. During the Sixth Malaysia Plan period 267,300 sanitary latrines were constructed mainly through the community self-help programme.

Demographic changes in the population, influx of non-citizen workers, massive shifts in rural-urban migration and rapid industrialization had a tremendous impact on the labour force which increased from 6.68 million in 1990 to 7.91 million in 1995.

Malaysia's population (excluding non-citizens) grew by 2.2 per cent per annum to reach 19.38 million in 1995. The bulk of the population (61%) were in the working age category i.e. 15-64 age group.

The participation of this age-group in the nation's labour force was strongly influenced by the rapidly expanding urban population (which increased by 4.5% per annum in the period 1991-95) and the rising literacy level (72% in 1980 to 91% in 1995).

Participation of the 15-64 age-group in the domestic labour force grew by an annual rate of 2.9 per cent in the 1991-95 period to reach 66.9 per cent of the total workforce in 1995. About one million entrants entered the labour market during the Sixth Malaysia Plan period (1991-95) i.e. an average of 220,000 persons per year.

The nation's workforce were also better educated. In 1990, 52% of the workforce had secondary education but this figure rose to 55% in 1995. Workers with tertiary qualifications rose from 5.3% and 6.3% for 1990 and 1995 respectively.

Whilst the nation's labour force grew by 2.9 per cent, employment increased at a faster rate i.e. 3.4% per annum during 1991-1995 period. In the same period 1.2 million jobs were created. This situation created labour shortages in many sectors of the economy.

Table 8 shows that the manufacturing sector accounted for 25.9 per cent of total employment in 1995. This sector was also responsible for 59 per cent of net employment creation. The strong demand for labour in this sector (which grew at 9 per cent per annum between 1991-1995) contributed to the shortage of labour at the production, skilled and semi-skilled levels.

The construction sector which contributed to 8.3 per cent of total employment in 1995 registered a robust growth of 9.2 per cent per annum during 1991-1995. This sector also accounted for 19 per cent of total new employment creation. The rapid growth was largely fueled by massive investments in mega projects e.g. Kuala Lumpur International Airport at Sepang, K.L. City Centre, Kuala Lumpur Tower and a boom in the property market.

Meanwhile the service sector accounted for about 25% of total employment and 47% of total job creation in 1991-95. The rising stars in this sector were finance, wholesale and retail trade, hotel and restaurants which created 443,000 jobs in the above period.

The agricultural sector showed a marked decline of 3.6% per annum. This was largely attributed to the sluggish growth in output and acute shortage of workers. The decline was reflected in the fall of total employment in this sector from 26% in 1990 to 18% in 1995.

Concomitant with the high employment rate in the manufacturing and service sectors in the period 1991-1995, the nation experienced a surge in the demand for professional, technical as well as managerial workers. Table 9 reveals that the professional and technical category achieved the highest rate of annual growth (6.8%) among all the category of workers (in the 1991-1995 period) followed by the administrative and managerial portfolio (5.5%).

Labour productivity increased by 5.1 per cent per annum from RM11,870 in 1990 to RM15,200 in 1995. However wages increased by 6.2 per cent per annum in the same period. In the manufacturing sector output per worker averaged an annual growth of 3.1 per cent. Real product wages or nominal wages averaged 13.8 per cent per worker, while real sales value (per worker) recorded an increase of 7.3 per cent.

The tight labour market pushed up wages with productivity growth lagging behind wage growth. Persistent shortage of skilled, semi-skilled and general workers and the insatiable demand for foreign workers were areas of major concern for the government. By December 1995, the government has issued a total of 649,680 work permits to migrant workers. Various estimates have put illegal migrant workers at about one million. This

means one out of twenty persons in the country is an illegal migrant.

Table 10 reveals the acute shortage of manpower in a number of professional categories. The Sixth Malaysia Plan 1991-1995 projected that the country faced a shortage of engineers (23,258), engineering assistants (22,225), medical and health professionals (1,326) etc. In fulfilling the aspirations of Vision 2020, these problems need to be redressed by the Government.

The role of women in national development has been given prominence by the Government, NGO's and mass media. It was only in 1989 that a National Policy for women was formulated. This policy asserted the Government's commitment towards the advancement of women and the promotion of a greater role and position for the gender in the society.

The gender related development index (GDI) introduced in the Human Development Report 1995 saw Malaysia being ranked 43rd among 137 nations. (Malaysia was ranked 47th in HDI ranking). The Gender Empowerment Measure (GEM) which measures gender inequality in a number of areas in economic and political participation and decision making placed Malaysia in the 46th position out of 104 countries. There is a negligible shift for Malaysia in terms of GDI and GEM. In this respect Malaysia has succeeded to a certain extent in building human capabilities of 60th the sexes with a reasonable level of gender disparities.

Females accounted for about 50 per cent (10.1 million) of the nation's population (20-68 million) in 1995. Table 11 reveals that female population grew by 2.4% per annum between 1990 and 1995. About 48% of females were in the working-age population i.e. 15-64 years group. However women accounted for only one third of the labour force. Nevertheless female participation in the labour force registered an increase from 45.8% in 1990 to 47.1% in 1995. This in turn increased the size of the female labour force from 2.5 million in 1990 to 12.9 million in 1995. Lack of affordable and quality child care services and flexible working conditions for women were cited as some of the reasons for the low participation of women in the labour force.

Table 11 shows that 33.7% of women were employed in 1995 as against 31.4% in 1990. The same table also illustrates that the proportion of women (relative to men) working in the primary and secondary sectors had declined. Conversely, a progressive increase was noticeable in the tertiary sector.

Women made some inroads in the professional and technical as well as administrative and managerial categories. As shown by Table 12, the proportion of women in these categories increased from 9.4% and 0.6% in 1990 to 13.5% and 1.9% in 1995. Meanwhile the percentage of women in Sales, Service and Agriculture Sectors declined as shown by the same table. Nevertheless there is still room for improvement in women's participation in the labour force.

A more satisfactory development was the increasing enrollment of female students in primary and secondary schools. Female accounted 50% of total enrollment at primary and lower secondary levels. At upper secondary level their enrollment was slightly more than 50% while the nine national universities enrolled 34,485 female undergraduates out of a total enrollment of 67,891 students.

Health indicators for women showed marked improvements. Statistics by the Ministry of Education revealed that female undergraduates maternal mortality rates declined from 0.6% per 1000 in 1980 to 0.2% in 1995. Female life expectancy increased from 73.5 years in 1990 to 74 years in 1995.

As far as legislation was concerned, Malaysia has enacted some laws to protect the rights and dignity of women. As early 1969, Malaysia adopted the principle of equal pay for work of equal value in the public sector, women employees were given similar rights under the Pensions Act 1970, Employees Provident Fund Compensation Act and the Income Tax Act 1967 (which was amended in 1978) to allow a female employee to have her income assessed under her own name. On the social front, the Domestic Violence Act 1994 was passed by Parliament to provide more protection for women against wife battering.

The Malaysian government has emphasized that the Seventh Malaysia Plan 1996-2000, will promote greater female participation in the labour market, provide more educational and training opportunities for women,



improve health status for this gender and review laws and regulations that inhibit the advancement of women in the economy.

Youths, the citizens of tomorrow and a crucial link in the continuity of socio-economic as well as human development programmes, received some attention from the government.

The youth population comprising those in the 15-24 age group, increased from 3.58 million in 1990 to 3.97 million in 1995 as shown in Table 13. This group increased by 2.1% per annum during this period. A significant proportion of youths i.e. 46.9 per cent (or 1.86 million) were employed while 3.9 per cent were unemployed. The unemployment rate included those youths who had just graduated and applicants for jobs. The remaining portion of youths were either students at secondary or tertiary institutions as well as housewives who were outside the periphery of the labour force.

Youth comprised 23.5 per cent (1.86 million) of the total employed in 1995. The manufacturing sector accounted for the lion share (37.9%) of all employed youths in the same year. The percentage of youths who found employment in the urban areas increased from 33.6 per cent in 1990 to 56.5 per cent in 1995 reflecting a major shift of young Bumiputeras from the rural to urban areas in search of better job opportunities - another hallmark of the success of equitable growth.

The patterns of youth employment also changed considerably. The proportion of youths employed in professional and technical occupations increased from 4.8% in 1990 to 6.7 per cent in 1995 as shown in Table 14. In this respect Bumiputera youths increased their percentage from 5.3% to 7.5% in the same period. This also indicated higher educational attainment by youths especially Bumiputeras.

To enhance youth workforce, the government trained 145,670 youths for skilled and semi-skilled jobs in the various public skill training institutes. The bulk of these youths, numbering 112,130 were given training in hard skills like mechanical and electro mechanical engineering, motor mechanics etc. in polytechnics, vocational schools and national youths skill institutes, Mara skill institutes etc.

In order to encourage more Bumiputera youths to venture into Business, the government disbursed soft loans totaling RM16.7 million under the Youth Economic Trust Fund to 1,600 youths for projects in business, agri-businesses and trading.

The Malaysian government faced a number of challenges in the socio-economic arena which could affect the pace of human development in the country. July 1997, signaled the beginning of the nation's economic woes when the share market and the Malaysian Ringgit experienced a major turmoil. Between July 1 and October 25, the Malaysian Ringgit fell 20.1 per cent relative to the US dollar. In the same period the stock exchange in Kuala Lumpur plunged by 25.7 per cent amounting to a loss of RM162.96 billion or 21.9% of total market capitalization. Malaysian Prime Minister Mahathir Mohamed acknowledged that these adverse developments will setback the economy by 10 years.

The Malaysian economy was also beleaguered by a number of problems. These included a persistent current account deficit (10.5% last year), savings and investment gap resulting in over-reliance on foreign capital for growth, tight labour market which has pushed up wages ahead of productivity, continuing dependence on foreign workers, strong expansion of banking credit and asset inflation, social issues e.g. drug addiction, loitering etc. and a deteriorating environment.

In the light of the nation's economic problems, the government has revised the nation's GDP growth for 1998. The Finance Ministry had recently forecast that the country's GDP would grow by 7.0% in 1998, down from an estimated 8.0% this year and 8.6% last year (1996). The Government also announced its decision to defer several "mega projects" including the RM5.0 billion Bakun Hydro electric project, the Northern Regional International Airport, the Kuala Lumpur Linear City Project, Malaysian-Indonesian Bridge across the Straits of Malacca etc. The total cost of the deferred projects involve a sum of RM65.6 billion.

The 1998 Budget unveiled by Finance Minister Anwar Ibrahim also forecast 6.3% growth in private consumption expenditure against an estimated increase of 3.8% this year. Last year (1996), private consumption expenditure posted 6% expansion. Private capital investment is projected to grow by 4.9%, down from 7.4% this year.

However, some economic fundamentals are still strong. For 1977, rate of inflation remained at 3 per cent while growth in national savings achieved a satisfactory level of 39.8 per cent of GNP. Government finance recorded a surplus of RM5,066 billion or 1.9% of GNP for 1977.

The Malaysian Government announced a tough but prudent budget with a total allocation of RM64.1 billion for calendar year 1998 - a 9 per cent increase over 1997. Of this budget RM45.63 billion was allocated for operating expenditure while RM18.49 billion was earmarked for development expenditure. Out of the development expenditure, 47.7% (RM8.82 billion) was allocated to the economic sector while 31.9 per cent (RM5.89 billion) was given to the social sector.

Human development continued to be given an important priority. Education was allocated RM12.46 billion while a sum of RM3.5 billion was provided to further enhance the standard and quality of medical and public health services. Rural Development and Poverty Eradication continues to be an important agenda. Facilities for education, training and health in the rural areas received RM2.08 billion. A sum of RM4.96 million was reserved for construction of rural roads, bridges, drainages and jetties. Rural electrification and water supply received RM246 million.

The government also allocated RM330 million for the intensification of poverty eradication programmes including Hardcore Poverty. Support services and subsidies for rural communities and farmers received RM519 million.

The Government also announced a RM50 million assistance for NGO's involved in women development while RM38 million was allotted to youth recreational or Rakan Muda programmes. To combat social problems RM308 million was allocated to curb social ills like drug abuse, Aids etc.

The 1998 Budget allocations indicate that despite the challenges posed by recent financial and share market crisis and other economic woes, the government is strongly committed to its goals of equitable growth and the promotion of human development programmes in the country.

Table I  
Population by ethnic group until mid - 1997

Ethnic Group	1993	1994	1995	1996	1997
	'000'				
TOTAL	19,563.7	20,111.6	20,689.3	21,169.0	21,665.5
Malaysian Citizens	18,538.7	18,952.1	19,376.6	19,780.5	20,196.6
Bumiputera	11,306.0	11,686.1	11,914.9	12,216.9	12,524.2
Malay	9,317.9	9,551.9	9,791.5	10,012.1	10,133.2
Other Bumiputera	1,988.1	2,054.2	2,123.4	2,204.8	2,290.9
Chinese	5,161.6	5,125.5	5,310.9	5,373.8	5,445.1
Indian	1,453.7	1,477.6	1,501.6	1,521.2	1,541.7
Others	617.4	632.9	649.2	668.6	685.7
Non-Malaysian Citizens	1,025.0	1,159.5	1,312.7	1,388.5	1,468.9

Source: Department of Statistics Malaysia, 1997.

Table 2  
Malaysia-key Data and Forecast

AREA (Square kilometres)							
Malaysia	Peninsular Malaysia		Sarawak		Sabah		
329,758	131,598		124,449		73,711		
POPULATION: Malaysia		1995 (million) 20.689		1996 (million) 21.169		1997 (million) 21.666	
NATIONAL INCOME AND EXPENDITURE:		RM million	% growth	RM million	% growth	RM million	% growth
Gross National Product in constant 1978 prices		113,595	9.3	123,252	8.5	132,917	7.8
Consumption expenditure: Public		17,568	7.3	17,705	0.8	17,634	-0.4
Private		56,288	9.4	60,037	6.7	63,398	5.6
Gross fixed capital formation: Public		16,269	8.4	19,044	17.1	19,815	4.0
Private		39,446	25.4	42,420	7.5	48,233	13.7
Exports of goods and non-factor services		128,837	17.6	133,894	3.9	143,365	7.1
Imports of goods and non-factor services		138,398	21.2	142,982	3.3	151,868	6.2
Gross National Product (at current prices)		208,095	15.1	235,349	13.1	263,003	12.0
Gross National Savings (at current prices)		75,881	17.2	91,406	20.5	108,841	19.1
Per capita income (at current prices, RM)		10,058	11.8	11,118	10.5	12,071	9.5
DOMESTIC PRODUCTION:		RM million	% growth	RM million	% growth	RM million	% growth
Gross Domestic Product in constant 1978 prices		120,309	9.5	130,187	8.2	140,557	8.0
Agriculture, livestock, forestry and fishing		16,230	1.1	16,489	1.6	16,719	1.4
Manufacturing		39,825	14.5	44,922	12.8	50,537	12.5
Mining and quarrying		8,979	9.0	9,257	3.1	9,340	0.9
Construction		5,385	17.3	5,870	9.0	6,385	8.8
Services		53,303	9.4	58,069	8.9	63,120	8.7
FEDERAL GOVERNMENT FINANCE:		1995 RM million		1996 RM million		1997 RM million	
Revenue		50,954		56,499		60,778	
Operating expenditure		36,573		41,783		42,713	
Current account surplus/deficit		+14,381		+14,716		+19,065	
Development expenditure (net)		12,520		13,280		15,119	
Overall deficit/surplus		+1,861		+1,436		+3,946	
Domestic borrowing (net)		-		1,291			
Foreign borrowing (net)		-1,635		-1,957			
External debt service ratio (per cent)		1.4		1.2			
MONEY AND- BANKING <sup>1</sup>		1995 End August			1996 End August		
		RM million	%	RM million	%	RM million	%
Money supply (M1)		49,302.8	11.1	55,554.4	12.7		
Money supply (M2)		183,265.7	19.7	219,742.1	19.9		
Money supply(M3)		251,389.3	16.6	306,113.8	21.8		

Malaysia - key Data and Forecasts (continued)

Commercial Banks:	End August	End August	
Total deposits (RM million)	182,751.3	219,689.4	
Total loans (RM million)	160,648.5	201,483.0	
Liquidity ratio (per cent)	17.5	17.6	
Interest Rates (per cent per annum):	End August	End August	
Commercial banks			
3-month fixed deposits	5.90	7.15	
Savings deposits	3.25	3.50	
Base lending rates	7.70/7.90	9.35	
Exchange Rates (equivalent in Malaysian ringgit):	End August	End August	
1 'USS =	2.50	2.49	
1 £ Sterling =	3.86	3.88	
1 Deutschemark =	1.69	1.69	
100 Yen =	2.54	2.30	
1 Singapore \$ =	1.76	1.77	
	1995 %	1996 (1) %	1997 (2) %
LABOUR:	Thousands growth	Thousands growth	Thousands growth
Labour force	8,140.0 3.9	8,398.2 3.2	8,663.2 3.2
Employment			
Total	7,915.4 4.1	8,180.8 3.4	8,442.6 3.2
Agriculture	1,428.7 -3.3	1,375.9 -3.7	1,344.6 -2.3
Manufacturing	2,051.6 8.4	2,209.0 7.7	2,325.3 5.3
Government	872.2 0.5	876.6 0.5	880.9 0.5
Unemployment rates	2.8	2.6	2.5
	% growth	% growth	% growth
INDUSTRIAL ECONOMIES:			
Real GDP: All industrial countries	2.1	2.3	2.5
United States of America	2.0	2.4	2.3
Japan	0.9	3.5	2.7
Germany <sup>6</sup>	1.9	1.3	2.4
United Kingdom <sup>7</sup>	2.5	2.2	3.0
Consumer Prices: All Industrial countries	2.4	2.3	2.4
United States of America	2.8	2.8	2.8
Japan	-0.1	0.2	1.3
Germany <sup>8</sup>	1.8	1.6	1.7
United Kingdom <sup>8</sup>	2.8	2.7	2.4

1 Estimate

2 Forecast

3 1996 growth is based on 366 days

4 Change from August 1995

5 Based on estimates by EPU

6 Data are for unified Germany

7 Average of expenditure, income and output estimates of GDP at market prices.

8 Retail price index excluding mortgage interest.

Malaysia- key Data and Forecasts (continued) .

	1995 RM million		1996(1) RM million		1997(2) RM million	
<b>BALANCE OF PAYMENTS</b>						
Current Account	-18,690		-14,771		-11,497	
Merchandise balance (f.o.b.)	233		4,643		10,008	
Services balance	-19,041		-19,423		-21,555	
Transfers	118		9		50	
Long-term capital account	16,181		12,402		--	
Basic balance	-2,509		-2,369		--	
Overall balance	-4,403		1,230		--	
<b>EXTERNAL TRADE:</b>	RM	%	RM	%	RM	%
	million	growth	million	growth	million	growth
Total Export (f.o.b.)	184,486	20.2	192,606	4.1	210,650	9.4
Rubber	4,038	38.0	3,669	- 9.1	3,023	- 17.6
Palm oil (crude and processed)	10,399	22.7	8,177	- 21.4	9,000	10.1
Sawlogs and sawn timber	6,103	- 11.2	5,317	- 12.9	5,710	7.4
Crude oil	6,701	2.3	6,862	2.4	5,959	- 13.2
Liquefied natural gas	3,171	34.3	4,660	46.9	5,135	10.2
Tin	545	8.5	548	0.5	525	- 4.1
Manufactures	147,507	22.9	156,068	5.8	173,235	11.0
Total imports (c.i.f.)	194,344	24.6	197,806	1.8	210,990	6.7
Intermediate goods	126,338	27.7	131,145	3.8	140,000	6.8
Capital goods	39,127	29.6	36,411	- 6.9	38,778	6.5
Consumption goods	11,975	14.1	12,264	2.4	12,521	2.1
Others: including dual use goods	9,676	16.0	10,666	10.2	11,884	11.4
Import for re-exports	7,229	- 8.7	7,320	1.3	7,807	6.7
Balance of Trade		- 9,358		- 5,200		- 340
<b>PRODUCTION AND PRICES:</b>	Volume	%	Volume	%	Volume	%
		growth		growth		growth
Production						
Rubber ('000 tonnes)	1,089	- 1.1	1,070	- 1.7	1,010	- 5.6
Crude oil ('000 barrels per day(3))	705.4	6.9	706.0	0.1	691.0	- 2.1
Tin ('000 tonnes)	6.4	- 0.9	6.3	- 1.6	6.2	- 1.6
Palm oil ('000 tonnes)	7,810	8.2	8,040	2.9	8,200	2.0
Sawlogs ('000 cu. metres)	31,600	- 11.4	31,000	- 1.9	30,000	- 3.2
<b>Commodity Prices--</b>	Price	%	Price	%	Price	%
		growth		growth		growth
Rubber RSS I (sen per kilogramme)	390	32.6	370	- 5.1	300	- 18.9
Tin, Kuala Lumpur Tin market	15.33	8.4	15.40	0.5	15.20	- 1.3
Crude palm oil, local delivered (RM per Tonne)	1,472.50	14.7	1,184.50	- 19.6	1,100.00	- 7.1
Crude oil, weighted average price (US\$ Per barrel)	18.30	7.1	20.00	9.3	18.50	- 7.5
<b>Consumer Price Index (1994=100)</b>	Index	%	Index	%	Index	%
		growth		growth		growth
Consumer Price Index (1994=100)	103.5	3.4	107.2	3.6	110.9	3.5
Produce Price Index (1988=100)	113.7	4.0	116.5	2.5	118.8	2.0

Source: Economic Report 1996/1997, Ministry of Finance Malaysia.

Table 3

	20 fastest-growing countries	GDP Growth (%)	20 slowest-growing countries	GDP Growth (%)
1	Iraq	30.0	Tajikistan	-7.5
2	China	9.3	Libya	-4.0
3	Vietnam	8.5	Russia	1.0
4	MALAYSIA	8.0	Bulgaria	1.0
5	Albania	8.0	Kazakstan	1.0
6	Indonesia	7.4	Ukraine	1.0
7	South Korea	7.3	Uzbekistan	1.0
8	Thailand	7.1	Jamaica	1.1
9	Singapore	6.8	Switzerland	1.3
10	Georgia	6.0	Saudi Arabia	1.5
11	Armenia	6.0	Italy	1.6
12	Serbia	6.0	United Arab Emirates	1.7
13	Uganda	6.0	Iran	1.8
14	Cole divoire	6.0	Austria	1.8
15	Botswana	6.0	Belarus	2.0
16	Bangladesh	5.8	Bahrain	2.0
17	Philippines	5.8	Yemen	2.0
18	Taiwan	5.7	Japan	2.1
19	Angola	5.7	USA	2.1
20	Zimbabwe	5.5	Germany	2.2

Source: Economist Intelligence Unit

Table 4  
Incidence of poverty and number of poor households, 1990, 1995 and 2000

		1990 (1)			1995 (2)			2000		
		Total	Urban(3)	Rural	Total	Urban(3)	Rural	Total	Urban(3)	Rural
Malaysian Citizens Only	(%)									
Incidence of Poverty	(*000)	16.5	7.1	21.1	8.9	3.7	15.3	5.5	2.2	10.3
Number of Poor Households	(%)	574.5	82.0	492.5	370.2	84.6	285.6	253.4	59.9	193.5
Incidence of Hardcore Poverty (4)	(*000)	3.9	1.3	5.2	2.1	0.8	3.7	0.5	0.1	1.0
Number of Hardcore-Poor Households	(*000)	137.1	15.5	121.6	88.4	19.2	69.2	23.0	3.2	19.8
Total Households	(*000)	3,486.6	1,049.3	2,337.3	4,140.6	2,270.3	1,870.3	4,607.2	2,732.6	1,874.6
Overall (5)										
Incidence of Poverty	(%)	17.1	7.5	21.8	9.6	4.1	16.1	6.0	2.4	11.0
Number of Households	(*000)	619.4	89.1	530.3	417.2	95.9	321.3	294.4	69.6	224.8
Incidence of Hardcore Poverty (4)	(%)	4.0	1.4	5.2	2.2	0.9	3.7	0.5	0.1	1.6
Number of Hardcore Poor Households	(*000)	143.1	16.3	126.8	93.5	20.5	73.0	24.5	3.4	21.1
Total Households	(*000)	3,182.7	1,182.7	2,347.8	4,347.8	2,357.0	1,990.8	4,906.5	2,863.1	2,043.4

## Notes:

(1) Refer to 1989

(2) Poverty estimation for 1995 is based on the following poverty line incomes: RM425 per month for a household size of 4.6 in Peninsular Malaysia. RM600 per annum for a household size of 4.9 in Sabah and RM516 per month for a household size of 4.8 in Sarawak.

Figures in 1996 are based on the preliminary data of the Household Income Survey, 1995.

(3) Except for 1990, urban areas are defined as gazetted areas and adjacent built-up area with a combined population of 10,000 persons or more as in the 1991 Population and Housing Census. For 1990, built-up area are classified as rural.

(4) Hardcore poverty is estimated using half the poverty line income.

(5) Includes non-citizens.

Source: Seventh Malaysia Plan.

Table 5  
Student enrollment in local public institutions, 1990 - 2000

Level of Education	Enrolment (1)						Increase (%)	
	1990	%	1995	%	2000	%	6MP	7MP
Pre-School	173,570	4.2	256,800	5.2	399,980	7.1	48.0	55.8
Primary (2)	2,445,600	59.2	2,766,870	56.1	2,922,860	51.1	13.1	5.6
Lower Secondary	943,920	22.8	1,124,910	22.8	1,279,020	22.5	19.2	13.7
Government & Government aided schools	942,800		1,122,180		1,264,620		19.0	12.7
MARA Junior Science Colleges	1,120		2,730		14,400		143.8	427.5
Upper Secondary	371,760	9.8	514,970	10.4	693,880	12.3	38.5	34.7
Government & Government aided Schools	331,050		459,850		592,940		38.9	28.9
MARA Junior Science Colleges	9,770		6,320		11,500		-35.3	82.0
Vocational & Technical Schools	30,940		48,800		89,400		57.7	45.4
Post-Secondary	73,980	1.8	80,080	1.6	95,530	1.7	8.2	19.3
Government & Government-aided Schools	63,250		64,610		70,000		2.2	8.4
Pre-diploma & Pre-university Courses (3)	10,730		15,470		25,490		44.2	64.8
Teacher Education (Non-graduates)	21,750	0.5	35,410	0.7	32,000	0.6	62.8	-9.6
Certificate	10,130	0.2	17,080	0.3	21,290	0.4	68.6	24.6
Diploma	32,020	0.8	46,930	1.0	61,900	1.1	46.6	31.9
Degree (4)	58,400	1.4	89,000(5)	1.8	167,900	3.0	53.3	87.4
Total	4,131,170	100	4,932,650	100	5,674,360	100	19.4	15.0

Notes:

- (1) Enrolment refers to total student population in that particular year at the particular level of education.
- (2) Includes Government and Government-aided schools.
- (3) Includes preparatory courses conducted at the Institute Technology MARA (ITM) and all universities excluding University Technology Malaysia and enrollment of foreign students at the University Islam Antarabangsa (IIA).
- (4) Includes enrollment in post-graduate courses in institution of higher learning and enrollment in advanced diploma courses at the ITM, Kolej Tunku Abdul Rahman and off-campus courses at the University Sains Malaysia and the ITM. Enrollment of foreign students at the UIA is excluded.
- (5) In 1995, about 50,600 students were enrolled at the degree level overseas and 6,100 students were enrolled at the degree level in local private institutions. Of the total overseas, 39.5 per cent were Government sponsored students.

Source: Seventh Malaysia Plan.

Table 6  
Selected indicators of health status, 1980, 1990 and 1995

Indicator	Malaysia			Upper Middle <sup>(1)</sup> Income Economies	High Income Economies
	1980	1990	1995 <sup>(2)</sup>	1993	1993
Life Expectancy At Birth <sup>(3)</sup> (in years)					
Male	66.7	68.9	69.3	66.0	74.0
Female	71.6	73.5	74.0	72.0	80.0
Crude Birth Rate (Per 1,000)	30.9	28.4	28.0	24.0	13.0
Crude Death Rate (Per 1,000)	5.3	4.7	4.5	7.0	9.0
Doctors Per 10,000 Population	2.8	3.9	4.5	9.0	23.8
Dentists Per 10,000 Population	0.5	0.8	0.9	n.a.	n.a.
Infant Mortality Rate <sup>(3)</sup> (Per 1,000)	24.0	13.0	10.5	36.0	7.0
Toddler Mortality Rate <sup>(3)</sup> (Per 1,000)	2.0	0.9	0.8	n.a.	n.a.
Maternal Mortality Rate <sup>(3)</sup> (Per 1,000)	0.6	0.2	0.2	n.a.	n.a.
Perinatal Mortality Rate <sup>(3)</sup> (Per 1,000)	26.7	13.8	11.0	n.a.	n.a.
Neonatal Mortality Rate <sup>(3)</sup> (Per 1,000)	14.8	8.4	6.7	n.a.	n.a.

Source: Ministry of Health Malaysia and World Development Report, 1995.

Notes:

- (1) Includes Malaysia
  - (2) Refers to 1994
  - (3) For Peninsular Malaysia Only
- n.a. Not available.

Table 8  
Employment by sector, 1990 - 2000

(\*000 Persons)

							Average Annual Growth Rate (%)			Net Job Creation		
	1990	%	1995	%	2000	%	6MP	7MP	6MP	%	7MP	%
Agriculture, Forestry, Livestock & Fishing	1,738.0	26.0	1,428.7	18.0	1,187.7	13.1	-3.8	-3.6	-309.3	-25.2	-241.0	-20.9
Mining & Quarrying	37.0	0.6	40.7	0.5	44.5	0.5	1.9	1.8	3.7	0.3	3.8	0.3
Manufacturing	1,333.0	19.9	2,051.6	25.9	2,616.3	28.9	9.0	5.0	718.6	58.5	564.7	49.1
Construction	424.0	6.3	659.4	8.3	845.4	9.3	9.2	5.1	235.4	19.1	186.0	16.2
Electricity, Gas & Water	47.0	0.7	69.1	0.9	84.0	0.9	8.0	4.0	22.1	1.8	14.9	1.3
Transport, Storage & Communications	302.0	4.5	395.2	5.0	506.9	5.6	5.5	5.1	93.2	7.6	111.7	9.7
Wholesale & Retail Trade, Hotels & Restaurants	1,218.0	18.2	1,327.8	16.8	1,469.6	16.2	1.7	2.1	109.8	8.9	141.8	12.3
Finance, Insurance, Real Estate & Business Services	258.0	3.9	378.5	4.8	479.0	5.3	8.0	4.8	120.5	9.8	100.5	8.7
Government Services	850.0	12.7	872.2	11.0	894.2	9.9	0.5	0.5	22.2	1.8	22.0	1.9
Other Services	479.0	7.2	692.2	8.7	938.6	10.4	7.6	6.3	213.2	17.3	246.4	21.4
Total	6,686.0	100.0	7,915.4	100.0	9,066.2	100.0	3.4	2.8	1,229.4	100.0	1,150.8	100.0
Labour Force	7,042.0		8,140.0		9,327.1		2.9	2.8				
Local	6,752.0		7,490.0		8,546.1		2.1	2.7				
Foreign	290.0		650.0		781.0		17.5	3.7				
Unemployment	356.0		224.6		260.9							
Unemployment Rate (%)	5.1		2.8		2.8							

Source: Seventh Malaysia Plan

Table 10  
Employment by selected occupation, 1990 - 2000

(Persons)

	6MP			7MP			Output		Demand-Supply Gap Shortage/Surplus	
	Stock 1990	Employment 1995	Net Increase	Stock 1995	Employment 2000	Net Increase	6MP	7MP	6MP	7MP
Engineers (1)	18,904	55,254	36,350	49,729	83,590	33,861	13,092	26,570	-23,258	-7,291
Civil	6,429	16,695	10,266	15,026	24,051	9,025	1,707	4,110	-8,599	-4,915
Electrical & Electronics	6,151	15,759	9,608	14,183	24,566	10,363	2,696	7,123	-6,912	-1,260
Mechanical	2,989	12,583	9,594	11,325	19,488	8,163	2,367	5,904	-7,227	-2,299
Chemical	1,037	1,708	671	1,537	2,452	915	649	1,113	-22	198
Others	2,298	8,509	6,211	7,658	13,033	5,375	5,673	8,320	-538	2,945
Engineering Assistants	43,276	92,082	48,806	78,269	151,844	73,575	26,581	41,899	-22,225	-31,676
Civil	18,752	25,971	7,219	22,075	37,754	15,679	6,432	9,717	-787	-5,962
Electrical & Electronics	16,492	40,023	23,531	34,020	65,459	31,439	9,573	14,361	-13,958	-17,078
Mechanical	5,100	18,706	13,600	15,900	36,345	20,445	5,768	9,282	-7,832	-11,163
Chemical	333	1,425	1,092	1,211	2,641	1,430	239	440	-853	-980
Others	2,593	5,957	3,364	5,063	9,645	4,582	4,569	8,099	1,205	3,517
Medical & Health Professionals	9,722	14,903	5,181	12,917	21,328	8,411	3,865	5,941	-1,326	-2,470
Physician & Surgeon	7,012	10,346	3,334	9,504	15,510	6,006	2,728	4,525	-606	-1,481
Dentists & Dental Surgeons	1,471	2,586	1,115	1,791	2,909	1,118	677	452	-438	-666
Pharmacists	1,291	1,971	732	1,622	2,909	1,287	460	964	-272	-321
Allied Health Professionals	39,131	51,588	12,457	44,750	75,016	30,266	10,947	21,852	-1,510	-8,414
Physiotherapists & Occupational Therapists	234	517	283	410	911	501	225	401	-58	-100
Radiographers	508	758	250	537	1,297	760	187	512	-63	-248
Health Inspectors	1,007	1,647	640	1,418	2,695	1,277	335	601	-305	-676
Med, Assts. & Med. Lab Technologists	4,903	6,750	1,847	5,392	9,842	4,450	1,064	2,895	-783	-1,555
Dental Paramedics & Auxillary	2,137	3,235	1,098	2,720	6,361	3,641	779	1,377	-319	-1,264
Pharmaceutical Assistants	1,410	2,172	762	1,872	3,359	1,487	497	655	-205	-432
Nurses (2)	28,932	36,509	7,571	32,401	50,551	18,150	7,860	15,411	-283	-2,739
School Teachers	172,098	244,188	72,024	222,807	322,807	99,917	66,771	99,917	-6,553	0
Primary	104,098	144,191	40,093	135,790	197,835	62,045	38,268	62,045	-1,825	0
Secondary	68,066	99,997	31,931	87,100	124,972	37,872	28,503	37,872	-3,428	0

Notes:

- (1) Output include graduates from local public and private tertiary institutions as well as overseas graduate privately sponsored, and those sponsored by the Government and major corporation.
- (2) Nurses comprise staff nurses, community nurses, assistant nurses and midwives.

Source: Seventh Malaysia Plan.



Table 11  
Employment distribution by industry and sex, 1990 and 1995

Industry	1990		1995	
	Male	Female	Male	Female
Agriculture, Forestry, Livestock & Fishing	65.6	34.4	71.6	28.4
Mining & Quarrying	87.1	12.9	88.1	11.9
Manufacturing	53.6	46.4	56.6	43.4
Construction	93.1	6.9	87.6	12.4
Electricity, Gas & Water	95.7	4.3	92.2	7.8
Transport, Storage & Communications	61.4	38.6	88.8	11.2
Wholesale & Retail Trade, Hotel & Restaurants	88.9	11.1	62.4	37.6
Finance, Insurance, Real Estate & Business Services	65.8	34.2	59.7	40.3
Other Services <sup>(1)</sup>	62.1	37.9	60.8	39.2
Social and Related Community Services	47.2	52.8	44.9	55.1
Personal and Household Services	47.0	53.0	49.4	50.6
Public Administration	81.5	18.5	78.4	21.6
Total	68.6	31.4	66.3	33.7

Note: (1) This category comprises six sub-categories and only three major sub-categories are shown.  
Source: Seventh Malaysia Plan.

Table 12  
Employment distribution by occupation and sex, 1990 and 1995

Occupation Category	1990		1995	
	Male	Female	Male	Female
Professional, Technical & Related Workers	6.4	9.4	8.4	13.5
Administrative & Managerial Workers	2.8	0.6	4.4	1.9
Clerical & Related Workers	7.0	14.1	7.3	17.6
Sales & Related Workers	11.4	11.4	10.9	11.3
Service Workers	9.9	14.1	9.9	13.4
Agriculture Workers	29.4	28.1	20.9	15.8
Production & Related Workers	33.1	22.3	38.2	26.5
Total	100.0	100.0	100.0	100.0

Source: Seventh Malaysia Plan.

Table 13  
Population by age group, 1990-2000 (million)

Age Group	1990	%	1995	%	2000	%
Less than 15	6.75	37.5	7.33	35.4	7.74	33.3
15-24	3.58	19.9	3.97	19.2	4.45	19.1
25-39	3.99	22.2	4.85	23.4	5.48	23.6
More than 39	3.66	20.4	4.54	22.0	5.59	24.0
Total	17.98	100.0	20.69	100.0	23.26	100.0

Source: Seventh Malaysia Plan.

Table 14  
Youth employment by occupation, and ethnic group, 1990 and 1995 (%)

Occupational Category	1990					1995				
	Bumiputera	Chinese	Indians	Others	Total	Bumiputera	Chinese	Indians	Others	Total
<b>MALAYSIA</b>										
Professional, Technical & Related Workers	5.3	4.4	4.4	2.1	4.8	7.5	6.8	5.8	2.0	6.7
Administrative & Managerial Workers	0.3	0.5	0.1	0.2	0.3	0.5	1.4	1.1	0.3	0.8
Clerical & Related Workers	8.2	15.4	8.7	3.2	10.3	13.3	19.7	13.0	3.2	14.0
Sales & Related Workers	7.9	17.9	10.6	7.6	11.3	7.4	20.4	7.6	7.3	10.6
Service Workers	12.6	9.4	7.1	13.4	11.2	9.7	8.7	6.1	15.4	9.7
Agricultural Workers	25.2	6.8	16.0	37.7	19.1	15.4	4.1	5.8	28.0	12.8
Production & Related Workers	40.5	45.6	53.1	35.8	43.0	46.2	38.9	60.6	43.8	45.4
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	
<b>Urban</b>										
Professional, Technical & Related Workers	6.9	5.7	4.9	3.1	6.0	9.3	7.7	6.2	2.1	7.9
Administrative & Managerial Workers	0.7	0.7	0.2	0.0	0.7	0.8	1.6	1.6	0.6	1.1
Clerical & Related Workers	12.8	18.8	13.9	5.0	15.5	20.6	21.5	17.0	4.4	19.5
Sales & Related Workers	10.8	18.4	14.9	11.9	14.8	9.5	21.2	9.1	11.9	13.6
Service Workers	19.0	9.9	10.4	27.9	14.2	12.6	9.3	6.6	29.2	11.9
Agricultural Workers	3.0	1.6	0.6	4.8	2.2	1.7	1.1	0.8	3.4	1.5
Production & Related Workers	46.8	44.9	55.1	47.3	46.6	45.5	37.6	58.7	48.4	44.5
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	
<b>Rural</b>										
Professional, Technical & Related Workers	4.8	3.1	4.2	1.8	4.1	5.9	3.6	5.0	1.9	5.1
Administrative & Managerial Workers	0.1	0.3	0.0	0.3	0.2	0.2	0.8	0.0	0.0	0.2
Clerical & Related Workers	6.7	11.9	5.8	2.7	7.6	6.7	13.2	4.9	2.3	6.8
Sales & Related Workers	6.9	17.4	8.2	6.5	9.6	5.6	17.6	4.4	4.0	6.7
Service Workers	10.5	8.9	5.3	9.4	7.2	7.2	6.1	5.0	5.3	6.7
Agricultural Workers	32.5	12.0	24.7	46.7	27.9	27.7	15.4	15.8	46.0	27.6
Production & Related Workers	38.5	46.4	51.8	32.6	41.1	46.7	42.7	64.9	40.5	46.9
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

Source: Seventh Malaysia Plan

# The Philippines

## I. Introduction

The United Nations Charter provides the framework for human development as a goal of any society. Human development is equated with “the promotion of social progress and better standards of life in larger freedom for all its members, where the fundamental rights, dignity, and worth of the human person and the equal rights of men and women are upheld.” This paper will attempt to underscore some relevant statistical information which serves as quantifiable indicators on how far social and human welfare programs have been achieved in the Philippines. Securing human development as a goal requires giving importance to the growth as well as the manner in which it is attained for the ultimate benefit of the members of society.

The thrust of Philippine human development is the continuing effort of the government and non-governmental organizations in developing strategies for expanding the opportunities for people in all areas of human endeavor. On the part of the government there is a commitment to support the 20:20 Pact of the Social Development Summit by allocating some 20 percent of the national budget to basic education, health and water supply.

The data so far gathered is part of the undertaking in monitoring government policies and efforts in support of its commitment to sustainable human development.

The tedious process of examining some statistics for a better perspective on the progress of social and human development in the Philippines required consulting knowledgeable persons and referring to relevant materials to give meaning to the economic and social indicators.

## II. Statistical report: economic and social indicators

### 1. Economic

	World Development Report 1996	Asian Development Outlook 1996 & 1997	Human Development Report 1997
Total GDP	64,162 million \$ (1994)		
Total GNP (US\$)			63.3 billion US\$ (1994)
Real GDP per capita (PPP\$)			2681 (1994)
GNP per capita (US\$)	950 \$ (1994)		
Annual growth rate of GDP (%)	1.6% (1990-94)	5.5% (1996)	
Annual growth rate of GNP (%)	1.7% (average annual growth rate (1985-94)		1.7% (1980-1993)
Percentage of GDP of:			
Agricultural production	22% (1994)		22% (1994)
Industrial production	33% (1994)		33% (1994)
Services	45% (1994)		45% (1994)
Manufacturing	23% (1994)		
Consumption of (as % of GDP)			
Private	71% (1994)		71% (1994)
Government	11% (1994)		11% (1994)
Gross domestic investment (as % of GDP)	24% (1994)	24.0% (1994) 23.7% (1996)	24% (1994)
Gross domestic savings (as % of GDP)	18% (1994)	14.9% (1994) 16.1% (1996)	18% (1994)
Tax revenue (as % of GNP)			15% (1994)

Central government expenditure (as % of GDP)		18.4% (1994) 18.4% (1995)	
Exports (as % of GDP)		34% (goods & non-factor services 1994)	38% (1994)
Imports (as % of GDP)			43% (1994)
Average annual rate of inflation (%)	10.0 (GDP deflator 1984-94)		

### (1) Employment

- a) Labour force - 28,040 (in thousands) 1995 (NEDA)  
as % of total population: 40% 1990 (Human Development Report 1997)  
Employed: 25,698 (in thousands) = 91.6% of labour force 1995 (NEDA)

Labour force participation rate by age (in thousands) Oct. 1995 (Bureau of Labor and Employment Statistics)

Age	N	%
15 - 19	2,594	10.09
20-24	3,049	11.86
25-34	5,969	23.23
35-44	5,964	23.20
45-54	4,354	16.94
55-64	2,548	9.92
65 +	1,219	4.74
TOTAL	25,698	

Labour force participation by sex (in thousands) Oct. 1995 (BLES)

Sex	N	%
Male	16,193	63.01
Female	9,505	36.99
TOTAL	25,698	

- b) Percentage of labour force in: (in thousands)

Occupation	Oct 1995 (BLES)		1990 (Human Development Report (1997))
	N (in thousands)	%	%
Agriculture, Fishery and Forestry	11,323	44.06	46
Industry	4,008	15.60	15
Services	10,344	40.25	39
Not elsewhere classified	21	00.08	
TOTAL	25,698		

- c) Real earnings per employee annual growth rate (%): 5.2% 1980-92 (Human Development Report 1997)

- d) Unemployment rate: 2,342 (in thousands) = 8.4% of labour force 1995 (NEDA)  
Underemployment rate: 19.8 of labour force 1995 (NEDA)

## (2) Population

### Demographic data and information

- a) Population growth: 2.32% 1990-95 (BLES)  
2.2 % 1990-94 (World Dev. Report 1996)
- b) Fertility rate: 3.8% 1994 (World Dev. Report 1996)  
3.9% 1994 (Human Dev. Report 1997)
- c) Life expectancy at birth: 67 yrs. (Female & Male); 68.9 (Female); 65.2 (Male) 1994 (Human Development Report 1997)  
65 yrs. 1994 (World Dev. Report 1996)  
66.1 yrs. (Female and Male); 67.8 (Female); 64.4 (Male) 1995 (NEDA)
- d) Urbanization:  
Urban population as % of total population: 53% 1994 (World Dev. Report 1996 & Human Dev. Report 1997)

- e) Population structure: Population by age and sex

Age	Male		Female		Total	
	N	%	N	%	N	%
<1-19	15,588,194	25.74	15,046,170	24.85	30,634,364	50.59
20-44	10,594,648	17.49	10,575,418	17.46	21,170,066	34.96
45-69	3,687,613	6.09	3,814,607	6.30	7,502,220	12.39
70+	572,732	0.95	679,734	1.12	1,252,466	2.07
TOTAL	30,443,187	50.27	30,115,929	49.73	60,559,116	100.00

## 2. Social factors

- |  |             |             |
|--|-------------|-------------|
|  | 1994 (NEDA) | 1994 (BLES) |
| a) Poverty threshold:                                  | P8,884.68   | P8,885      |
| No. of families whose annual per capita income:        | 4,531,169.8 | 4,531,170   |
| Proportion of families whose annual per capita income: | 35.5%       | 35.5%       |

- b) Income distribution: 1991 Family Income & Expenditure Survey (NSO published in IBON Philippine Profile)

Income class	No. of Families	Average Income in P/year
<15,000	980,351	11,137
15,000-19,999	973,635	17,561
20,000-29,999	2,145,551	24,876
30,000-39,999	1,731,741	34,731
40,000-59,999	2,229,605	49,114
60,000-99,999	2,006,831	76,834
100,000-249,999	1,610,455	145,701
250,000+	297,278	473,486

### (1) Education

- a) Adult literacy rate: 94.4% (Female and Male); 93.9% (Female); 94.8% (Male)  
1994 (Human Development Report)  
Basic Literacy rate: 95.0 1994 (NEDA)  
95.8 1995 (NEDA)

- b) Enrollment ratios 1994-95 (DECS/NEDA)

Level	N	%
Pre-school	480,338	2.70
Primary (Elementary)	10,903,529	61.26
Secondary	4,762,877	26.76
Tertiary	1,651,918	9.28
TOTAL	17,798,662	

- c) Ratio of graduation : College 1992-93 (NCRFW and ADB)

	N	%
Female	171,353	48.20
Male	184,125	51.80
Total	355,478	100.00

- d) Total education expenditure (as % of GDP): 15.9% 1992-1995 (Human Dev. Report 1997)

### (2) Status of women

- a) Enrollment ratio of female students: SY 1993-94 (DECS)

	Female	Male	Total Number Enrolled (Male and Female)
Primary	49.6%	50.4%	9,303,104
Secondary	51.5	48.4	3,848,583
Tertiary	56.9	43.1	912,902
Total	50.6	49.4	14,064,589

- b) Women's share of adult labor force: 36% 1994 (World Dev. Report)  
37% (age 15 and above) 1990 (Human Dev. Report 1996)  
47.3% (age 15 and over) (1994 Filipino Women Issues and  
Trends, NCRFW and ADB)

### (3) Sanitation

- a) Population with access to safe water: 81% 1993 (World Dev. Report 1996)  
86% 1990-96 (Human Dev. Report 1997)  
74.4% 1996 (DOH)
- b) Population with access to sanitation: 72% 1993 (World Dev. Report 1996)  
77% 1990-96 (Human Dev. Report 1997)
- c) Waste disposal: 5,225,344 households or 49.4% 1996 (DOH Field Health Office  
Information System)

### (4) Health and medical care

a) Daily calorie supply per capita

Mean one day per capita food energy was 1,684 kcal. which met 87.8% of the 1,919 kcal. recommended amount. (National Nutrition Survey, 1993)

b) Population with access to health and medical case services (National Health Survey, 1981, 1987, 1992)

	1981	1987	1992
Barangay Health Units	73.0%	32.6%	30.0%
Barangay Health Stations	58.0%	36.0%	22.0%
Government Hospitals	69.0%	32.2%	23.0%
Private Hospitals	66.0%	34.7%	26.0%

c) Immunization Against (in percentile)

Measles – 68% or 6,612,989 children of ages 12-59 months given an extra dose of measles vaccine in 1994. (Dept. of Health 1994 Annual Report)

d) AIDS Cases

861 HIV seropositive reported to the national AIDS registry as of May 1997: 308 full blown, 158 have died. (Dept. of Health – AIDS Unit)

e) Malaria Cases

Clinically diagnosed 132,442 malaria cases, microscopically diagnosed 61,959 malaria cases. (Dept. of Health 1994 Annual Report)

f) People with disabilities (Dept. of Health)

	Male	Female
40-44	26,793	24,712
45-49	31,575	29,676
50-54	31,960	31,018
55-59	35,121	34,152
60-64	35,991	36,778
65-69	33,519	36,838
70-74	30,835	36,418
75-79	25,427	30,899
80 & over	32,853	45,773

g) Traditional medical treatment (Dr. Elisa Banayal of the Dept. of Health Traditional Medicine)

- ❖ 60% of the population are users according to the UP Diliman study. The scope of the study is the Southern Tagalog Region only.
- ❖ There is no national survey as of the present.
- ❖ There is no nationwide expected demand of 150 million herbal tablets per month. The Dept. of Health supplies about 3% while Pascual Laboratories supply about 2% of such demand. These are the only two known suppliers.

h) Public expenditure on health	
1997 Dept. of Health Budget	P 10,937,000
1997 National Budget	P 433,817,543,000

### (5) Child and maternal health

a) Infant mortality (per 1,000 live births):	36 1994 (Human Dev. Report 1997)
	40 1994 (World Dev. Report 1996)
b) Maternal mortality (per 100,000 live births):	280 1990 (Human Dev. Report 1997)
c) Births attended by trained health personnel (%):	53% 1990-96 (Human Dev. Report 1997)
	89.5% (932,129) 1996 (DOH)
d) Births attended by traditional birth attendants (%)	21.9% (327,083) 1996 DOH)
e) Method of child delivery:	Normal - 1,370,570
	Other methods - 17,461 1996 (DOH)

## III. Human development issues

### 1. Profile of the philippines

The Philippines is an archipelago with some 7,100 islands. Its three largest islands are Luzon, Visayas and Mindanao. The national center of business, trade, education and arts has long been Metro Manila which is located in Luzon. Of late, Cebu province in the Visayas is second to Manila in terms of trade and commerce.

Under the present government, Mindanao which has a large Muslim population, has been designated to be a priority area for development, to form part of the East Asia Growth Area with Malaysia and Indonesia.

The country which enjoyed trade and commerce with China and other neighboring countries in ancient times was colonized and christianized by Spain in 1521. The Philippines is the only Christian country in Asia with 85 percent of its population belonging to the Roman Catholic Church.

The Philippines won its independence from Spain, the first country in Asia to wrestle and free itself from the colonial yoke in 1898, after an almost successful revolution, only to be colonized again by the United States of America right after Spain lost in a naval battle and was forced to cede the Philippines to the USA. The Philippines was a colony of the United States when World War II broke out. The Japanese invaded the Philippines and was under its control for four (4) years. Liberation came in 1945 at the end of the war. The Philippines secured its independence from the United States on July 4, 1946. A legacy from the Americans is the system of public education and democratic governance. It should be noted, however, that the Spanish missionaries established a number of schools and founded the University of Santo Tomas in 1611, an institution of higher learning reportedly older than Harvard University.

The Philippines has stood out in Asia for its espousal of democracy with a government structure patterned after the United States. The government leaders had always been elected by the people until martial law was declared by President Ferdinand Marcos in 1972 where all democratic institutions especially the freedom of the press had been cast aside.

The dictatorship has been considered one of the major reasons for the deterioration of the economic life of the nation. In the 50's and 60's, the Philippines had enjoyed a high rating in international circles, as could be gleaned from the following comments:

...by comparison with most underdeveloped countries, the basic economic position of the Philippines is



favourable... (and) it has achieved a position in the Far East second only to Japan, both in respect to its level of literacy and to per capita production capacity. (World Bank, 1957)

“Economic fortunes in the Philippines since independence in 1946 have commonly been portrayed as the inverse of those in other countries in the region. In the 1950s and early 1960s the Philippines had one of the fastest-growing and most industrialised economies in Southeast Asia. It was characterised by a rising class of manufacturing entrepreneurs, a substantial salaried middle class, a growing working class, a high level of formal education and a political system organised around electoral democracy. In short, the Philippines seemed to possess all the hallmarks of modernisation, constituting a model for other countries in the region to follow.” (Michael Pinches, 1994).

All these changed dramatically in three decades particularly during the years of the Marcos dictatorship:

“Uncontrolled and parasitic plundering of state and private resources tilted the Philippines on its long plunge from being the most ‘advanced’ capitalist society in Southeast Asia in the 1950s to the most depressed and indigent in the 1980s.” (Anderson, 1988, p.17)

People power toppled the dictatorship in 1986. The economy was in shambles when President Corazon Aquino, wife of the Senator Benigno Aquino who is recognized as a staunch leader in the struggle against the dictatorship, took over as President of the Philippines. For a brief spell, the GNP rose but a series of unsuccessful military coups once more set back the burgeoning economic progress. Recession set in until the early 1990s.

The year 1995 marked the second year with a remarkable growth in the GDP. This was ascribed to the restoration of political stability and the instituting of economic reforms. There was a substantial increase in exports, a decrease in the balance of payments deficit and a steady growth in foreign investments.

The series of volatile “boom-bust” economic cycles was believed to be a thing of the past. It was further considered that the recovery of the mid 1990s was qualitatively different as it is marked by a self-sustained growth path. The Philippines achieved the status of a promising “tiger” economy along with its progressive Asean neighbors. These were all attributed to the following factors: a) the structural reforms over a decade reduced macroeconomic distortions and liberalized the once highly protected economy; b) a major bulk of exports consisted of manufactured goods, replacing the traditional reliance on volatile commodity earnings; c) significant reduction of external debt and debt service payments; and d) strengthened international investors’ confidence in the economy. ( Asian Development Outlook 1996 & 1997). In 1996 and the early part of 1997 were the period marked by confidence in the continuing growth of the economy of ASEAN countries that included the Philippines.

## **2. Human development trends**

### **(1) The economy**

The 1995 economic performance was characterized by slowing down in agricultural production, significant growth in the industry and services sectors, and the contraction of gross domestic investment compared with the previous year.

Economic recovery started in 1994 and went further through 1996 reaching 5.5 percent increase in the GDP. Despite a lower rate than the government’s projection, it was considered significant in that it was achieved despite a considerable decline in agriculture due to climatic changes where there had been less than normal rain during the planting season, and more than the needed rain followed by floods during the harvesting season. In 1994, the percentage of GDP of agricultural production was 22 percent. The Asian Development Outlook reported that in 1995 agricultural production increased by only 0.9 percent as compared with 2.6 percent growth in 1994.

The same source further reported that the slowdown in agriculture was more than compensated by the growth in the industry and services sectors. Industrial production grew by 7.3 percent compared to 5.8 percent growth in 1994. The broadly-based growth had been partly attributed to the improvement of the electric power supply which earlier crippled industrial activities and the reform measures initiated by the government. The favorable growth covered manufacturing (70% of industrial output) with 6.9 percent growth compared with 5 percent in the previous year, construction and utilities with a continuing double-digit growth rates and the services sector (43% of GDP) which expanded to 4.9 compared with 4.3 in 1994.

Gross domestic investment was recorded at 24 percent of GDP in 1994 with gross domestic savings at 14.9 percent of GDP. In 1996 however, gross domestic investment was reduced to 23.7 percent but an increase in domestic savings of 16.1 percent was reported.

Central government expenditure was 18.4% in 1994 and remained the same in 1995.

## **(2) Employment**

The total employment in 1995 was 91.6 percent of the labor force. It is surmised that this includes the overseas employment of Filipinos.

In view of the short period of economic recovery since the slowdown in economic growth, no assessment of its impact on employment was available.

Unemployment, which measures the percentage of the labor force that did not work due to lack of opportunities, was noted to remain the same at around 8.4 in 1995.

Underemployment, on the other hand, which measures those employed who wanted more work, was reduced to 19.8 percent in 1995 compared to 21.4 percent in 1993. These are considered modest improvements in the employment situation, and quite expected in the early stage of an economic recovery. It had been considered that output growth was derived from labor productivity more than increased employment.

A total picture of the employment situation will not be complete without including the existence of a robust informal sector. Small business activities thrive in almost every place in the country. Sidewalk vendors, both a bane and a boon to customers, are found everywhere. Informal services that are not factored in the statistics embrace those rendered by domestic helpers and a score of utility workers doing miscellaneous household repairs.

A dark side to the picture of employment is the reported 3.7 million Filipino children in the work force. The 1996 National Survey on Working Children in the Philippines reported that 3.7 million of the 22.4 million Filipino children aged 5 to 17 are working illegally. However this figure is not accurately reflected in the statistics of the Bureau of Labor. In a report of the Philippine National Child Labor Program to the Philippine Senate cited in the daily newspaper (Philippine Daily Inquirer, August 3, 1997) around 2.2 million of these child laborers (age below 17 years) are subjected to physical and psycho-social hazards. One out of 100, or 869,199, have work-related injuries and illnesses affecting their eyesight, hearing, respiratory and gastro-intestinal organs.

Related statistics showed that most of them or roughly two thirds come from rural areas with 2.8 percent engaged in farming. A majority of them receive less than P1000 or \$30 a week, while 42 percent receive non-wage benefits that include free meals, accommodation and medicines.

## **(3) Population**

The population annual growth rate in 1990- 1994 was 2.2 percent as cited in the World Development Report of 1996 but the Bureau of Labor and Employment Statistics (BLES) gave a higher rate of 2.32 percent for the period 1990-1995. There has been no significant change in the population growth rate for a number of years on account of the absence of a population control policy that is expected to be opposed by the Catholic Church. With the recent papal announcement at Rio de Janeiro, upholding the church stand against birth control, it could

be surmised that a change in population policy would not be forthcoming. There are serious implications of the unabated increase in population on basic services including traffic congestion, water supply and other amenities that affect the quality of life. In the same report, the fertility rate stood at 3.8 in 1994 (1996 World Development Report) and 3.9 percent (1997 Human Development Report).

Urban population growth was recorded at 53 percent in 1994 and the rural population had been assumed to be 47 percent. With the government policy of promoting growth areas all over the country coupled with the emphasis given to industrialization, it is projected that the ratio may go up faster in favor of urbanization. The consequences of the rise in urban population should form part of development planning to reduce and manage the problems that urbanization may spawn. These would include the effect of urban land use at the expense of agricultural production which bears serious implications on food supply to a growing population. The recent developments showing many tourism projects like the construction of golf courses in otherwise agricultural areas may have serious consequences not only on food production, but in the rise of new poverty groups from erstwhile small landowners who have given up their land for the good price offered to purchase their land.

The government policy on land use sometimes run counter to the Agrarian Reform Program which was once hailed as a landmark program of the government. A recent hunger strike staged by Bukidnon farmers from Mindanao caught national attention on the decision of the government to reverse an original award of land to small farmers in favor of big business. A number of cases similar to this one had been cited as happening all over the country.

In terms of population structure, the Philippines has a very young population with 50.59 percent of 1-19 years of age followed closely by 34.96 percent of the 20-44 age bracket. This means 51,804,430 belong to 1-44 years of age. There is slightly bigger male population at 50.27 percent than female (49.73 percent).

#### **(4) Poverty**

Poverty incidence in the Philippines dropped from 39.9 percent in 1991 to 35.5 percent in 1994 (1996 Philippine Statistical Yearbook, Table 2.9) However, poverty incidence by numbers of people rather than households point to 40.6 percent in 1994 from 45.3 percent in 1991 (Table 2.10) This would show that there is a larger percentage of people living below the poverty threshold when people rather than households is used as the unit of study. (Michael L. Tan, Philippine Inquirer, Sept. 12, 1997).

Both the National Economic Development Authority and the BLES indicate the poverty threshold at 35.5 percent.

Tan reported that in 1994, the government claimed that one needed, on the average, the amount of P8,885 per person per year to meet basic needs. He cited that "the poverty threshold is the amount of income defined and calculated to satisfy nutritional requirements (2,000 calories) and other basic needs. The income average was higher in Metro Manila at P11,230 and would vary in the different regions of the country."

In the same vein, poverty incidence has been reduced in some regions while there has been an increase in others. The most notable data in poverty reduction is seen in Central Visayas that could be attributed to the economic boom in the province of Cebu, where a decline from 41.7 percent in 1991 to 32.7 percent in 1994 is noted.

On the other extreme is the dramatic increase in poverty incidence from 50.7 percent in 1991 to a whopping 60 percent in 1994 which was noted in the Autonomous Region in Muslim Mindanao (ARMM). In real terms, this would translate to two out of three people living below the poverty threshold. To a large extent this could be due to the peace and order problem brought about by armed conflict in the region despite the efforts of the government to bring about the peace process to the negotiation table.

The percentages become significant when translated into absolute numbers, like when referring to the poverty incidence in Metro Manila to be 8% means talking about a million people not having the basic minimum

requirements of life.

The social development experts have long agreed that poverty alleviation involves not merely increasing the GNP but bringing about a more equitable income distribution as well. The most economically depressed regions of the country like ARMM would appear to become even poorer as income distribution is seriously flawed. Further studies show that it is not only the depressed regions that are affected by the conditions in the country but the poor in all regions where the cause could be traced to the way “development” has been taking place.

## **(5) Education**

The recent national outrage against the Magna Carta of students revealed more than the surface issues of education in the country. The fact that private education, more than government institutions, dominate the educational field indicates the lack of adequate resource allocation given to education by the government to meet the needs of the fast growing population. The total education expenditure or the percentage of GDP, from 1992 –1995 of 15.9 percent indicated the need for more allotment to education to ensure both the quantity and quality of education needed to harness the human resource of the country.

The data shows that of the total enrollment of 17,798,662 students at all levels from pre-school to tertiary level, the primary (elementary) level had the highest number at 61.26 percent, which tapered off at the secondary level with less than 26.76 percent and only 9.28 percent reaching college. It is a sad reality that very few of those who started the primary school even reach the secondary level, and even more disconcerting that less than the expected number would reach and much less qualify for college education. A bright note here is that for those who qualify for studies, the full support of their families are available even at the sacrifice of other family members or the unhesitating sale of family heirlooms or other valuable assets, to enable the son or daughter to finish college. This is attributed to the high regard given to education by the Filipinos. The report shows a slightly higher male than female graduates from college.

There has been so much criticism about the local graduates who seek jobs outside the country because that the investment of the government in their education is not plowed back towards the development of the country. Not unless this is seen in terms of the monetary remittances, not only of the overseas Filipino workers, but all other Filipinos abroad, many of whom are professionals who migrated on a more permanent basis to other countries.

At all levels, there is just a slight difference of percentage in male enrollment (50.6 percent) than female (49.4 percent). Many educational programs traditionally dominated by males had been opened to women. These include medicine, law, agriculture and engineering, among others. For instance at the College of Medicine at University of the Philippines, a higher admission grade requirement for female students has been required to be able to maintain a parity of male-female ratio in the student population. However, traditional female educational programs are still female dominated that include education, social work and home economics.

## **(6) Sanitation**

There is a good percentage of the population that has access to safe water at 86 percent, although the figures given are less in some of the reports. Population with access to sanitation is 77 percent (from 1990 to 1996). However, report on waste disposal indicate a dismal 49.4 percent which means that there is a far from adequate waste disposal system nationwide.

## **(7) Health and medical care**

The National Health Survey report showed a decline in the percentage of population with access to health. There are some Rural Health Units nationwide which provide medical services to the rural areas.

In the last few years there has been a regular drive for national immunization for children. The drive has substantially succeeded in drawing families for the immunization of their children.

AIDS or the HIV positive appears to be on the rise. The government has responded positively by organizing those who had come out to be an advocacy group called Pinoy Plus. The group visits bars, nightclubs and cinemas to educate sex workers and homosexuals on AIDS and safe sex.

## **III. Recent development trends**

The currency crisis in the latter half of 1997 which started with the problems of Thailand soon spread out to other ASEAN countries including the Philippines. The peso devaluation placed the economy in crisis once again triggering high interest rates, increase in the price of prime commodities and slow trading at the stock market. This was further complicated by political struggles related to the coming elections in May 1998. The Far Eastern Review on its telecast in the Asian Business Report of October 17, 1997 pointed to three factors that have exacerbated the situation for the Philippines: a) the psychological factor of loss of confidence by the investors who took away their portfolio investments; b) the economic factors; and c) the social and political situation.

At the time of writing, the currency crisis in Southeast Asia has worsened causing the collapse of the stock market in Hongkong. "Declines in currencies were led largely by fund fleeing regional stock markets in the face of enduring pessimism about Asia's prospects for a recovery." (Philippine Daily Inquirer, October 24, 1997)

The ill effects of globalization related to APTA and WTO were keenly felt with the realization that developing countries would suffer first before any benefit would accrue to their economy. With limited resources and continuing dependency on the IMF and World Bank, global competitiveness of developing countries could be a long struggle to reach the level at par with the rest of the world.

Some factors that help the Philippines support its economy include the dollar remittances of the overseas Filipino workers and the political stability that comes with the assurance of a peaceful turnover of political power through democratic elections in accordance with the provision of the Constitution. Despite the turmoil and challenges of recent times, what keeps the country's hopes for a bright future in the next millennium are its human resources and its democratic institutions.

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# Singapore

## Brief background

Singapore is a small country in physical terms, with a total land area of 647.5 square kilometres (Ministry of Information and the Arts, 1997a, p. 26). It has a resident population of 2,986,500 people in 1995 (Department of Statistics, 1997, p. 9). Its population density of 4,612 per square kilometre (Department of Statistics, 1997, p. 9) makes Singapore one of the most densely populated countries in the world.

In January 1996 OECD<sup>1</sup> classified Singapore as a “more advanced developing country”, having removed it from its list of developing countries.

The average exchange rate for 1995 was US\$1 = S\$1.4174.

## I. Economy

### 1. Size

The size of Singapore’s economy in 1995 can be seen from the following figures:

#### (1) Total GDP and GNP

The total Gross Domestic Product (GDP) at current market prices for 1995 was S\$121,080.8 million (Department of Statistics, 1997, p. 55). For the corresponding period, the total Gross National Product (GNP) at current market prices was S\$121,381.2 million (Department of Statistics, 1997, p. 56).

#### (2) Real GDP per capita (PPP\$) and GNP per capita

In terms of the real GDP per capita (PPP\$), in 1993 it was US\$19,350.00 (or approximately S\$27,427.00) and the GNP per capita was US\$19,850 (or approximately S\$28,136.00) (UNDP, 1996, p. 170).

#### (3) Annual growth rate of GDP and GNP

The annual growth rate (change of 1995 over 1994) was 11.6 % for GDP (Department of Statistics, 1997, p. 55) and 10.7% for GNP (Department of Statistics, 1997, p. 2).

#### (4) Industrial structure and

#### (5) Percentage of GDP

The percentage share of GDP for each of the sectors in the Industrial Structure reflects Singapore’s reliance on manufacturing and services as the “twin engines” of economic growth for the country, as promoted by the government (Table 1.1). Its negligible agricultural and fishing sectors’ contribution to the GDP is indicative of the country’s predominately urbanised nature.

#### (6) Consumption expenditure on GDP

For 1995, private consumption expenditure constituted 40.9 % while the government consumption expenditure was 8.2 % of GDP (Table 1.2) (Department of Statistics, 1997, pp. 56 & 58).

#### (7) Gross domestic investment

The percentage share of GDP for gross domestic investment in 1995 was 33.1 percent (Table 1.2). The gross domestic investment comprises the gross fixed capital formation and the increase in stocks.

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<sup>1</sup> Organisation for Economic Cooperation and Development.

<sup>2</sup> The latest year with the available figures for both real GDP per capita and GNP per capita found by the author. Because of differences in the reporting of total GDP and GNP between the Department of Statistics, 1997 report and the UNDP, 1996 report, the figures provided must be read with this variation in mind.

Table 1.1 Industrial structure of the economy, 1995

(Million)

	S\$ At current market prices	GDP (%)
Total	121,080.8	
Agriculture & Fishing	206.3	0.16
Quarrying	36.3	0.03
Manufacturing	31,789.5	24.66
Utilities	1,934.0	1.50
Construction	8,581.3	6.66
Commerce	23,535.1	18.25
Transport & Communications	14,085.3	10.92
Financial & Business Services	35,881.9	27.83
Other Services	12,885.1	9.99
<i>Less: Imputed Bank Service Charge</i>	8,602.9	
<i>Add: Taxes and Duties on Imports</i>	748.9	

Source: Department of Statistics, 1997, p. 57

Table 1.2 Expenditure on gross domestic product, 1995

(Million)

	S\$ At Current Market Prices	GDP (%)
Total	121,080.8	100.0
Private Consumption Expenditure <sup>a</sup>	49,577.0	40.9
Government Consumption Expenditure <sup>a</sup>	9,910.7	8.2
Gross Fixed Capital Formation <sup>a</sup>	40,309.4	33.3
Increase in Stocks <sup>a</sup>	-201.2	-0.2
Gross Domestic Saving <sup>b</sup>	61,517.5	50.8

Sources: <sup>a</sup>Department of Statistics, 1997, p. 58.<sup>b</sup>Department of Statistics, 1997, p. 56.**(8) Gross domestic savings**

In terms of gross domestic savings, in 1995 it formed 50.8 percent of GDP (Table 1.2), making it the highest rate in the world.

**(9) Tax revenue**

For 1995, the total tax revenue for Singapore was S\$19,578.6 million or 16.2 percent of GDP (Department of Statistics, 1997, p. 190).

**(10) Central Government expenditure**

The government's total operating expenditure for 1995 was S\$10,883.7 million. This formed 9.0 percent of the GDP for that year (Department of Statistics, 1997, p. 191).

**(11) Exports and****(12) Imports**

Total exports for 1995 amounted to S\$167,515 million while total imports were higher, at S\$176,314 million (Department of Statistics, 1997, p. 128). As a proportion of 1995 GDP, exports formed 138.3 percent while imports made up 145.6 percent.

**(13) Average annual rate of inflation**

The average annual rate of inflation from 1991 to 1995 was 2.6 percent (Table 1.3). It ranged from a high of 3.4 percent in 1991 to a low of 1.7 percent in 1995. Inflation in Singapore is relatively low and is not a

major concern when compared with many other countries.

Table 1.3 Average annual rate of inflation, 1991 - 1995

Year	Annual Inflation Rate (%)
1991	3.4
1992	2.3
1993	2.3
1994	3.1
1995	1.7
Average annual rate	2.6

Source: Department of Statistics, 1997, p. 202

## 2. Employment

### (1) Labour force and labour force participation rate by age and sex

In 1995 the labour force stood at 1,749,300 persons aged 15 years and over, constituting a labour force participation rate of 64.4 percent. Of these, males form 78.4 percent and females 50.1 percent of the labour force participation rate (Table 1.4).

Table 1.4 Labour force and labour force participation rate, 1995

Sex	Labour Force ('000)	Labour Force Participation Rate (%)
Total	1,749.3	64.4
Males	1,072.4	78.4
Females	676.9	50.1

Note: Refers to persons aged 15 years and over as at June 1995.

Source: Department of Statistics, 1997, p. 39.

As for the age and sex distribution of the labour force participation rate, Table 1.5 shows the breakdown.

Table 1.5 Labour force participation rate by age and sex (as percentage of total population), 1995

Age	Males	Females
Total	78.4	50.1
15 - 19	20.4	19.3
20 - 24	76.3	77.4
25 - 29	94.6	78.9
30 - 34	97.0	63.7
35 - 39	97.6	57.7
40 - 44	97.5	53.8
45 - 49	96.3	50.8
50 - 54	90.6	37.1
55 - 59	73.7	25.2
60 - 64	46.4	11.6
65 - 69	29.9	6.8
70 - 74	16.7	4.1
75 & over	6.5	1.7

Source: Department of Statistics, 1997, p. 40.



## (2) Percentage of labour force in industrial structure

Table 1.6 shows the percentage distribution of the labour force in the Industrial Structure for 1995. The distribution follows the pattern of the percentage share of GDP of the major sectors in the Industrial Structure, namely manufacturing and services.

Table 1.6 Distribution of labour force in industrial structure, 1995

Industry	('000)	%
Total	1,702.1	100.0
Agriculture, Fishing & Quarrying	4.5	0.3
Manufacturing	412.7	24.2
Utilities	5.7	0.3
Construction	113.9	6.7
Commerce	347.8	20.4
Transport & Communications	182.8	10.7
Financial & Business Services	248.2	14.6
Other services	375.8	22.1
Activities Not Adequately Defined	10.7	0.6

Note: Percentages do not add to 100.0 due to rounding.

Source: Department of Statistics, 1997, p. 42

## (3) Annual growth rate of earnings per employee

The average annual basic wage increases between 1990 – 1995 was 8.1 percent while that of the total wage was 8.2 percent (Table 1.7).

Table 1.7 Wage increase per employee between, 1990 – 1995

(%)

Year	Basic Wage Increase	Total Wage Increase
1990	9.3	9.8
1991	8.6	8.1
1992	7.7	8.1
1993	7.8	7.6
1994	8.3	8.5
1995	6.8	6.9

Source: Department of Statistics, 1977, pp. 45 – 46

## (4) Unemployment rate

In 1995 the unemployment rate was 2.7 percent. The rate has been hovering around this figure for the past few years, indicating a full employment situation in the country. In fact, Singapore is faced with a tight labour market and has to recruit a sizeable number of foreign workers to augment its domestic labour.

## II. Population

### 1. Demographic data and information

#### (1) Population growth

The rate of growth of the resident population was 1.9 percent in 1995 (Department of Statistics, 1997, p. 9).

## (2) Fertility

The total fertility rate per 1,000 resident female population aged 15 – 44 years in 1995 was 1.708 (Department of Statistics, 1997, p. 9).

## (3) Mortality

In 1995, the life expectancy at birth was 74.2 years for males and 78.7 for females, giving an average life expectancy of 76.4 years (Department of Statistics, 1997, p. 10). The crude death rate for 1995 was 4.8 (Department of Statistics, 1997, p. 22).

## (4) Migration

Figures on migration are not published in the Yearbook of Statistics Singapore, 1996, which is the main source of the data in this report.

## (5) Urbanization

The World Development Report 1997: The State in a Changing World classified Singapore's urban population as forming 100 percent of the total population (The International Bank for Reconstruction and Development, 1997, p231). The same report mentioned that the country has a cropland of only 2 percent in 1994. Thus, Singapore is basically an urban country.

## (6) Population structure

As seen in Table 2.1, the sex ratio of the population in 1995 was quite balanced. There were 1,013 males per 1,000 females (Department of Statistics, 1997, p.22). At the same time, the age dependency ratio was 49.0 per 100 persons. The age dependency ratio refers to the number of residents who are less than 15 years of age and those 60 years and over divided by the number of residents aged 15 – 59 years (Department of Statistics, 1997, p. 22). The median age group for the population in 1995 was the 35 – 39 years age group.

Table 2.1 Singapore residents by age group and sex, 1995 (mid-year estimate)  
(‘000)

Age Group (Years)	Total	Males	Females
	2,986.5	1,502.9	1,483.6
0 – 4	246.4	127.3	119.1
5 – 9	230.0	119.0	111.0
10 – 14	209.0	108.3	100.7
15 – 19	200.7	103.4	97.3
20 – 24	236.9	118.7	118.2
25 – 29	261.0	128.9	132.1
30 – 34	301.8	151.5	150.3
35 – 39	302.1	153.6	148.5
40 – 44	256.9	131.0	125.9
45 – 49	204.7	103.6	101.1
50 – 54	126.2	63.3	62.9
55 – 59	114.1	56.9	57.2
60 – 64	94.4	46.0	48.4
65 – 69	75.4	36.2	39.2
70 – 74	51.4	24.3	27.1
75 & Over	75.5	30.9	44.6

Source: Department of Statistics, 1997, p. 23.

## (7) Population policy

The government's present population policy is to encourage those who can afford it to have three or more children. This is in response to a persistent below replacement fertility rate facing the country. A number of incentives are offered (Ministry of Community Development, 1995, pp. 4, 10 & 11):

- The Third Child Priority Housing Scheme – The Scheme gives priority application for families wishing to upgrade to bigger public housing apartments upon the birth of a third child.
- The Medisave Scheme – It is an individual contributory scheme for hospitalisation and certain out-patient charges. The Scheme is available for delivery and hospital charges arising from the birth of a couple's first three children.
- Tax deductible delivery and hospital charges – A tax deduction up to a maximum of S\$3,000 against the parents' earned income is allowed for the delivery and hospital charges for the birth of the fourth child.
- Child relief and tax rebates – Parents can also claim these tax incentives for the first to the fourth child.
- Enhanced child relief – Since 1974 a married woman is entitled to a tax relief as a percentage of her earned income.
- S\$20,000 tax rebate – An additional tax rebate of S\$20,000 is available to parents for the birth of the second, third and fourth child, subject to certain eligibility conditions.
- Tax relief on Foreign Maid Levy – A double tax relief for the Foreign Maid Levy was introduced to allow working, married women to have children and to employ foreign maids to look after them. The tax relief is to offset the high cost of employing foreign maids. The levy is imposed to curb the high demand for foreign maids.

## III. Social factors

### 1. Poverty

#### (1) Poverty line

Singapore does not have an official poverty line measurement, although a few government and voluntary welfare organisations use the minimum household expenditure guide as an approximate yardstick to determine eligibility for free or subsidized services.

#### (2) Income Distribution

A 1982 – 83 survey found that the income share of the highest 20 percent of earners in the country was 48.9 percent. It was 5.1 percent for the lowest 20 percent of income earners (Table 3.1).

Table 3.1 Percentage share of income

Income Distribution	Survey year 1982 – 83
Highest 10 %	33.5
Highest 20 %	48.9
Fourth quintile	21.4
Third quintile	14.6
Second quintile	9.9
Lowest 20%	5.1

Source: The International Bank for Reconstruction and Development, 1997, p. 223.

Another publication, *Human Development Report 1995*, gave the ratio of the income share of the highest 20 percent to the lowest 20 percent as 9.6 for the period 1981 – 1992 (United Nations Development Programme, 1995, p.178).

### (3) Population and the income level of people living in slum and squatter area

According to the *Human Development Report 1995*, data is not available on the number of people in poverty in Singapore in 1990 (United Nations Development Programme, 1995, p. 178).

## 2. Education

### (1) Adult literacy rate

The total population literacy rate in 1995 was 91.8 percent (Ministry of Labour, 1997, p. 11). As for the adult literacy rate, Table 3.2 shows the distribution of the literacy rate by age group in 1990, when the data was captured for the Census. Legally in Singapore, a person is considered an adult when he or she reaches 21 years of age. However, as the age group categorization in population census reports includes those aged 21 years within the 20 – 24 age group, the adult literacy rate is therefore a close approximation since it also includes those aged 20 years. In 1990, the adult literacy rate was 87.9 percent, compared to 99.4 percent for those between 10 –19 years of age (Department of Statistics, 1993, pp. 3 & 31 – 34).

Table 3.2 Literacy rate by age group, 1990

Age Group (In Years)	Number in Population	Literate Persons	
		Number	%
Total (Aged 10 years & Above)	2,276,734	2,049,029	90.0
10 – 19	419,304	416,818	99.4
20 & Above	1,857,430	1,632,211	87.9

Source: Department of Statistics, 1993, pp. 3 & 31 – 34.

### (2) Educational systems

The education system aims to provide an average of ten years of formal education for all children from primary to secondary education. A child begins primary schooling at age six and studies for at least six years. Sitting for the Primary School Leaving Examination (PSLE) completes the primary education.

This is followed by four to five years of secondary schooling. There are three courses of secondary education with different curricula emphases and students are offered a particular course according to their PSLE results. The bulk of students will be in the four-year Special and Express courses. They will then sit for the Singapore-Cambridge General Certificate of Education 'Ordinary' (GCE 'O') level examination.

The rest of the students will be doing the Normal (Academic) Course or the Normal (Technical) Course also for four years. Both courses lead to the GCE 'Normal' ('N') level examination. Those that did well for this examination may proceed to a fifth year of study and sit for the GCE 'O' levels.

At the post-secondary level, depending on their interests and educational qualifications, students can continue their study in one of the following institutions:

- (i) Technical or commercial centres under the Institute of Technical Education (ITE),
- (ii) Polytechnics for diploma courses, and
- (iii) Centralised institutes or Junior colleges for the Singapore-Cambridge GCE 'Advanced' ('A') level examination.

For those with the requisite post-secondary educational qualifications, they can then enter tertiary education (Ministry of Information and the Arts, 1997b, p. 65).

### **(3) Gross enrollment ratio**

The gross enrollment ratio for all levels of education for those aged six to 23 years was 68 percent in 1990 (United Nations Development Programme, 1996, p. 148). No breakdown by primary, secondary and tertiary levels of education is available from published sources known to the author. 1990 is the latest year with gross enrollment figures available.

### **(4) Ratios of graduation from primary, secondary and tertiary sectors**

There are no figures available from official reports available to the author.

### **(5) Total educational expenditure**

In 1995 the total government expenditure on education was S\$3,443,994,000 (Department of Statistics, 1997, p. 247). This was 2.8 percent of the total GDP for that year.

## **3. Status of Women**

### **(1) Gross enrollment ratio of female students**

Table 3.3 gives the 1995 gross enrollment figures for female students. No gross enrollment ratios for individual educational sectors are available from official publications and cannot be easily estimated from the age-group categories given in the publications.

Table 3.3 Enrollment of female students, 1995

Educational Sector	Number
Total	272,641
Primary	128,853
Secondary	88,464
Post-Secondary <sup>1</sup>	14,284
Tertiary <sup>2</sup>	41,040

<sup>1</sup>Includes Pre-University Centralised Institutes, Junior Colleges and Institute of Education.

<sup>2</sup>Includes Polytechnics, National Institute of Education, Nanyang Technological University and National University of Singapore.

Source: Department of Statistics, 1997, p. 224.

### **(2) Ratio of graduation of female students from each educational sector**

Again, no information on this is available from official publications known to the author.

### **(3) Women's share of adult labour force**

The total labour force in 1995 was 1,749,300 persons, of which females aged 15 years and above constituted 676,900 persons. This gives the women's share of the adult labour force as 38.7 percent (Department of Statistics, 1997, p. 39).

### **(4) Job training**

Regarding job training, as in skills upgrading, about ten percent of the resident population having less than polytechnic qualification went for vocational training. They comprised 11 percent males and 7 percent females. Vocational training in engineering sciences was the favourite for males (65 percent) while for the females it was commerce and management courses (55 percent) (Department of Statistics, 1996, pp. 12 - 13).

#### **4. Sanitation**

##### **(1) Population with access to safe water**

Singapore has a high standard of public health. One hundred percent of the population has access to safe water (United Nations Development Programme, 1996, p. 144).

##### **(2) Population with access to sanitation**

Similarly, the standard of sanitation is also high. Ninety-nine percent of the population has access to sanitation (United Nations Development Programme, 1996, p. 144).

##### **(3) Water disposal**

Again, water disposal is available to the whole population in the country.

#### **5. Health and medical care**

##### **(1) Daily caloric supply per capita**

Data on the daily caloric supply per capita is not available from published sources known to the author.

##### **(2) Population with access to health and medical care services**

One hundred percent of the population has access to health and medical care services in the country (United Nations Development Programme, 1996, p. 144).

##### **(3) Immunization**

For 1995, 97 percent of the population was immunized against tuberculosis and for measles it was 90 percent (Department of Statistics, 1997, p. 255).

##### **(4) AIDS cases**

There were 1.7 AIDS cases per 100,000 persons in 1994 (United Nations Development Programme, 1996, p. 160).

##### **(5) Malaria cases**

There were 316 cases of malaria notified to the public health authority in 1995 (Department of Statistics, 1997, p. 254).

##### **(6) People with disabilities**

For the period 1985 – 1992, Singapore recorded a figure of 0.4 percent of the total population as people with disabilities (United Nations Development Programme, 1996, p. 160).

##### **(7) Traditional medical treatment**

Both western and traditional medical treatments are widely available in Singapore. Traditional medical treatment is popular among some segments of the population, especially among the older persons. Data on the annual number of people who sought traditional medical treatment is not available to the author.

##### **(8) Public expenditure on health**

In 1995, the public expenditure on health amounted to S\$1,011.9 million (Department of Statistics, 1997, pp. 191 – 192). This was 0.8 percent of GDP for that year.

#### **6. Child and Maternal Health**

##### **(1) Infant mortality**

The infant mortality rate per 1,000 live births for 1995 was 4.0 (Department of Statistics, 1997, p. 9).

##### **(2) Maternal mortality**

As for the maternal mortality, the rate was 10 per 100,000 live births in 1993 (United Nations Development Programme, 1996, p. 158).

##### **(3) Births attended to by trained health personnel**

From 1983 – 1994, Singapore had 100 percent of births attended to by trained health personnel (United Nations Development Programme, 1996, p. 158).

#### (4) Births attended to by traditional birth attendants

There are no records of births delivered by traditional birth attendants in Singapore these days, since all births are now attended by trained health personnel.

#### (5) Method of child delivery

No data on the method of child delivery is available to the author.

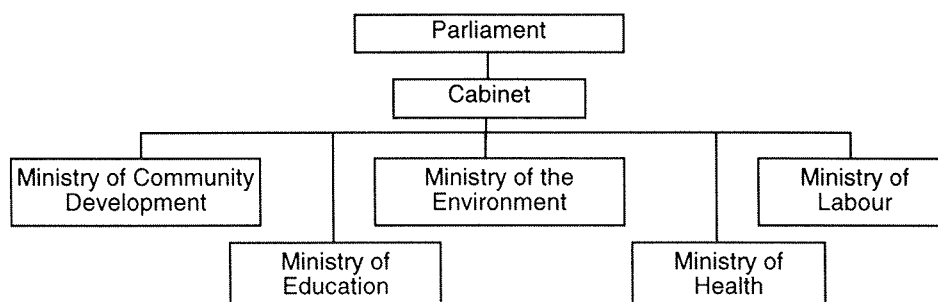
### IV. Concluding remarks

Singapore aims to be a developed country economically early next century. In tandem with this objective, the government continues to commit budgetary resources and revenue surpluses to improve the human development of the people. This is especially so in the area of education and workers' skills, housing and health. To compete in the global economy successfully, the government is aware that the well-being of its people must also be met. In addition there must be "community bonding" for Singaporeans in order to strike a balance between the competitiveness of the market place and the stability and solidarity of society to provide a conducive environment for human betterment.

### Appendix 1

#### Chart of government administration for human development

The responsibility for human development in the government falls on a number of Ministries, as shown in the chart. Only the main organisations are shown.



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# Thailand

## I. Characteristic of the country and general economic conditions

Thailand is a constitutional monarchy in Southeast Asia with population of 60.02 million (as of the end of December 1996). Basic statistics including the economic conditions up to 1996 are as shown in the following.

Table 1 Basic statistics on population and other aspects

Item	1990	1991	1992	1993	1994	1995	1996
Population (million, year-end)	56.30	56.90	57.79	58.34	59.10	59.80*	60.02*
Working population	31.18	31.79	32.42	32.90	33.23	33.62*	---
Consumer price increase rate	6.0	5.7	4.1	3.4	5.1	5.8	5.8
Foreign exchange rate (\$1=bahts)	25.585	25.517	25.400	25.319	25.150	24.915	25.343
GNP growth rate (%)	11.2	8.5	8.1	8.3	8.8	8.6	---

Note: Asterisks indicate preliminary figures.

Source: Asian Economic Institute, "Annual Report on the Trends in Asia 1997," p.229

Despite the efforts made by Thailand to control population growth through vigorous promotion of family planning, population continues to increase in hundreds of thousands every year. However, the government policy has been accepted by a considerable number of people and the number of children per family is decreasing. This is indicated in the fact that population increase rate, over 2.0% in the 1980s, has dropped between 0.7 to 1.3% in the 1990s.

Thailand had maintained stable economic growth over a long period and advanced her industrialization through introduction of foreign capital. Gross domestic product constantly exceeded 8% and domestic economy was booming. In 1997, however, the baht depreciated rapidly after shifting from the fixed exchange rate system supported by the US dollar to the floating exchange rate system, triggering a slump in the domestic economy. This deterioration of domestic economy has revealed the deficit in the current account balance, which had been described as "the result of producer goods import and is a healthy deficit that will lead to increase of export in the future," and lead the Thai economy in the direction of bankruptcy at home and abroad.

As many foreign companies came to Thailand because of the booming economy mentioned earlier, shortage of real estate occurred particularly in Bangkok and real estate developers competed vigorously in the construction of office buildings. However, oversupply of real estate started around 1992 and made it difficult for developers and private investors that had purchased real estate for investment purposes to sell their property. Eventually, financial institutions that financed the funds for purchase of real estate incurred a large amount of bad debt. Although the total amount of bad debt is not known, it is estimated to reach 1 trillion bahts which is an amount comparable to Thailand's annual budget.

To iron out this economic crisis, the Thai government requested support from IMF (International Monetary Fund) and the Thai economy was placed under the control of IMF. Although the Thai economy will be supported through international cooperation, economic tightening policy such as higher import prices due to depreciation of the baht, higher value added tax and higher utility rates, as well as crop failures caused by shortage of rain this year and accompanying increase in farm product prices, will inevitably have serious impact on people's life, and the likelihood of these factors affecting social development is fully conceivable.



## II. National Development Plan

National development plan in Thailand started with the announcement of the Thailand Public Development Project by the World Bank Study Group in 1959. The National Economic Development Agency was established in the same year, and the First Economic Development Plan aiming for improvement of national life was implemented in the following year. Since then, development projects have been carried out successively up to the Eighth Economic and Social Development Plan that started in 1996. The main goal of these development plans has been the promotion of industrial development, as exemplified by the target of the Sixth Plan which was "to promote active industrialization."

The Eighth Economic and Social Development Plan holds as its ideal the human-centered development that gives priority to correction of income disparity from the viewpoint of social stability. The first goal of this project is higher efficiency and strengthening of the economic system as it strives to attain 8% economic growth, eliminate deficits in current account balance and development of personnel in the field of science and technology.

## III. Demographic Condition

Table 2 shows the condition of population in Thailand. Population increased by 1.6 times during the period of almost a quarter century. The increase was attributable to decline in mortality rate that exceeded the decline in fertility rate. Infant mortality rate dropped rapidly from 25.5 in 1970 to 7.5 in 1992, presumably as a result of improvement in medicine, health and hygiene.

Table 2 Demographic statistics

Item	1970	1975	1980	1985	1990	1991	1992	1993	1994
Population (million)	35.6	42.4	46.9	51.8	56.3	57.0	57.8	58.3	59.1
Fertility rate per 1000 population	31.5	27.4	23.2	28.8	17.0	16.9	16.7	---	---
Mortality rate per 1000 population	6.2	5.7	5.3	4.4	4.5	4.7	4.8	---	---
Infant mortality per 1000 births	25.5	26.0	13.3	10.8	8.0	8.3	7.5	---	---

Source: Thailand in Figures 1995-1996

## IV. Poverty

While it is possible to look at poverty from the viewpoint of absolute poverty and relative poverty, the discussion in this section will concentrate on absolute poverty. When absolute poverty is defined as "economic condition in which intake of required nutrition is not possible," one of the indices will be "malnutrition." Thailand is a country that has been rated highly in overcoming this malnutrition. In 1982, more than half of pre-school children were undernourished and 15% of these children were suffering from intermediate to severe dystrophy. However, the number of malnourished children was decreased to two thirds, and intermediate to severe dystrophy cases were nearly eliminated by 1991. As a result, more than 80% of pre-school children are in normal nutritional condition.

However, alleviation of poverty does not necessarily mean poverty has been eradicated completely, and a comparison of urban and rural areas indicate that the poverty is concentrated in rural areas. In the case of Thailand, there were 16.8 million people allegedly living in absolute poverty in 1992, of which 14.7 million (87.5%) were living in rural areas (Human Development Report 1994).

Disparities in distribution of wealth must be considered when discussing the issue of poverty. In the case of Thailand, Gini's coefficient indicating the degree of disparity in wealth was 46.2 in 1992 which is not by any

means low compared to other developing countries. Another index showing the disparity of wealth is the quintile ratio of income (consumption). The changes in quintile ratio of Thailand is as shown below. While it is said that there is marked emergence of middle class in Thailand, a tendency of wealth being concentrated among the top 20% can be observed in this table. A large portion of economic development in Thailand has been enjoyed by the affluent class while the majority of people in the poor class have not been able to benefit from such development.

Community development activities are being carried out as a means of eradicating poverty by organizing women who are left in rural areas after men emigrated to cities to work, although they have not become the conclusive method in solving the problem of poverty.

Table 3 Percentage of wealth (consumption) among respective quintiles

Year	Lowermost quintile	Second quintile	Third quintile	Fourth quintile	Uppermost quintile
1975-76	5.6	9.6	13.9	23.1	34.1
1988	6.1	9.4	13.5	20.3	50.3
1992	5.6	8.7	13.0	20.0	52.7

Source: World Bank "World Development Report"

## V. Issue of Employment and Unemployment

Table 4 shows the percentage of workers by industry. The percentage of workers in agriculture, forestry and fisheries had exceeded 60% until 1990 but dropped rapidly to the 50% in 1991, while the percentage increased in construction and manufacturing. Workers also increased slightly in the transportation industry. These changes in the percentage of workers reflect the changes in the industrial structure and the construction boom in urban areas.

Table 4 Percentage of workers by industry

Industry	1988	1989	1990	1991	1992	1993	1994
Agriculture, forestry and fisheries	60.4	61.9	64.0	54.0	53.3	57.0	57.5
Mining							
Manufacturing	0.2	0.3	0.2	0.2	0.2	0.2	0.2
Construction	10.3	9.7	10.2	13.2	13.6	12.4	12.3
Gas and electricity	2.7	2.9	3.3	5.4	5.9	5.1	4.8
Commerce	0.5	0.5	0.4	0.4	0.4	0.4	0.5
Transportation	11.8	11.2	9.6	12.1	12.1	11.4	11.6
Service	2.6	1.97	2.4	2.9	2.9	2.7	2.8
Unknown	11.6	11.1	9.9	11.6	11.6	10.7	10.3
	---	---	0.1	0.1	0.1	---	---
Total	100.0	100.0	100.0	100.0	100.1	100.0	100.0
Real number	26,886.0	28,007.0	30,843.7	28,858.6	29,884.9	31,642.0	32,788.0

Source: Thailand in Figures 1992-93 and 1995-96

Table 5 shows the changes in unemployment rate. It is clear that Thailand is relatively stable as labor market. However, one cannot remain too optimistic about unemployment as the effect of the recession in 1997 is predicted to manifest in the future.

Table 5 Changes in unemployment rate

Item	1990	1991	1992	1993	1994	1995	1996
Unemployment rate	3.9	3.1	3.0	2.6	2.6	2.6*	---

Note: Asterisks indicate preliminary figures.

Source: Asian Economic Institute, "Annual Report on the Trends in Asia 1997," p.229

## VI. Women and Development

Attention is being focused on the residents that are participating in development as a result of the concept of development shifting from economic development to social development. The services offered by women cannot be ignored when considering the resident participation in development as it has become increasingly clear that women are the very torchbearers of development, making "Women and Development" an important framework to which social and human development endeavors must conform. For this reason, the status of women in Thailand will be examined in this section.

Table 6 shows the gender ratio of adult labor force in Thailand. It is an important fact that female labor force has been competing with male labor force for more than 20 years.

Table 6 Gender ratio of adult labor force (%)

Gender	1970	1990	1994
Male	52	53	56
Female	48	47	44

Source: Human Development Report 1997

Table 7 compares the status of employment for women with that of men. While the percentage of men is substantially higher in administrative and managerial positions and in ministerial and semi-ministerial positions, women outnumber men in professional, technical, clerical, sales and service positions. It is clear that Thai women are playing a large role in the labor market. It must also be added that women play a particularly large role in the informal sector.

Despite advancement of women into workplace, men account for 63% of earned income as opposed to 37% of women to indicate that men take up a high percentage of high-income jobs. However, the situation may improve as professional women gain further experience and as women start advancing into administrative and managerial positions.

Table 7 Employment status of women (%)

Gender	Administrative/managerial	Professional/technical	Clerical/Sales	Service	Ministerial/semi ministerial	Earned income
Male	78	48	43	44	96	63
Female	22	52	57	56	4	37

Source: Human Development Report 1997

Statistics for ministerial and semi-ministerial positions are from 1995 and others are from 1990.

As shown in Table 8, women have college enrolment rate comparable to that of men. Advancement of women into workplace is expected to accelerate with increase in highly educated women.

Table 8 College enrolment rate by gender

Gender	1990	1991	1992	1993
Male	50.9	51.1	50.6	50.2
Female	49.1	48.9	49.4	49.8
Total	100.0	100.0	100.0	100.0

Source: Thailand in Figures 1995-96

## VII. Children and youth

Boy scout and girl scout activities are relatively popular in Thailand where solid activities exist for fostering of healthy youth. Welfare measures are also prevalent with regard to protection of youth. Table 9 shows the status of children's facilities that are under the public facilities under the jurisdiction of the Department of Public Welfare of the Ministry of Labor and Social Welfare.

Table 9 Status of children's facilities (1995)

Type of facilities	Number of users in one year
Infant homes	1,441
Protective institutions	3,679
Community homes	940
Temporary protective facilities	1,877

Source: Annual Report, Department of Public Welfare, Ministry of Labor and Social Welfare 1995

## VIII. Social Problems

Thailand has many social problems including child labor, child prostitution, abuse of drugs (e.g. heroin, speed). As it is impossible to explain all of these problems, this section will concentrate on the examination the AIDS issue.

In terms of the number of AIDS patients per 1000 population, Thailand has one of the highest patient occurrence rates in Asia. While there are many reasons that may have contributed to such high patient occurrence rate, one reason is the fact that many foreign tourists entered the country as a result of the country's policy promoting tourism which, in turn, led to thriving of prostitution.

Another cause of AIDS occurrence is related to the increase of drug abuse taking place in Thailand. Thailand has within its territory the Golden Triangle where the heroin distributed throughout the country is produced.

While prostitution and drug abuse are social problems in themselves, AIDS infestation is the combined result of several social issues. Table 10 shows the forecast of deaths attributable to AIDS. This is nothing more than a forecast, and there is no telling what the actual number of deaths will result from this disease.

Table 10 Deaths attributable to AIDS and their forecast (1991-2020)

Gender	1991-95	1996-2000	2001-05	2006-10	1011-15	2016-20
Male	86,866	206,085	180,369	176,861	100,872	84,969
Female	18,946	105,298	131,476	133,531	103,826	75,453
Total	115,812	311,845	311,845	310,392	204,698	159,422

Source: Office of Economic and Social Development Board

Mother to child infection is one of the channels for infection of HIV and AIDS. Infected children are often abandoned and are placed under the protection of national baby's homes. The number of such children is shown in Table 11.

Table 11 Protection of children born from HIV positive/AIDS mothers

Name of facility	Carry over from 1994	Protection during 1995	Number as of year-end
Payatay Infant Home	4	34	8
Pianpin Infant Home	42	76	48
Southern Temporary Shelter for Children	1	1	--

Source: Annual Report, Department of Public Welfare, Ministry of Labor and Social Welfare 1995

## IX. Education

The list of educational system in Thailand is as shown in Figure 1. Primary education is currently a 6-year system but was a 4-year system until very recently. The majority of students are now receiving 6-year primary education. In addition, a significant number of students are receiving junior high school education as a result of efforts that are being made to expand the lower secondary education. Efforts are also being made with regard to training of teachers to support such school education by reorganizing the hitherto 2-year teacher training schools into universities to enable teachers to receive 4-year university education.

Substantiation of university education is also sought. In addition to opening of the so-called open university, some universities including the prestigious Thammasat University have started opening graduate schools outside of Bangkok in local areas. Moreover, popularization of university education is sought through founding of private universities.

Figure 1 Educational system

Pre-school	Primary education	Lower secondary education	Upper secondary education	Higher education	Career
As appropriate	①②③④⑤⑥	①②③	④⑤⑥	①②③④ ①②	Teacher training
				①②③④⑤⑥ ①②③④⑤ ①②③④	University (graduate school)
				①② ①②③ ①②③④	Business education
				①②③④⑤	Military and police university
				①②	Music and theater

Ages 6-7   Ages 12-13   Ages 15-16   Ages 18-19   Age 24  
Source: Thailand in Figures 1995-1996

Table 12 shows the percentage of status of national budget expenditures on education and the percentage of educational expenditures on primary and secondary education. Considerable progress can be seen compared to the situation in 1960. Incidentally, the reduction in the percentage of primary and secondary education in 1993 from 1990 is the result of the government's decision to train people with advanced skills.

Table 12 Public spending on education (%)

	1960	1980	1990	1993/94
Ratio against GNP	2.3	3.4	3.8	3.8
Percentage of primary and secondary education (against all levels)			78	73

Source: UNDP "Human Development Report" 1994 and 1997

## X. Medical Care, Health, Hygiene and Water Supply/Drainage

Table 13 shows the condition of health and medical services. Health and medical services that were still at low level in the latter half of the 1980s were rapidly improved during the first half of the 1990s followed by the increase in the number of people utilizing the services. In view of the fact that supplying services to the

mountainous region of Thailand inhabited by ethnic minority groups is extremely difficult, it can be said that nearly all of the people in Thailand have come close to benefiting from the system.

Table 13 Population utilizing the services (%)

	Latter half of the 1980s	First half of the 1990s
Health and medicine	70	90
Safe water	76	89
Hygiene facilities	74	96
Dairy calorie requirement	100	100

Source: UNDP "Human Development Report" 1994 and 1997

To look at the situation of diseases in Table 14, the number of tuberculosis patients has rapidly decreased in the recent years and is thought to be strongly related to substantiation of health and hygiene services indicated in Table 12. The problem, however, is the infestation of AIDS. Serious concern exists over the fact that the number of patients increased by nearly 30 times in 3 years.

Table 14 Situation of diseases

Year	Number of tuberculosis patients (out of 100,000)	Number of AIDS patients (out of 100,000)
1990	173	
1991		1.2
1994	82.7	
1995		30.5

Source: UNDP "Human Development Report" 1994 and 1997

## XI. Welfare and Social Security

Department of Public Welfare of the Ministry of Labor and Social Welfare is the department in charge of welfare and social security in Thailand. Department of Public Welfare is engaged in a wide range of activities that are related to welfare of everyone from infant to the elderly. Those eligible for support include the poor, the elderly, women, children, youth, disaster victims, disabled persons and families.

The legal system that has been put in place includes the Law on Rehabilitation of Disabled Persons (enacted in 1991) and the Social Insurance Law (enacted in 1990) as well as cabinet orders for protecting welfare recipients. The system serves as the basis for administrative operation.

## XII. Conclusion

Thailand has achieved remarkable economic development in the last several years. As a result, the country has made efforts to substantiate the national welfare through enactment of the Law on Rehabilitation of Disabled Persons and the Social Insurance Law. However, social problems are not being solved to the extent promised by the economic development as distortion in the society brought about by rapid economic development is exerting negative influence on the people.

Furthermore, Thailand is currently faced with an economic crisis, which means that the situation is not necessarily favorable for discussing social and human development. However, there is no doubt that it is necessary to adopt policies that will seek to substantiate social capital and realize affluent national life amidst this economic crisis and that such effort will contribute to the development of the country in the future. It is strongly desired that continued investment will be made towards substantiation of national life.

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# Vietnam

## I. National context

The Socialistic Republic of Viet Nam covers an area of more than 331,000 square kilometers. In 1996, its population consists of 75.4 millions, of which 51.2 were females. Viet Nam is a regionally and ethnically diverse country. There are more than 50 different ethnic groups of which the Kinh (commonly called as the Viet) make up 86.8 percent of the total population. The ethnic diversity is closely related to geographic. The regional difference, therefore, should be one of the most important characteristics which impacts all social processes of the country.

In the late 1970s and the first half of the 1980s, Viet Nam fell into a long and serious socio-economic crisis. In December 1986, the leading Communist Party of Viet Nam and the Viet Nam Government developed the policy of Doi Moi with three fundamentals: (i) Shifting from highly centralized planned economy to a market-based one; (ii) Democratizing social life and (iii) Implementing an open door policy of international relations. Since 1989, the process of the Doi Moi has accelerated and has had a propound impact on all social and economic aspects in the life of the Vietnamese people.

In 1991, the Viet Nam Government approved the Strategy for Socio - Economic Stabilization and Development Until the Year 2000. The basic concept of the development strategy of the Viet Nam Government is to place human beings at the center of the development. It should seek to harmoniously combine the economic development with socio-cultural development so that the people's cultural and spiritual lives will improve together with their material well-being (SRV, 1995).

Continuous progress has been made on a wide range of structural reforms during 1993-1996 which were marked by enacting the Land Law in 1993, the State Enterprise Law and the Civil Code in 1995. The conclusions of the June 1996 Communist Party Congress confirmed the intention of the Government to achieve the goals of reform.

## II. Economic developments

Viet Nam's economic growth and control of inflation since 1986 was evaluated by the Government and international organizations as successful. The economic growth was recorded at 3.9 percent in the period 1986-1990, rising to more than 8 percent during the period 1992-1994 and to 9.5 percent in 1995-1996.

The high real growth in the 1990s was led by the industrial sector, which grew at an annual average rate of 13 percent during 1991-1995. Other sectors of the economy also grew rapidly. During 1991-1995, the services sector grew on average by 9 percent per year and the agricultural sector by 4 percent (table 1.2.). During 1991-1996 there were significant changes in the sectoral structure. By 1991 the agricultural sector was the largest one in terms of share in GDP (40.5 percent), while the industrial and services sectors accounted for 23.8 and 35.7 percent. By 1995 the services sector lead with the share of 42.1 percent, and the industrial and agricultural sectors made up of 30.7 and 27.2 percent (table 1.1.).

## III. Population and population policy

Viet Nam's population is estimated at 75.4 millions in 1996. 51.2 percent of the total population are female and 20.5 percent live in the urban areas. In 1960 the share of urban population in the total one was 15



percent. The annual growth rate of the urban population was 3.2 percent during 1960-1994 and estimated as 3.5 percent during 1994-2000. Today, about 7 percent of the total population or 33 percent of the urban population live in cities of more than 750,000 persons. Ho Chi Minh City had the largest population of 3.6 millions in 1995 (UNDP, 1997).

The fertility level has fallen considerably in Viet Nam, from a total fertility rate of more than 6 children per woman in the early 1960s and 5.1 in 1979, to 3.8 in 1989 and 3.1 in 1994. Compared to 1970 the total fertility rate decreased 50 percent (NCPFP and UNFPA, 1996, p. 19). Fertility also declined during the 1980s. However, it decreased greatly since 1993. It led to population growth at the rate of 2.3 percent during 1991-1993 and of 2.0 percent in 1994-1995 (Table 3.3.).

The population policy of Viet Nam was started with the Government's regulation numbered 216/CP dated on 22nd December 1961. During 1960-1975, the Government in the Northern Viet Nam promulgated three regulations and one decision related to the population policy. Since 1970, at the state level was established the Steering Committee of family planning activities which should coordinate family planning matters of the Committee of Mother and Children Protection, Viet Nam Women Union and Viet Nam Trade Union. During 1975-1984, Viet Nam promulgated two decisions related to the population policy. The family planning matters were the responsibility of the Ministry of Health. The year 1984 marked an important milestone in the population policy of Viet Nam with the establishment of the National Committee of Population and Family Planning (NCPFP). A series of regulations and decisions related to the family planning activities were promulgated during the period between 1984 until now. Since 1961 the population policy had contributions to the implementation of the goals of the family planning. However, the most important successes in this area were reached only since the early 1990s (NCPFP and UNFPA, 1996).

It is identified four important features related to the population matters: (i) Population size is very large (second largest in South East Asia and in the 13th in the world); (ii) Population size is growing rapidly (the additional number of population after each ten years was almost 10 million in 1965, but more than 14 million in 1995); (iii) High rate of younger generation in the population (the contribution of the people aged under 15 to the total population was 37 percent in 1995); and (iv) The population is distributed unequally among the regions.

#### **IV. Employment**

In 1996, the permanent economically active population (labour force) consisted of 35.9 millions of which 19.1 percent was in the urban areas and 80.9 percent in the rural areas. 50.1 percent were female. The participation of the population aged 15 and over in the labour force accounted for 72.7 percent while in the population of working age the figure was 80.1 percent (MOLISA, 1997).

The working age population has grown at a higher rate than total population, implying that the unemployment rate has remained stable during the 1990s. Some estimations pointed toward an unemployment rate of about 5-6 percent in 1994 (GSO, 1996 and IMF, 1996). It should be paid attention that youth unemployment was considerably high. Unemployment among 15-19 years-old was estimated at 18 percent and among 20-24 years-old it was 11 percent.

The average number of working days per worker in the permanent economic activity was 246 per year in 1996. For female workers it was 248, in rural areas: 237 (by rural female:237). In urban areas this rate was higher than the national average by about 5 percent.

While the minimum wage for state employees is around US\$ 11 per month, the base rate for foreign-invested companies increased from US\$ 25 to US\$ 35 per month in 1996. In the largest cities of the country (Ho Chi Minh City and Ha Noi), this base rate was risen from US\$ 35 to US\$ 45 per month (IMF, 1996).

Average employee income in state enterprises had strongly increased during the period 1991-1995 (table 2.6), by 22.5 percent in nominal terms (about 12 percent in real terms) in 1995, with a strong increase for employees in the industry and transportation sectors and the slowest for employees in the sectors of social services (education, public health, etc.).

## **V. Social developments**

### **1. Human Development Index**

Access to social services in Viet Nam is evaluated as favorable compared to other equally developing countries. Table 4.3. shows some indicators of human development in Viet Nam. According to calculation of the UNDP, Viet Nam reached the human development index value of 0.557 in 1994 with which it was ranked in the 121st position among 175 countries (belonging to the group of countries at the medium human development). In the relationship between the real GDP per capita (PPP\$) and the HDI rank, Viet Nam had the value of +26. The positive figure indicates that the HDI rank is better than the real GDP per capita (PPP\$) rank.

### **2. Education**

According to the calculation of the UNDP, the education index of Viet Nam is 0.80 which shows a relatively good development in the condition of a low income country. Compared to its income level, Viet Nam has a high level of school enrollment and a high literacy rate. In 1994, gross enrollment ratio for all levels between 6-23 age was 55 percent, the gross enrollment ratio for combined first- and second-level was 73 percent (UNDP, 1997). Adult literacy rate was 93 percent in 1995. Until the early 1990s, the quantity and quality of schooling deteriorated, however, this trend has been reversed since about 1993.

### **3. Public Health Care**

During the last 10 years of the reform, public health care has been changed from the system of health care based on the central subsidized and planned economy to the one based on market-oriented economy. The characteristics of the change in the health care during the 1990s include: the collection of partial hospital fees from patients; the application of public health insurance system; the continuous increase of budgetary spending on public health care by 15 percent to 20 percent per year; the establishment and improvement of private health care.

Between 1991 and 1994, Viet Nam's immunization coverage reached over 85 percent of the population, which led to a decrease in child mortality due to contagious diseases by 30 percent compared to 1990.

The infant mortality rate was roughly halved from 156 per thousand live-births in 1960, to 83 in 1979, and halved again to 46 in 1990. This rate in 1994 is 38.

The mortality rate for children under five was reduced from 81 to 68 per thousand live-births between 1990 and 1994.

The maternal mortality decreased from 110 to 90 per 100,000 live-births from 1990 to 1994.

Child malnutrition rate is very high. The prevalence of stunting (height-for-age less than two standard deviations below the NCHS reference standard) among 25 to 36 month old children is 54.0 percent.

In the year 1960 the life expectancy at birth of Viet Nam was 44.2. It reached 66 in 1994.

During 1990-1996 it is calculated that 95 percent of all births was attended by trained health personnel. 17 percent of birth-infants were at the low-birth-weight during 1990-1994. 88 percent of mothers gave breast-feeding at six months (during the 1980s and the early 1990s).

Until October 1997, 7,118 cases of HIV positive were detected and there are 1,038 AIDS patients. 542 persons died due to AIDS.

#### **4. Status of Woman**

According to the evaluation of the UNDP, the value of the gender-related development index (GDI) of Viet Nam was 0.552 in 1994 with which it ranked at the 101st place among 146 countries.

There are considerable progress in ensuring equal opportunity for both sexes in education. Female adult literacy rate in 1994 was 89.9 percent compared to the male (95.7 percent). The combined first-, second- and third-level gross enrollment ratio for female in 1994 was 52 percent compared to 57 percent for male.

#### **5. Inequality**

The World Bank's assessment indicates that with a Gini coefficient of 0.34, Viet Nam has a relatively low level of inequality in the distribution of consumption expenditures. This places Viet Nam among the relatively good performers in terms of the degree of inequality (WB, 1995).

#### **6. Evaluation of People to Reform**

It is very important how people feel and evaluate social changes over time which are influenced by the on-going reform. Related to this topic there are two available data sources.

The 1992-1993 VLSS includes one community questionnaire which is administered in each of the 120 rural sampling areas. From this questionnaire data was collected about general evaluation concerning whether the quality of life in the commune has improved or worsened in the last five years (compared to the time of beginning of Doi Moi). The vast majority (114 or 95 percent) of the surveyed rural areas reported that life had improved, two reported that it had worsened and 4 reported that it was about the same. The main reason given by 107 of the 114 communes as to why the quality of life had increased in the last five years was the "Doi Moi" policy, especially the agricultural policies.

The 1993 Poverty Monitoring Survey (PMS) conducted by the General Statistical Office (GSO) with the sample of 93,732 households in whole country reported that 51.8 percent of the respondents assessed their living standards as higher than in 1990, 30.7 percent as very little change and 17.5 percent as worse.

#### **7. Poverty**

Poverty alienation has been a long-term and central goal of the Vietnam Government - the driving force behind all process of socio-economic reforms. The issue of poverty of the country shifted from widespread poverty among most of the population during the central planned economy to one in which poverty is emerged in some social groups while others are benefited by the economic growth.

While the poverty and its reduction is recognized among all related agencies and researchers, the measures of poverty becomes different assessments. The differentiation begins just with the setting of the poverty line for the nation.

Based on the World Bank definition of poverty, where the poverty line is defined as the cost of a representative food bundle yielding 2,100 calories per day, plus a representative nonfood component, the VLSS indicates that more than 50 percent of the population in Viet Nam can be classified as poor. About half of the poor (25 percent of the population) are food-poor in the sense that they cannot meet their daily basic requirement of 2,100 calories per day even if they devote all of their income to the basic food basket. This food-poor definition approximates the definition of poverty used by the GSO.

Among 78 developing countries which were included in the human poverty index (HPI) survey, Viet Nam were ranked 33rd with a HPI of 26.2 percent ( UNDP, 1997). Viet Nam ranked in the group of the countries where the HPI is much higher than the HDI, such as Cuba, Zimbabwe, China, Zambia. It means that progress in human development was pro-poor, effectively helping the most deprived to lift themselves out of human poverty (UNDP, 1997).

## VI. CONCLUSIONS

The indicators on human developments show that Viet Nam has a relatively good status of human development compared to other developing countries at equal economic level. It is resulted from long-term investments of the Viet Nam Government in the social sector since 1960s and especially from the on-going reform named Doi Moi which is widely recognized by the majority of Viet Nam's people as well as the international community.

It should be, however, emphasized that by any definition Viet Nam contains many disadvantaged groups and the problem of poverty encompasses elements in poor as well as affluent environment. Projections by the World Bank show that a steady growth rate of 8 percent could reduce the share of the poor people in the population to 29 percent. This growth rate will be reached during the 1990s. However, these projections assume that the growth rate should be relatively same across regions. If regional growth disparities persist and the reduction in poverty is slower in the poorer regions, inequality in income could be increased. Attention should be paid also for the following:

- i) Maintaining the decrease of fertility rate; increasing the quality of the population; more equal distributing the population among regions by an efficient migration policy.
- ii) Developing an efficient labour market and strengthening educational and vocational quality for labour force, especially for labour force at young age, in rural areas and in poor regions.
- iii) Implementing strong reforms in education and public health systems so that the majority population can be benefited from the functioning educational and health care systems of the country.
- iv) Increasing the status of woman, children and elderly, especially in the rural areas, by using a comprehensive policy related to generating income, developing education and public health care, strengthening harmonious family.

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## ANNEX

Table 1.1 Gross domestic product by sectors (at current prices)

	1991	1992	1993	1994	1995	est. 1996
Total (bill. VND)	76,707	110,535	136,571	170,258	222,840	258,609
Agriculture, Forestry and Fishery	31,058	37,513	40,796	48,865	63,219	70,334
Agriculture	27,061	32,573	34,737	41,838	53,713	59,892
Forestry	1,725	1,815	2,052	2,265	2,842	3,050
Fishery	2,272	3,125	4,007	4,762	6,664	7,392
Industry and Construction	18,252	30,135	39,472	50,481	66,804	79,501
Industry	15,193	23,956	29,371	37,535	50,912	61,409
Construction	3,059	6,179	10,101	12,946	15,892	18,092
Services	27,397	42,887	56,303	70,912	92,817	108,774
Transport, Post and Telecommunication	2,860	4,662	6,036	6,924	8,747	10,634
Trade	9,742	15,281	17,549	23,072	29,198	33,974
Finance, Banking and Insurance	1,108	1,567	2,318	3,450	5,314	6,127
State Management, Science, Education, Health, Sport	6,807	9,718	14,402	18,270	22,770	27,694
Housing, Tourism, Hotel, Repairs of Personal Consumer Goods	6,880	11,659	15,998	19,196	26,788	30,345
Total (%)	100.0	100.0	100.0	100.0	100.0	100.0
Agriculture	40.5	33.9	29.9	28.7	28.4	27.2
Industry	23.8	27.3	28.9	29.6	29.9	30.7
Services	35.7	38.8	41.2	41.7	41.7	42.1

Source: GSO, 1997, p. 15-16.

Table 1.2 Gross domestic product by sectors (at constant prices of 1989)

	1991	1992	1993	1994	1995	est. 1996
Total (bill. VND)	31,286	33,991	36,735	39,982	43,797	47,888
Agriculture, Forestry and Fishery	12,264	13,132	13,634	14,169	14,892	15,551
Agriculture	10,288	11,074	11,574	12,063	12,643	13,238
Forestry	1,022	1,074	1,049	1,060	1,106	1,119
Fishery	954	984	1,011	1,046	1,143	1,194
Industry and Construction	7,228	8,242	9,324	10,631	12,113	13,861
Industry	6,042	6,921	7,766	8,771	9,998	11,448
Construction	1,186	1,317	1,558	1,860	2,115	2,413
Services	11,794	12,617	13,777	15,182	16,792	18,476
Transport, Post and Telecommunication	792	842	897	960	1,066	1,183
Trade	3,654	3,877	4,109	4,478	4,981	5,559
Finance, Banking and Insurance	448	496	578	710	906	961
State Management, Science, Education, Health, Sport	2,841	3,040	3,322	3,760	4,144	4,537
Housing, Tourism, Hotel, Repairs of Personal Consumer Goods	4,059	4,362	4,871	5,274	5,695	6,236
Index of GDP (at constant prices of 1989; previous year = 100)						
Total (%)	106.0	108.6	108.1	108.8	109.5	109.3
Agriculture	102.2	107.1	103.8	103.9	105.1	104.4
Industry	109.0	114.0	113.1	114.0	113.9	114.4
Services	108.3	107.0	109.2	110.2	110.6	110.0

Source: GSO, 1997, p. 17-18.

Table 1.3 Balance of gross domestic product (at current prices)

	1991	1992	1993	1994	1995	est.1996
<b>(Bill VND)</b>						
Sources	80,632	115,051	148,867	187,124	243,659	294,294
Gross Domestic Product	76,707	110,535	136,571	170,258	222,840	258,609
Balance of Foreign Trade (goods and services)	3,925	4,516	12,296	16,866	20,819	35,685
Uses	80,465	114,812	150,739	184,550	241,010	289,462
Gross Capital Formation	11,506	19,498	34,020	43,375	60,488	72,117
Final Consumption	68,959	95,314	116,719	141,175	180,522	217,345
Error	-167	-239	1,872	-2,574	-2,649	-4,832
<b>(Structure %)</b>						
Sources	100.0	100.0	100.0	100.0	100.0	100.0
Gross Domestic Product	95.1	96.1	91.7	91.0	91.5	87.9
Balance of Foreign Trade (goods and services)	4.9	3.9	8.3	9.0	8.5	12.1
Uses	100.0	100.0	100.0	100.0	100.0	100.0
Gross Capital Formation	14.3	17.0	22.6	23.5	25.1	24.9
Final Consumption	85.7	83.0	77.4	76.5	74.9	75.1
Error	-0.2	-0.2	1.3	-1.3	-1.1	-1.7
<b>(as % of GDP)</b>						
Gross Capital Formation	15.0	17.6	24.9	25.5	27.1	27.9
Final Consumption	89.9	86.2	85.5	82.9	81.0	84.0

Source: GSO, 1997, p. 19.

Note: Error = Uses - Sources.

Table 1.4 Gross domestic product by sectoral origin and ownership

(at constant prices)

	1991	1992	1993	1994	1995
<b>(In billions of VND at 1989 prices)</b>					
Gross Domestic Product	31,286	33,991	36,735	39,982	43,797
State	10,376	11,661	13,012	14,679	16,791
Excluding oil and state management	6,083	6,621	7,397	8,550	9,911
Non-state	20,911	22,330	23,723	25,303	27,006
Agriculture	12,264	13,132	13,634	14,169	14,841
Industry	7,228	8,242	9,324	10,631	12,114
Services	11,794	12,617	13,777	15,182	16,842
<b>(Annual change in percent)</b>					
Gross Domestic Product	6.0	8.6	8.1	8.8	9.5
State	8.6	12.4	11.6	12.8	14.4
Excluding oil and state management	3.0	8.9	11.7	12.9	18.7
Non-state	4.7	6.8	6.2	6.7	6.7
Agriculture	2.2	7.1	3.8	3.9	4.7
Industry	9.0	14.0	13.1	14.0	13.9
Services	8.3	7.0	9.2	10.2	10.9

Source: IMF, 1996, p. 57.

Table 1.5 Gross domestic product by expenditure category

	1991	1992	1993	1994	1995
(In bill. of VND at current prices)					
GDP	76,707	110,535	136,571	170,258	222,840
Domestic Demand	75,643	107,725	141,561	183,114	246,966
Gross Capital Formation	11,506	19,498	34,020	43,375	60,488
Government	2,135	6,450	9,600	9,215	13,306
Private	9,371	13,048	24,420	34,160	47,182
Foreign Direct	2,023	2,907	8,852	11,505	19,646
Other Private Investment	7,348	10,141	15,568	22,655	27,536
Consumption	64,137	88,227	107,541	139,739	186,478
Government *	8,728	15,452	25,700	32,491	38,185
Private	55,409	72,775	81,841	107,248	148,293
Trade Balance **	1,064	2,810	-4,990	-12,856	-24,126
Exports	22,915	35,767	39,974	58,590	80,262
Imports	21,851	32,957	44,965	71,445	104,388
(Share in GDP, in percent)					
Domestic Demand	98.6	97.5	103.7	107.6	110.8
Gross Capital Formation	15.1	17.6	24.9	25.5	27.1
Government	2.8	5.8	7.0	5.4	6.0
Private	12.3	11.8	17.9	20.1	21.2
Foreign Direct	2.6	2.6	6.5	6.8	8.8
Other Private Investment	9.7	9.2	11.4	13.3	12.4
Consumption	83.5	79.8	78.7	82.1	83.7
Government *	11.4	14.0	18.8	19.1	17.1
Private	72.2	65.8	59.9	63.0	66.5
Trade Balance **	1.4	2.5	-3.7	-7.6	-10.8
Exports	29.9	32.4	29.3	34.4	36.0
Imports	28.5	29.8	32.9	42.0	46.8
(Growth rate, in percent) ***					
Real Domestic Demand	4.8	7.4	15.0	13.0	12.9
Real Gross Capital Formation	5.0	27.8	52.7	11.4	16.7
Real Per Capita Consumption	2.4	1.3	4.2	11.2	9.5

Source: IMF, 1996, p. 59.

Note: \* Current noninterest expenditure.

\*\* Net exports of goods and nonfactor services.

\*\*\* The GDP deflator was used in the conversion of nominal values to real values.

Table 1.6 Functional classification of government expenditures

	1991	1992	1993	1994	Prel. 1995	Budget 1996
(In billions VND)						
Total Expenditure	13,196	25,121	38,975	46,121	55,668	66,417
Total Current Expenditure	11,061	18,671	29,375	36,906	42,362	47,503
General administrative services	1,290	2,404	3,245	4,779	4,478	4,585
Economic services	784	1,495	2,997	3,085	4,220	4,230
Social services	3,343	6,245	10,854	14,041	18,009	18,885
Education	748	1,495	2,910	3,414	4,718	5,320
Health	636	1,136	1,656	2,214	2,250	2,400
Pensions and social relief	1,278	2,374	4,135	5,861	7,530	7,300
Other	681	1,240	2,153	2,552	3,511	3,865
Other	3,311	5,314	8,604	10,586	11,478	15,200
(In percent of GDP)						
Total Expenditure	17.2	22.7	28.5	27.1	24.9	25.0
Total Current Expenditure	14.4	16.9	21.5	21.7	19.0	17.9
General administrative services	1.7	2.2	2.4	2.8	2.0	1.7
Economic services	1.0	1.3	2.2	1.8	1.9	1.6
Social services	4.4	5.6	7.9	8.2	8.1	7.1
Education	1.0	1.4	2.1	2.0	2.1	2.0
Health	0.8	1.0	1.2	1.3	1.0	0.9
Pensions and social relief	1.7	2.1	3.0	3.4	3.4	2.7
Other	0.9	1.1	1.6	1.5	1.6	1.5
Other	4.3	4.8	6.3	6.2	5.1	5.7

Source: IMF, 1996, p. 92.

Table 1.7 Gross output of industry

	Total	State	Non-state
Bill. VND			
(At constant prices of 1982)			
1986	109.6	61.7	47.9
1987	120.6	67.5	53.1
1988	137.8	77.9	59.9
1989	133.3	75.9	57.4
1990	137.5	80.6	56.9
(At constant prices of 1989)			
1990	14,011.1	9,475.8	4,535.3
1991	15,471.1	10,599.5	4,871.7
1992	18,116.9	12,778.9	5,338
1993	20,412.0	14,642.8	5,769.3
1994	23,214.2	16,796.7	6,417.5
1995	26,584.1	19,081.6	7,502.5
(At constant prices of 1994)			
1995	98,857.0	51,901	24,562.0
1996 est.	112,845.0	58,051	27,264.0
Index of Gross Output of Industry (at constant prices of 1989, 1994; previous year = 100)			
1986	106.2	106.2	106.2
1987	110.0	109.3	110.9
1988	114.3	115.5	112.9
1989	96.7	97.5	95.7
1990	103.1	106.1	99.3
1991	110.4	111.8	107.4
1992	117.1	120.6	109.6
1993	112.7	114.6	108.1
1994	113.7	114.7	111.2
1995	114.5	113.6	116.9
1996 est.	114.1	111.8	111.0

Source: GSO, 1997, p. 115-116.



Table 2.1 Resident population aged 15 and over by age group, 1996

(in thousand persons)

	Total	15-24	25-34	35-44	45-54	55-59	60+
Total	48,455.4	13,703.4	11,611.2	9,432.0	4,903.6	2,125.5	6,679.6
Female	25,680.6	6,909.8	6,044.1	5,030.7	2,650.4	1,190.6	3,855.0
Male	22,774.8	6,793.6	5,567.1	4,401.3	2,253.2	934.9	2,824.6
Rural	37,918.3	10,949.0	9,090.3	7,133.1	3,713.3	1,658.6	5,373.9
Female	20,053.9	5,498.1	4,713.5	3,795.0	1,994.0	936.1	3,117.1
Male	17,864.4	5,450.9	4,376.8	3,338.1	1,719.3	722.5	2,256.8
Urban	10,537.1	2,754.4	2,520.9	2,298.9	1,190.3	466.8	1,305.7
Female	5,626.7	1,411.7	1,330.5	1,235.6	656.3	254.5	738.0
Male	4,910.4	1,342.7	1,190.4	1,063.3	534.0	212.3	567.7

Source: MOLISA, 1997.

Table 2.2 Permanent economically active people aged 15 and over

(in thousand persons)

	Total	15-24	25-34	35-44	45-54	55-59	60+
Total	35,866.2	9,334.0	10,688.2	8,686.0	4,079.9	1,403.1	1,674.3
Female	18,151.6	4,771.2	5,324.7	4,467.6	2,086.5	709.4	791.5
Male	17,714.6	4,562.8	5,363.5	4,218.4	1,993.4	693.7	882.8
Rural	29,028.0	7,947.0	8,548.9	6,715.5	3,212.2	1,165.8	1,438.4
Female	14,662.8	4,030.0	4,252.5	3,460.2	1,644.9	596.3	678.5
Male	14,365.2	3,917.0	4,296.4	3,255.3	1,567.3	569.5	759.9
Urban	6,838.2	1,387.0	2,139.3	1,970.5	867.8	237.3	235.9
Female	3,353.3	702.2	1,031.9	981.3	427.8	105.9	103.7
Male	3,484.9	684.8	1,107.4	989.2	440.0	131.4	132.2

Source: MOLISA, 1997.

Note (for tables on the employment drawn from MOLISA, 1997):

Economically active population include the people aged 15 and over who are employed/self-employed and who are unemployed but want to be employed/self-employed.

Economically active population at working age include the people at working age (aged 15-60 for male and 15-55 for female) who are employed/self-employed and who are unemployed but want to be employed/self-employed.

Permanent economically active population during the last 12 months include the people aged 15 and over whose the total actual and wanted working days were not less than 183 days.

Based on the status of permanent economical activities in the last 12 months of the people aged 15 and over, the permanent economically active people are divided into 2 categories:

1. The permanent employed people in the last 12 months including the people aged 15 and over having the total number of actual employed days more than or equal to the total number of days having additional jobs requirement.
2. The permanent unemployed people in the last 12 months are the people aged 15 and over having actual employed days fewer than the total number of days having additional jobs requirement.

(MOLISA, 1997, p. 45.)

Table 2.3 Permanent economically active people aged 15 and over by employment situation  
(in thousand persons)

	Permanent Unemployed			Permanent Employed		
	Total	Female	Male	Total	Female	Male
(Total employed people)						
Total	965.6	421.5	544.1	34,907.7	17,731.9	17,175.8
Rural	593.5	258.9	334.6	28,444.1	14,542.6	13,901.5
Urban	372.1	162.6	209.5	6,463.6	3,189.3	3,274.3
(People of working age)						
Total	953.0	413.3	539.7	33,295.0	16,302.7	16,992.3
Rural	584.6	252.6	332.0	27,098.9	13,325.3	13,773.6
Urban	368.4	160.8	207.6	6,196.1	2,977.4	3,218.7
(As % of total employed people)						
Total	2.7	2.3	3.1	97.3	97.7	96.9
Rural	2.1	1.8	2.4	97.9	98.2	97.6
Urban	5.5	4.9	6.0	94.5	95.1	94.0
(As % of people of working age)						
Total	2.8	2.5	3.1	97.2	97.5	96.9
Rural	2.1	1.9	2.4	97.9	98.1	98.1
Urban	5.6	5.1	6.1	94.4	94.9	94.9

Source: MOLISA, 1997.

Table 2.4 Average number of working days per worker having permanent economic activity by regions

	Total	Female	Rural		Urban	
			Total	Female	Total	Female
Total	246	248	237	237	257	262
Northern Uplands	246	249	241	242	252	255
Red River Delta	244	245	235	235	259	264
North Central	208	212	202	206	219	223
Central Coast	252	259	240	245	266	276
Central Highlands	251	249	248	238	253	256
South East South	263	267	254	252	273	278
Mekong River Delta	255	259	243	245	271	276

Source: MOLISA, 1997.

Table 2.5 Employment by economic sector

	1991	1992	1993	1994	1995
(In thousands of persons)					
Total Employment	30,974	31,819	32,718	33,664	34,600
Agriculture and Forestry	22,483	23,208	23,898	24,131	24,765
Agriculture	22,276	22,998	23,684	23,908	24,537
Forestry	207	210	214	223	228
Industry and Construction	4,214	4,275	4,370	4,352	4,494
Industry	3,394	3,450	3,522	3,380	3,395
Construction	820	825	848	972	1,099
Trade, Transport, and Communication	2,246	2,270	2,325	2,762	2,858
Trade and Material Supply	1,719	1,735	1,776	2,207	2,290
Transport	480	484	496	499	512
Communication	47	51	53	56	56
Education, Health, Science	1,209	1,237	1,269	1,395	1,431
Science	49	48	48	41	42
Education	804	825	848	900	924
Culture, Arts, Sport	46	46	46	105	107
Public Health	310	318	327	349	358
Other	822	829	856	1,024	1,052
(Share in percent)					
Agriculture and Forestry	72.6	72.9	73.0	71.7	71.6
Industry and Construction	13.6	13.4	13.4	12.9	13.0
Trade, Transport, and Communication	7.3	7.1	7.1	8.2	8.3
Education, Health, Science	3.9	3.9	3.9	4.1	4.1
Other	2.7	2.6	2.6	3.0	3.0
(Percent change)					
Total Employment	2.2	2.7	2.8	2.9	2.8
Agriculture and Forestry	2.7	3.2	3.0	1.0	2.6
Industry and Construction	0.1	1.4	2.2	-0.4	3.3
Trade, Transport, and Communication	2.4	1.1	2.4	18.8	3.5
Education, Health, Science	0.4	2.3	2.6	9.9	2.6
Other	3.9	0.9	3.3	19.6	2.7
Employment/Population Aged 15-64	80.6	80.3	80.3	80.3	80.7

Source: IMF, 1996, p. 69.

Table 2.6 Average income of state employees by economic sector \*

	1991	1992	1993	1994	1995
(In thousands VND per month)					
Average	104.9	177.1	274.2	390.4	478.2
Industry	147.8	236.3	371.4	575.6	753.9
Construction	114.9	214.4	357.6	417.3	499.3
Agriculture	82.1	160.2	205.8	286.6	366.3
Transportation	146.7	290.9	407.3	553.9	879.1
Trade	125.4	210.4	289.6	403.2	490.2
Science	72.4	114.1	214.4	349.3	361.2
Education	64.2	102.4	182.5	293.7	309.6
Culture, Arts, Sports	74.2	115.0	194.3	310.7	347.3
Public Health	71.4	114.0	186.3	299.5	326.9
State Management	74.3	132.3	203.2	327.8	356.7
Other **	61.9	109.0	334.3	681.1	807.1
(In percent change)					
Average	...	68.8	54.8	42.4	22.5
Industry	...	59.9	57.2	55.0	31.0
Construction	...	86.6	66.8	16.7	19.7
Agriculture	...	95.1	28.5	39.3	27.8
Transportation	...	98.3	40.0	36.0	58.7
Trade	...	67.8	37.6	39.2	21.6
Science	...	57.6	87.9	62.9	3.4
Education	...	59.5	78.2	60.9	5.4
Culture, Arts, Sports	...	55.0	69.0	59.9	11.8
Public Health	...	59.7	63.4	60.8	9.2
State Management	...	78.1	53.6	61.3	8.8
Other **	...	76.1	206.7	103.7	18.5
(In thousands VND per month at 1990 prices)					
Average Real Wage	76.5	93.8	134.1	157.8	165.2
State Management	54.2	70.1	99.4	116.5	108.4
(Percent change)					
Average Real Wage	...	22.6	43.0	17.7	4.7
State Management	...	29.3	41.8	17.2	-7.0

Source: IMF, 1996, p. 72.

\* Cash income, including payments in kind, bonus payments and social security contributions.

\*\* Including banking and insurance, housing, and other services. From 1994 only banking sector.

Table 3.1 Average population by sex and residence (1,000 person)

	Total	Sex		Residence	
		Male	Female	Urban	Rural
1976	49,160.0	23,597.0	25,563.0	10,127.0	39,033.0
1979	52,462.0	25,444.0	27,018.0	10,094.0	42,368.0
1985	59,872.0	29,285.0	30,587.0	11,360.0	48,512.0
1986	61,109.0	29,912.0	31,197.0	11,817.0	49,292.0
1987	62,452.0	30,611.0	31,841.0	12,271.0	50,181.0
1988	63,727.0	31,450.0	32,277.0	12,662.0	51,065.0
1989	64,774.0	31,589.0	33,185.0	12,919.0	50,810.0
1990	66,233.0	32,327.0	33,906.0	13,281.0	51,908.0
1991	67,774.0	32,994.0	34,780.0	13,619.0	53,111.0
1992	69,405.2	33,813.9	35,591.3	13,285.0	55,075.0
1993	71,025.6	34,670.8	36,354.8	13,663.0	56,317.8
1994	72,509.5	35,386.4	37,123.1	14,139.3	57,325.5
1995	73,962.4	36,095.4	37,867.0	14,575.4	58,342.3
1996 (est.)	75,355.2	36,773.3	38,581.9	15,231.5	59,079.0

Source: GSO, 1997, p. 7.

Note: from 1989 to 1996 the population by urban and rural are the resident population.

Table 3.2 Structure of average population by sex and residence (%)

	Sex		Residence	
	Male	Female	Urban	Rural
1976	48.0	52.0	20.6	79.4
1979	48.5	51.5	19.2	80.8
1985	48.9	51.1	19.0	81.0
1986	49.0	51.0	19.3	80.7
1987	49.0	51.0	19.6	80.4
1988	49.4	50.6	19.9	81.0
1989	48.8	51.2	20.3	79.7
1990	48.8	51.2	20.4	79.6
1991	48.7	51.3	20.4	79.6
1992	48.7	51.3	19.4	80.6
1993	48.8	51.2	19.5	80.5
1994	48.8	51.2	19.9	80.1
1995	48.8	51.2	20.0	80.0
1996 (est.)	48.8	51.2	20.5	79.5

Source: GSO, 1997, p. 8.

Note: from 1989 to 1996 the population by urban and rural are the resident population.

Table 3.3 Population: percent distribution and growth

	1991	1992	1993	1994	1995
Urban	20.1	19.1	19.2	19.5	20.2
Rural	79.9	80.9	80.8	80.5	79.8
Female	51.3	51.3	51.3	51.2	51.2
Male	48.7	48.7	48.7	48.8	48.8
Age under 15	38.8	38.3	37.9	37.4	37.0
Age 15-64	56.7	57.1	57.4	57.8	58.0
Age 64 and over	4.5	4.6	4.7	4.8	5.0
Total Employment	45.7	45.8	46.1	46.4	46.8
Population Growth	2.3	2.4	2.3	2.1	2.0

Source: GSO, 1996  
IMF, 1996, p. 73.

Table 4.1 Summary Indicators of Per Capita Consumption, 1992-1993 VLSS

	Per Capita Consumption Expenditure (1,000 VND per year)		Food Share (%)	Calorie Consumption (capita/day)
	Nominal	Real (a)		
Total	1,407	1,373	59	2,075
Region				
Northern Uplands	994	1,007	68	2,054
Red River Delta	1,257	1,349	62	2,062
North Central Coast	951	974	64	1,991
South Central Coast	1,439	1,457	55	1,867
Central Highlands	1,228	1,159	59	1,982
Southeast South	2,290	2,008	53	2,154
Mekong River Delta	1,605	1,506	54	2,226
Urban/Rural				
Urban	2,406	2,199	51	2,124
Rural	1,157	1,167	61	2,062
Quintile				
Poorest	541	562	70	1,591
II	802	821	65	1,855
III	1,063	1,075	60	2,020
IV	1,408	1,467	54	2,160
Richest	3,134	2,939	47	2,751

Source: World Bank, 1995, p. 3, calculated from 1992-1993 VLSS.

(a) Nominal consumption deflated by region-specific price deflators.

VLSS: Viet Nam Living Standards Survey.

Table 4.2 Distribution of Social Indicators by Expenditure Quintile, 1992-1993 VLSS

	Total	Poorest	II	III	IV	Richest
Household size (person)	5.04	5.3	5.1	5.1	4.9	4.5
Children per family (age 0-14)	1.9	2.5	2.2	1.9	1.6	1.3
Elderly per family (age 60+)	0.4	0.4	0.4	0.4	0.5	0.5
Age of household head (years)	45	42	43	45	48	48
Literacy (% adults aged 15+)	88.1	79.2	86.8	88.8	89.7	94.2
Years of Schooling (average per adult 15+)	6.4	5.1	5.7	6.1	6.5	8.0
Low birthweight (% birth < 2.5 kg)	5.6	6.9	7.5	5.3	3.8	3.8
Total Fertility Rate (children per woman)	3.3	4.9	3.8	3.5	2.4	1.8
Stunting (% children 24-35 month)	54.0	69.0	62.6	48.8	43.7	29.2
Piped water (% access)	10.6	0.7	0.9	4.0	10.5	36.8
Flushed toilets (% access)	11.0	1.2	1.0	3.3	10.5	39.1
Electricity (% access)	47.9	28.7	39.0	44.2	54.7	73.0
Bicycle (% access)	64.9	48.9	62.4	68.0	70.0	73.0
Motorbike (% access)	10.7	0.6	2.0	3.5	8.3	35.3

Source: World Bank, 1995, p. 18, calculated from 1992-1993 VLSS.

Table 4.3 Indicators of human development in Viet Nam

GNP per capita (US\$), 1994	200
Real GDP per Capita (PPP\$), 1994	1,208
Daily Calorie Supply per Capita, 1992	2,250
GDP Index	0.18
Human Development Index (HDI) Value, 1994	0.557
Human Development Index (HDI) Rank of 175 countries, 1994	121
Human Poverty Index (HPI) Value (%)	26.2
Human Poverty Index (HPI) Rank of 78 developing country	33
Gender-related Development Index (GDI) Value, 1994	0.552
Gender-related Development Index (GDI) Rank of 146 countries	101
Life Expectancy at Birth (years), 1960	44.2
Life Expectancy at Birth (years), 1994	66.0
Life Expectancy at Birth of Female (years), 1994	68.1
Life Expectancy at Birth of Male (years), 1994	63.6
Life Expectancy Index	0.68
People Not Expected to Survive to Age 40 (as % of total population, 1990)	12.1
Population with Access to Health Services (%), 1990-1995	90.0
Population with Access to Safe Water (%), 1990-1996	43.0
Population with Access to Sanitation (%), 1990-1996	22.0
Adult Literacy Rate (%), 1995	93.0
Female Adult Literacy Rate (%), 1994	89.9
Male Adult Literacy Rate (%), 1994	95.7
Combined First- and Second-level Gross Enrollment Ratio (%), 1992-1994	73
Combined First-, Second- and Third-level Gross Enrollment Ratio (%), 1994	55
Female Combined First-, Second- and Third-level Gross Enrollment Ratio (%), 1980	52
Male Combined First-, Second- and Third-level Gross Enrollment Ratio (%), 1994	57.0
Education Index	0.80
Forest and Woodland (% change), 1980-1993	-19.3
Real GDP per Capita (PPP\$)	
of Poorest 20%, 1980-1994	406
of Richest 20%, 1980-1994	2,288
Population in Poverty (%) (National Poverty Line), 1989-1994	51.0
Maternal Mortality Rate (per 100,000 live births), 1990	160
Children Dying before Age 1 (thousands), 1995	157
Underweight Children under Age Five (%), 1990-1996	45
Illiterate Female Rate (%), 1995	9
Illiterate Female Rate as % of Illiterate Male Rate, 1995	251
Female Primary Enrollment Ratio (as % of male), 1995	80
Child Economic Activity Rate (% age 10-14), 1995	9.1
Female Economic Activity Rate (as % of male), 1995	94
Labor Force (as % of total population), 1990	51
Women's share of Adult Labor Force (age 15 and above), 1990	50
Communication Profile	
Radios (per 1,000 people), 1994	104
Televisions (per 100 people), 1994	11
Book Titles Published (per 100,000 people), 1992-1994	8
Printing and Writing Paper Consumed (metric tons per 1,000 people), 1994	1.4

Source: UNDP, 1997.

# Myanmar

## I. General Background

### 1. The Land and its People

The Union of Myanmar lies in Southeast Asia between latitudes 09°32' N and 28°31' N and longitudes 92°10' E and 101°11' E. The Tropic of Cancer passes through the country close to the towns of Tiddim, Tagaung and Kutkai. Latitude 16°45' N and longitude 96°13' E run through Yangon, the capital city of the Union of Myanmar. The Myanmar Standard Time, taken as on longitude 97°30' E, is six hours thirty minutes ahead of Greenwich Mean Time.

Myanmar borders China in the north, Laos and Thailand in the east and Bangladesh and India in the west. Myanmar has about 2,300 kilometres of coastline in the west and south along the Bay of Bengal. The area of Myanmar is 676,578 square kilometres of which about 48 per cent is covered by forests and more than half the land is mountainous.

The Union of Myanmar comprises seven states and seven divisions. Under these 14 main administrative entities, there are 324 townships. The major ethnic groups, in descending order by size of population are Bama, Shan, Kayin, Rakhine, Mon, Chin, Kachin and Kayah. The Bamas live mainly in the divisions, and the other ethnic groups live mainly in the states. There are altogether 135 ethnic nationalities speaking over one hundred languages and dialects. The predominant religion in Myanmar is Theravada Buddhism, with about 90% of the population being Buddhist, 5% Christian; 4% Islam and 1% others. The average household includes 5 to 7 persons with the extended family being the norm.

### 2. Demographic Background

The demographic background of the Union of Myanmar is shown by the following indicators<sup>1</sup>.

Demographic Indicators

Indicator	Data	Year	Source
Total Population	45.57 million	1996-97	Immigration and Population Department (IPD) (Estimate)
Population growth rate	1.87	1994-95	IPD
Urban Population (%)	28%	1995	IPD (Estimate)
Average Household Size	5.22	1991	1991 PCFS Survey
Crude Birth Rate (per 1000 population)	28.1	1993	Statistical Year Book 1993
General Fertility Rate	108.77	1993	Statistical Profile of Children and Women in Myanmar
Marriage Rate (per 1000 Population)	53.8%	1991	1991 PCFS
Divorce Rate (per 1000 population)	2.2%	1991	1991 PCFS



## II. Economy

### 1. Economic Data

Since late 1988, Myanmar has replaced its centrally planned economy with a more liberalised economic policy based on a market-oriented system. In moving towards this, Myanmar has liberalised domestic and external trades, promoted the role of the private sector, and opened itself up to foreign investment. A short term four year plan (1992-93 to 1995-96) was formulated with special focus given to the enhancement of production especially agriculture and export promotion.

The following table shows the Total GDP (at current Prices) and (at Constant Prices); Annual Growth Rate of GDP; Percentage of GDP of Agricultural Production, Industrial Production and Services; Consumption of (as % of GDP) Gross Domestic Investment (as % of GDP), Gross Domestic Saving (as % of GDP); Tax Revenue (as % of GDP); Central Government Expenditure (as % of GDP); Exports (as % of GDP); Imports (as % of GDP) and Average Annual Rate of Inflation (%) from the fiscal year 1990-91 to 1996-97.

Economic Data of the Union of Myanmar

No	Description	1990-91	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97
1	Total GDP (At Current Prices)	24427.88	29793.05	40884.38	59068.97	80131.14	107786.03	121260.62
	US\$ million (At Constant Prices)	8106.37	7925.87	8976.49	9518.72	10577.31	11912.45	11963.66
2	Annual growth rate of GDP	2.8	(-0.6)	9.7	6.0	7.5	6.9	5.8
3	Percentage of GDP of							
	(a)Agricultural production	46.3	48.4	50.6	54.1	55.2	53.3	51.3
	(b)Industrial production	7.8	7.0	6.9	6.8	6.2	6.9	6.8
	(c)Services	9.5	9.0	7.4	6.5	6.9	6.9	6.8
4	Consumption of (as % of GDP)	88.3	86.0	87.2	88.6	88.3	86.6	86.0
5	Gross Domestic Investment (as % of GDP)	14.7	14.8	12.5	10.4	11.5	13.7	15.1
6	Savings (as % of GDP)	8.0	7.8	7.7	7.1	7.8	9.8	12.3
7	Tax Revenue (as % of GDP)	6.2	5.6	5.0	4.7	4.2	3.8	3.9
8	Central Government Expenditure (as % of GDP)	15.4	14.4	11.2	9.9	10.1	10.7	10.5
9	Exports (as % of GDP)	1.9	1.6	1.4	1.2	1.1	0.8	0.7
10	Imports (as % of GDP)	3.6	2.9	2.2	2.2	1.8	1.7	1.5
11	Average annual rate of inflation (%)	+21.81	+29.71	+22.28	+33.7	+22.38	+22.38	+21.03

Source: Central Statistical Organization

### 2. Employment

This section gives statistical information on labour force participation in economic activities, based on population censuses of the Immigration and Manpower Department and labour force survey of the Department of Labour. The following table shows the labour force and labour force participation rate by sex (as % of total population). The unemployment rate is also mentioned there.

Labour Force, Labour Force Participation Rate by Sex and Unemployment Rate

No	Description	90-91	91-92	92-93	93-94	94-95	95-96
1.	Total Labour Force (Million) M	9.96	11.14	11.43	11.73	12.03	13.23
	F	6.57	7.36	7.55	7.75	7.95	8.17
	T	16.53	18.50	18.98	19.48	19.98	21.40
2	Labour Force Participation Rate M	76.54	76.62	77.96	77.73	79.04	76.56
	F	46.01	48.61	48.46	49.30	49.10	46.00
	T	60.59	62.33	62.76	63.23	63.63	61.07
3.	Unemployment Rate M	3.71	3.68	3.67	3.67	3.66	3.70
	F	4.87	4.89	4.90	4.90	4.91	4.77
	T	4.17	4.16	4.16	4.16	4.15	4.11

Remark: Male F = Female T = Total

Source: The Department of Labour

Annual growth rate of net earnings per employee is 3.9% (as of 1996-97)<sup>2</sup>. The following table shows the percentage of labour force in primary (mainly agriculture); secondary (mainly industry); and tertiary (mainly services).

Employed Population by Economic Activity, 1990

(in thousands)

Sr. No.	Description	1990	
		Persons	Percent
	All Industries	15827	100.00
	<u>Primary</u>		
1.	Agriculture, Hunting, Forestry and Fishing	10210	64.50
	<u>Secondary</u>		
2.	Mining and Quarrying	115	0.73
3.	Manufacturing	1490	9.41
4.	Construction	305	1.93
	<u>Tertiary</u>		
5.	Electricity, Gas, Water & Sanitary Services	19	0.12
6.	Wholesales & Retail Trades, Restaurants and Hotels	2228	14.08
7.	Transport, Storage and Communication	412	2.61
8.	Social Services	887	5.60
9.	Activities not adequately defined	161	1.02

Source: 1990 Labour Force Survey

### III. Population

#### 1. Demographic Data and Information

Population statistics presented in this section are based on 1973 census, 1983 census and 1991 Population Changes and Fertility Survey (PCFS). The size of population was 28.9 million in 1973 and had grown to 35.3 million in 1983<sup>3</sup>.

The Population was estimated at 45.57 million in 1996-97, on increase of 0.83 million with the growth rate of 1.84 per cent over 1995-96. Of the total estimated population of 45.57 million in 1996-97, the male population was 22.63 million or 49.66 per cent and the female population was 22.94 million or 50.34 per cent. A review of the age distribution of population shows that 15.25 million or 33.47 per cent are in the age group of under 15 years, 26.86 million or 58.94 percent are in the working age-group of 15-59 years and 3.46 million or 7.59 percent are in the age group of 60 years and above<sup>4</sup>.

The population estimate of the Union of Myanmar are shown in the table below.

Estimates on Population Growth (Mid fiscal year)

Sr. No.	Year	Population (million)	Annual Growth Rate (percentage)
1.	1990-91	40.79	1.88
2.	1991-92	41.55	1.88
3.	1992-93	42.33	1.88
4.	1993-94	43.12	1.87
5.	1994-95	43.92	1.87
6.	1995-96	44.74	1.87
7.	1996-97	45.57	1.84

Note: Population estimates are based on 1983 census and from 1993-94 on PCFS conducted in 1991.

Structural Changes in Population by Sex and Age-Group are shown in the following table.

Estimates on Structural Changes in Population by Sex and Age-group

Sr. No.	Age-Group	1986-87		1996-97	
		Numbers(million)	Ratio(%)	Number(million)	Ratio(%)
1	0-14 years	14.29	37.80	15.25	33.47
	(a) Male	7.12	37.99	7.79	34.42
	(b) Female	7.17	37.62	7.46	32.52
2.	15-59 years	21.18	56.03	26.86	58.94
	(a) Male	10.48	55.92	13.26	58.60
	(b) Female	10.70	56.14	13.60	59.28
3.	60 years and above	2.33	6.17	3.46	7.59
	(a) Male	1.14	6.09	1.58	6.98
	(b) Female	1.19	6.24	1.88	8.20
4.	Total	37.80	100.00	45.57	100.00
	(a) Male	18.74	100.00	22.63	100.00
	(b) Female	19.06	100.00	22.94	100.00
5.	Sex Ratio (Males per 100 females)		98.32		98.65

Source: Immigration and Population Department

The urban population has increased from 6.8 million (23.6%) in 1973 to 8.6 million (24.1%) in 1983 and for 1995-96, it is estimated to have increased to 12.8 million (28.7%)<sup>5</sup>.

There are five towns (Yangon, Mandalay, Mawlamyine, Patheingyi and Bago) having population over 100,000 in 1973 and has increased to 8 towns (Yangon, Mandalay, Mawlamyine, Bago, Patheingyi, Taunggyi, Sittwe and Monywa) in 1983. Yangon, the Capital City, has a population of 2.0 million in 1973 as against 2.5 million in 1983 and has grown to 3.4 million in 1995. Mandalay, the second largest city of the country, has a population of 0.4 million in 1973 to 0.5 million in 1986<sup>6</sup>.

The vital registration system provides crude birth and death rates for the urban areas and some part of the rural areas. The crude birth rate for the urban for vital registration was 34.1 per thousand population for 1974, 28.3 in 1983 and 28.1 in 1993. The crude death rates for urban for the same years are 10.5, 9.0 and 8.7 per thousand population respectively. The following table shows the Crude Birth Rate (CBR) per thousand population, Crude Death Rate (CDR) per thousand population, Infant Mortality Rate (IMR) per thousand live-births, Maternal Mortality Rate (MMR) per thousand live-births.

CBR, CDR, IMR, MMR (Urban and Rural) 1990-1996

Sr. No.	Year	CBR		CDR		IMR		MMR	
		Urban	Rural	Urban	Rural	Urban	Rural	Urban	Rural
1.	1990	28.4	30.2	8.8	9.7	47.0	48.8	1.0	1.9
2.	1991	28.5	30.4	8.9	9.8	47.3	49.2	1.0	1.8
3.	1992	28.3	30.1	8.9	9.7	47.5	49.7	1.0	1.9
4.	1993	28.1	30.0	8.7	9.9	47.4	49.8	1.0	1.8
5.	1994	N.A	N.A	N.A	N.A	47.5	49.6	1.0	1.8
6.	1995	N.A	N.A	N.A	N.A	47.3	49.7	1.0	1.8
7.	1996	N.A	N.A	N.A	N.A	47.0	48.7	0.9	1.5

Source: Central Statistical Organization.

Total Fertility Rate (TFR) for the urban Myanmar is also available from the vital registration system. The 1983 population census provided TFR of 4.7 for the whole country, 3.4 for urban and 5.2 for the rural areas. The 1991 PCFS finds the TFR of 3.5 for the whole country for 1990. It is 3.53 for the year 1993<sup>7</sup>.

Life expectancy at birth derived from 1991 PCFS for the period 1994-95 was 59.1 years for males and 62.58 years for females<sup>8</sup>.

## **IV. Social Factors**

### **1. Poverty**

As there is no indications of poverty line in the Union of Myanmar, the definition of poverty line cannot be stated here. According to the provisional data of 1996/97, economic situation of the country has improved owing to the progress of production, services and trade activities as compared to that of previous year. Hence per capital economic situation has improved. The value of net output and services of 1996/97 amounted to Kyat 70586 million with the growth rate of 5.8 per cent over the previous year resulting the enhancement of per capita economic status as follows:-

- Per capita GDP increased to K 1549 million, on increase of 3.9 per cent over the previous year.
- Per capita consumption increased to K 1149, an increase of 0.8 per cent over the previous year.
- Per capita national income increased to K 1477, an increase of 3.9 per cent over the previous year.
- GDP per worker increased to K 3929, an increase of 3.6 per cent over the previous year<sup>9</sup>.

The data on population in slum and squatter area is not available. Most of the people living in slum and squatter area are engaged in various governmental as well as private sectors. According to the prevailing system, a person who is engaged in government sector on a daily wages basis receives 20 kyats per day. Unskilled labour in private sector can get about 100 kyats to 150 kyats per day. Official rate of exchange is about 6 kyats per US\$ but the market rate is nearly 40 times inflated.

### **2. Education**

#### **(1) Adult Literacy rate**

The literacy rate in Myanmar is relatively high. According to the 1983 census, the proportion of literate women among adults is 71.3 percent and in males it is 86 percent. This has improved, and the 1991 figures shows that in women, it is 94.1 percent and in males, it is 93.9 percent<sup>10</sup>.

#### **(2) Education System**

Myanmar Education Committee (MEC) is the supreme body for educational administration. The Ministry of Education, comprising five departments, has to implement the policy and principles from MEC.

The present formal education comprises three levels: primary; lower and upper secondary (middle and high school levels); and tertiary (higher education) level. Of these three levels, primary and secondary together are known as "Basic Education". The structure of basic education is 5:4:2. A child enters the kindergarten at the age of 5 and it takes him 11 years to complete his schooling for basic education.

The current data of the institutions of higher education under the Ministry of Education comprises Arts and Science Universities, Degree Colleges (4 years); Arts and Science Colleges (2 years); Institute of Foreign Languages; Institute of Economics; Institute of Education and University of Distance Education. All the Institutes of Medicine and the Institute of Dental medicine are under the Ministry of Health. Institute of Technology and Computer Science are now under the Ministry of Science and Technology. University of Culture, University for the Development of the National Races, and Co-operative Colleges are now under the Ministry of Culture, Public Service Commission and Ministry of Cooperatives respectively. The overall structure of the Myanmar Education System is presented in the following page.

#### **(3) Gross Enrollment Ratios**

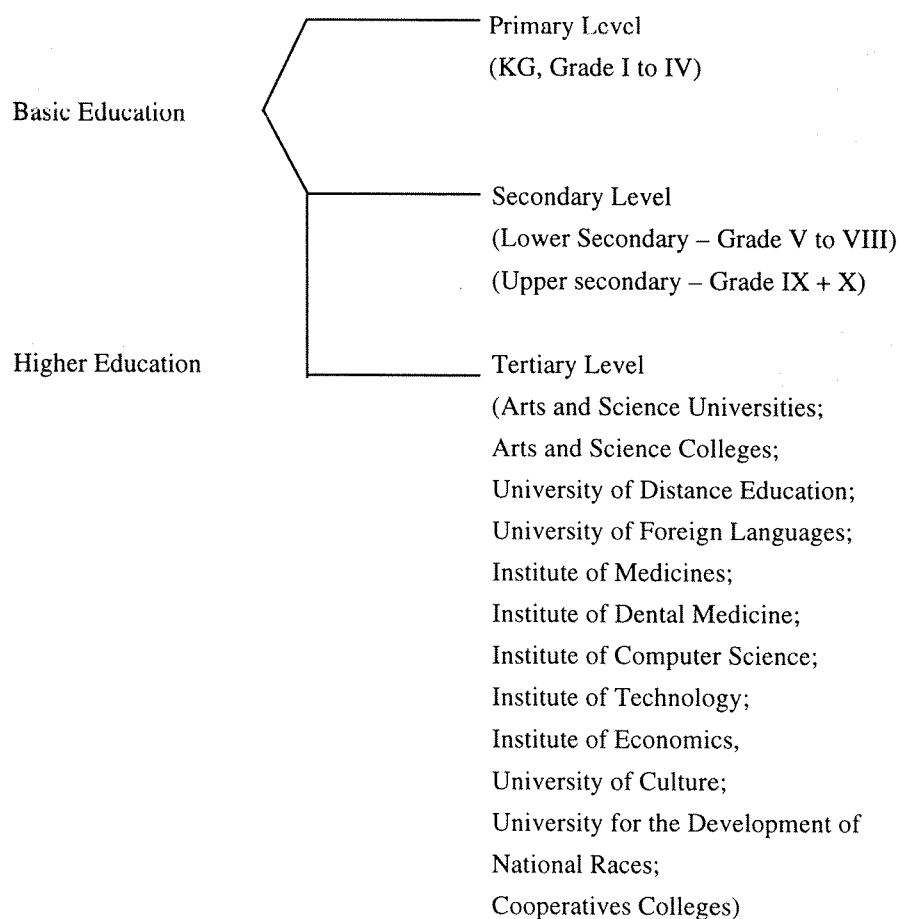
The basic education system has been quantitatively expanding in order to ensure equitable access to basic education. At present, there is on the average one primary school for every two villages in Myanmar. The following table shows the growth in number of schools, teachers and students by level at basic education for the academic year 1984-85 and 1994-95.

**Growth in Number of Schools, Teachers and Students by Level**

Level	Schools/Teachers/ Students	1984-85	1994 95	Absolute Increase	Average Annual Rate of Increase
Primary	Schools	25459	35741	10282	3.5
	Teachers	87631	158011	70380	6.1
	Students	461588	5530502	914614	1.8
Lower Secondary	Schools	1485	2058	573	3.3
	Teachers	30685	52130	21445	5.4
	Students	953863	1357946	404083	3.6
Upper Secondary	Schools	649	858	209	2.8
	Teachers	10280	15102	4822	3.9
	Students	268325	377778	109453	3.5

Source: Department of Basic Education (DBE)

The Education Structure



The table below shows the number of institutions, teachers and students for 1994-95 at higher education level.

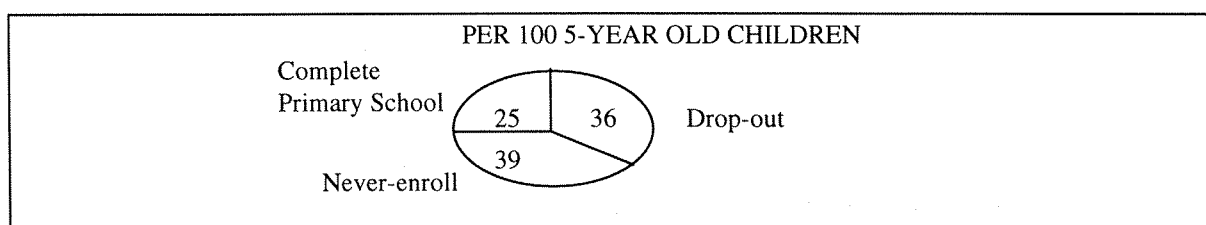
Number of Institutions, Teachers and Students (1994-95)

Sr. No.	Types	No. of Institution	No. of Teachers	No. of students	
				Under-graduate	Post-Graduate
1.	(Arts and Science)Universities	5	2773	53543	5932
2.	University of Distance Education	1	140	147519	-
3.	Degree Colleges (Arts & Science)	7	785	15915	91
4.	Two-year Colleges (Arts & Science)	10	578	8081	-
5.	Institute of Technology	2	340	5606	53
6.	Institute of Economics	1	228	4304	453
7.	Institute of Education	2	153	-	773
8.	Institute of Computer Science & Technology	1	31	303	281
9.	Institute of Foreign Languages	1	61	1191	-

Source: Department of Higher Education

#### (4) Ratios of Graduation from each Sector above

The following diagram shows the primary school enrolment, dropout and completion rate (1990).



Source DBE + UNICEF

The following table shows the Basic Education High School (Secondary Level) Completion Rate by 1995.

Basic Education High School Completion Rate by 1995

Sr. No.	Appeared	Passed	%
1.	357129	130323	36.49

Source: Myanmar Board of Examination

The data on graduation from the higher education (tertiary) level is not available.

#### (5) Total Education Expenditure

According to the data from Ministry of National Planning and Economic Development, it was shown that the expenditure spent on education was 1.3% of GDP (1994-95)<sup>11</sup>. The current expenditure for 1994-95 financial year was Kyats 4467.615 (millions). The capital expenditure for 1994-95 was Kyats 1210.171 (millions). The total expenditure was Kyats 5677.786 (millions)<sup>12</sup>.

### 3. Status of Women

The women in Myanmar take up the important roles in maternal, domestic, productive and community activities. They are looked at not only as bearers and raisers of children, but in the whole range of the inter-connected activities such as mothering, family support and community development, etc. They also represent an enormous source of human capital and technical skills in both agriculture and industry. Moreover, women in

Myanmar take the responsibility of upbringing their children. They also work for family support and also participate in the religious and social activities. They involved in as the member of "The Village/Ward Women Social Welfare Association (WSWA), Myanmar Maternal and Child Welfare Association (MMCWA), Myanmar Women Entrepreneurs Association, Union Solitary and Development Association, and Myanmar Women's Sports Federation." The following table shows the gross enrollment ratio of female students (% of total) at primary, secondary, and tertiary level of education.

Gross Enrollment Ratio of Female Students at Primary, Secondary and Tertiary Level of Education

Sr. No.	Description	Female (%of total)	Year	Source
1.	<u>Primary School Enrolment</u>			
	(a) Urban	47.8	1995	DBE
	(b) Rural	48.85	1995	DBE
2.	<u>Secondary School Enrolment</u>			
	(a) Urban	49.5	1995	DBE
	(b) Rural	48.2	1995	DBE
3.	<u>Tertiary School Enrolment</u>			
	(a) Vocational/technical institutions	40.9%	1992-93	DHE
	(b) University and Professional Courses	57.8%	1992-93	DHE

According to the Myanmar Labour Force Survey in 1990, 6.57 million females (33%) are in the labour force. The labour force participation rates by broad age groups showed that in the 15-59 years age group the percentage was 55.05 and the 60+ years age group the percentage was 17.51. The labour force participation rate among female children shown in the statistics by Department of Labour is 18.8%. This statistics may be alarming but in Myanmar not all child labour is harmful or exploitative<sup>13</sup>.

The working condition varies from one another and where wages are concerned the women can compete for the better paid jobs in formal sector on equal terms with men. All the majority of women workers are in the agriculture sectors. There are women workers in other sectors such as industry and other services. The working condition and job training varies from one another but the organized sectors give equal rights to both men and women.

#### 4. Sanitation

Access to safe water is a basic human need both for its simple survival and its healthy existence. In Myanmar, projects for water supply and sanitation are carried out by various departments and organizations. The Water Resource Utilization Department (WRUD) of Ministry of Agriculture and Irrigation is the implementing agency for major rural water supply activities, mentioned in the Safe Water Project, under Myanmar UNICEF Country Programme of Co-operation (1996-2000)-WRUD and UNICEF coordinated and set ahead targets for implementation for each year specifically, starting from 1990. WRUD achievement against the target set are mentioned in the following table<sup>14</sup>.

Sr. No.	Activities	1996 (Target)	1996 (Achievement)	1997 (Target)	1997 (1 <sup>st</sup> Qtr. Achvt.)
1.	<u>Shallow Tube Wells</u>				
	(a) Constructed	1200 TW	1674	1625	808
	(b) Hand pump Installed	1200 TW	1659	1625	788
2.	<u>Deep Tube Wells</u>				
	(a) Constructed	200 TW	228	195	71
	(b) Hand pump Installed	200 Sets	164	195	22

Sr. No.	Activities	1996 (Target)	1996 (Achievement)	1997 (Target)	1997 (1 <sup>st</sup> Qtr. Achvt.)
3.	<u>Construction of Gravity Flow System</u>				
	(a) System Completed	10	10	14	4
	(b) Construction Started	10	12	14	7
	(c) Design & Cost Estimate	10	9	14	5
	(d) Detailed Survey	10	37	Nil	Nil
	(e) Feasibility Study	10	20	Nil	Nil

At present, 12,797 million population in the rural areas and 6.399 million population in the urban areas have access to water. In the urban areas, 70.5% of population have access to sanitation facilities, while 44 % of the rural population have access to sanitation facilities<sup>15</sup>. One of the objectives of the Environmental Sanitation Project was to increase country coverage with household laterines from 36% in 1989 to 70% by 1995 in the rural areas of Myanmar<sup>16</sup>. As of 1989, only 36% of the rural population of Myanmar have reasonable human excreta disposal system. Lack of adequate sanitation and hygiene education is the main reason of communicable diseases. Therefore, arrangements are being carried out in order to perform community based health education activities, to transmit health education messages to all community members, to identify townships for Laterine Construction, to introduce Laterine use practices to households in the community and to motivate the community by health education messages for appropriate use of water and sanitation.

## 5. Health and Medical Care

The health care system in Myanmar has public, private and co-operative sectors. In the public sector, the Ministry of Health is primarily responsible for the provision of health and medical care. The Ministry of Health has adopted "Health for all by the year 2000" as the basic for the National Health Plans. In order to provide health care service for the entire population, the national health system is well organized with health care being provided by institutions at all levels. In urban areas, there are teaching hospitals, specialized hospitals, state/division hospitals, district hospitals and township hospitals. In rural areas, health care is provided by the station hospitals, rural health cares (RHC) and sub-centers. Each township has one township hospital with at least one or two station hospitals and 4 to 7 RHCs under the Jurisdiction of each hospital. Each RHC has 4 sub-centers at the village level. Health care is ensured in most areas except in the remote and far flung areas.

### (1) Daily Calories Supply per Capita

A series of surveys have shown that food consumption pattern is below or at the margin of the Recommended Daily Allowance (RDA) especially for Calories and Proteins. Encouraging results were shown in 1994 national nutrition survey which found that average daily consumption of the households were 99% of the Calories required and 110% of the protein recommended. Thirty nine per cent of families consumed enough or more Calories and 55% consumed enough or more protein. Only 26.11% of families consumed less than 80% of the RDA for Calories and 20.6% consumed less than 80% of RDA for protein<sup>17</sup>.

### (2) Population with Access to Health and Medical Care Services

The population coverage by basic health services had been improved. The ratio of health institution especially RHC to population served had also been improved. In 1994-95, the proportion of RHC to population is 1:22,000, the proportion of RHC to village served 1:44.3, villages covered by one or more basic health staff 70% respectively<sup>18</sup>.

The estimated population for the year 1995-96 is 44.7 million. There are 711 hospitals with 28165 beds. The population growth rate is 1.87%. Hospital beds per 10,000 population are 6.34 for the year 1995-96. Physician per 10,000 population is 2.84 for the year 1994-95 and 2.89 for the year 1995-96<sup>19</sup>.



### (3) Immunization

Extended programme of Immunization (EPI) was launched in Myanmar in April 1978 with the commencement of first cycle of People's Health Plan (PHP). A total of 176 townships were covered during PHP 1 and PHP II. In May 1986, six townships under EPI exerted efforts to meet the goals of UCI 1990. In November 1986, another 34 townships had carried out the UCI objectives. At the end of December 1990, 210 townships out of 320 townships were implementing UCI programme with success. In UCI programme, children under one year of age are protected against Diptheria, Pertussis, Poliomyelitis, Measles, Tetanus, and Tuberculosis by using potent vaccines kept between 0°C and +8°C<sup>20</sup>. The immunization coverage from 1990 to 1993 is shown in the following table.

Coverage of EPI Project

Sr.No.	Description	1990	1991	1992	1993
1.	Target for child under one year	856399	876288	755787	770419
2.	DPT (1)	85.7%	86.6%	94.69%	99.31%
	DPT(2)	87.7%	85.2%	90.37%	96.60%
	DPT(3)	87.6%	84.2%	86.95%	89.95%
3.	Polio(1)	85.6%	86.5%	95.20%	99.72%
	Polio(2)	88.2%	85.2%	90.28%	94.39%
	Polio(3)	88.2%	84.2%	86.67%	91.14%
4.	BCG	85.7%	87.1%	94.68%	98.11%
5.	Measles	86.4%	85.0%	83.91%	87.55%

Source: The Department of Health

### (4) HIV/AIDS Cases

HIV/AIDS is now appearing in different parts of the country. The transmission of the disease has been found mostly in persons with high risk behaviour, but it is now gradually spread into the general population. By the end of 1996, there were (14,539) detected HIV positive persons and (1,783) reported AIDS cases. Nationwide reporting of AIDS cases was introduced in 1991 and a sentinel surveillance system was begun in 1992. It has been found that HIV positive rates have been highest among the injecting drug users (65%), followed by commercial sex workers (20.5%) and male patients with sexually transmitted diseases. Although there are geographical differences with a greater prevalence of HIV/AIDS along the eastern border of the country compared to the central and the western parts<sup>21</sup>.

### (5) Malaria Cases

Malaria is a leading cause of illness, contributing 7% of total out patients attending health institutions and 20% of total in-patients admitted to the hospital. Although the disease occurs in virtually all parts of the country, the incidence is particularly high in hilly regions and in border areas. Transmission of disease is enhanced by complex population movements and effective treatment is hindered by drug resistance. The National Mosquito Control Programme has been planned and implemented throughout the country so as to combat malaria as well as other mosquito borne diseases such as Dengue Hemorrhage Fever, Filariasis and Japanese Encephalitis<sup>22</sup>.

### (6) People with Disabilities

The rate of disabled persons in Myanmar is about 3 to 5 % approximately 2.3 million<sup>23</sup>. Rehabilitative measures and basic health care for this group are all provided through the Community Based Rehabilitation Programme.

## (7) Traditional Medical Treatment

In Myanmar, majority of population especially in the rural area is using traditional medicine. The Traditional Medicine Law was enacted in 1996 so as to fulfill the needs of the population and to prevent unwanted side effects of the traditional medicines. The Department of Traditional Medicine under the Ministry of Health is responsible for the organization and management of the traditional medicine hospitals and clinics.

### Public Expenditure on Health

The health expenditure for the Department of Health is allocated under three main headings namely primary health care (rural health, station health, maternal and child health, school health, control of communicable diseases, nutrition and sanitation), secondary health care and tertiary health care. Sixty eight per cent of the health expenditure is spent on primary health care. The health expenditure is 0.5% of GDP. Per capita expenditure on health is US\$8 for the year 1994-95<sup>24</sup>.

## 6. Child and Maternal Health

In cities and towns maternal and child health care is delivered through urban health centres, maternal and child health centers and school teams. In rural areas, RHCs and sub-centers provide primary health care including maternal and child health. Birth spacing programme has also been developed as an important strategy to improve the health status of maternal and child health. IMR and MMR for 100,000 live-births have been already mentioned in Chapter 3.

There are two methods of child delivery in Myanmar: births attended by trained health personnel and births attended by traditional birth attendants, as shown in the following table.

Statement showing live-births by attendant at birth (1990-1996)

Sr. No.	Year	Births attended by trained health personnel(%)		Births attended by traditional birth attendant (%)	
		Urban	Rural	Urban	Rural
1.	1990	50.8	N.A	6.5	N.A
2.	1991	50.4	N.A	5.8	N.A
3.	1992	51.8	N.A	7.6	N.A
4.	1993	51.3	N.A	6.9	N.A
5.	1994	51.8	N.A	5.4	N.A
6.	1995	52.3	N.A	3.9	N.A
7.	1996	52.6	N.A	2.7	N.A

Source: Central Statistical Organization

## V. Concluding Remarks

With the aim for emergence of peaceful, modern and developed nation, the State Law and Order Restoration Council, the highest level of administrative body in the Union of Myanmar has been concentrating on tranquillity and enforcement of law and order while systematically implementing national plans of actions for raising the living standard of the people of Myanmar. As indicated by the available data it is evident that systematic gender disaggregated statistics is needed to reflect the status of people living in Myanmar.

It is found that efforts to promote human development must be undertaken not only by the governmental sector but the active participation of the community and non-governmental organizations are also essential.

Due to the geographical situation, difficulties in transportation and the wounds inflicted by post independence insurgency, Myanmar's border areas were isolated from the other regions of the country and lagged behind in all areas of development including economic and social. To alleviate the situation, the State

Law and Order Restoration Council has laid down such national objectives as non-disintegration of the Union, non-disintegration of national unity, and the consolidation of national sovereignty. For the implementation of these tasks the Central Committee for the Development of Border Areas and National Races was formed on the 25<sup>th</sup> of May 1989. To successfully implement the development projects of border areas and to make them more effective, an Implementation Work Committee for the Development of Border Areas and National Races was formed on 31<sup>st</sup> May 1989, and to carry out systematically the policies and directives of the Central Committee and the Work Committee, Working Sub-committees for the development of Border Areas and National Races with Deputy Ministers from various Ministries acting as chairmen were formed on 31<sup>st</sup> May 1989, and Regional Work Committees with the Military Command Commanders and Regional Supervision Command Commanders and Military Operations Chiefs acting as chairmen were formed on 13<sup>th</sup> June 1989. The respective committees raised the momentum in the border areas development activities.

To implement the development tasks more efficiently, the Ministry of Progress of Border Areas and National Races was established on 24<sup>th</sup> September 1992. To implement the rural and urban development activities in addition to that of the border areas, the Ministry was reconstituted as the Ministry of Progress of Border Areas and National Races and Development Affairs on 30<sup>th</sup> January 1994. The government has carried out development tasks for the border areas since 1989-90 and the indigenous armed groups, realizing the true cetana (good will) of the government are returning to the legal fold and working hand in hand with the government for regional development.

The State Law and Order Restoration Council puts great emphasis on the implementation of projects for the development of border areas since they are the life blood of national consolidation. From fiscal 1989-90 to 1995-96 a total of 3,731.09 million kyats has been spent for the socio-economic infrastructure and for economic activities. Out of the total investment, 27.7% was allotted to the construction of roads and bridges; 8.45% to agriculture; 5.37% to education and 4.11% to health and the beneficial effects can already be seen in the border areas.

It is hoped that this report on the situation of Human Development of the Union of Myanmar will serve as a source of information about the status of people in Myanmar.

As a peaceful, prosperous, modern developed nation, Myanmar will take her place in the region as well as in the world to participate in international cooperation for the welfare of herself, of the region and of the world.

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# Mongolia

## I. Characteristics of the land and general economic condition

Mongolia is a country situated in Central Asia. The country is located at the altitude of 1,600 meters and has a continental climate that has four distinct seasons. The country borders Russia in the north and China in all other directions, and has a topography comprised of mountains and deserts.

Economic development in Mongolia is hindered by its severe climate, dispersed population and large proportion of unproductive land. While traditional economic activities have been agriculture and cattle breeding, various mineral riches have been developed with support from the former Soviet Union. At one point, economic assistance from the former Soviet Union accounted for 30% of Mongolia's GDP.

Today, the main industries in Mongolia include mining, cattle breeding based on nomad and light industry centering around animal processing. The Mongolian economy, which had been founded on economic assistance from the former Soviet Union and COMECON's intraregional work-sharing system, was continuing a stable economic growth of 5 to 6%. Following the disintegration of the former Soviet Union, however, economic assistance from the hegemony was discontinued in 1991 and the trading system fell apart after the dissolution of the COMECON mechanism in June 1991. Under these circumstances, the country is seeking to make a transition from socialist economy to capitalist economy under the guidance of IMF and the World Bank. However, deterioration of economic situation was inevitable and gave serious impact on people's livelihood in general not to mention its impact on the industry. In particular, the economy has turned to negative growth since 1990 and gave rise to social problems such as unemployment, crime and poverty.

Although the economy has shown some recovery since then, GNP per capita in 1995 amounted to only US\$310 and the annual average growth rate of GNP from 1985 to 1995 was -3.8%. Furthermore, annual average inflation rate during the same period was 51.6%, which means that the sluggish economy is not even capable of supporting national life.

## II. National development plan

Democratization in Mongolia started in 1990 when the single party dominance by the Mongolian People's Revolution Party collapsed after coming into existence in 1921. Nationalism emerged as a result and led to renewed recognition of Genghis Khan and reuse of Mongolian character to replace Russian alphabet (Cyrillic alphabet).

In Mongolia, national economic plan had been prepared under the guidance of the Economic Council since 1940. In addition, 5-year plans have been prepared between 1948 and 1990 based on the long-term plan that was agreed with the former Soviet Union. After the new administration came into power in 1990, the Eighth 5-Year Plan came to a dead end and was not able to produce its final report. Then the planned Ninth 5-Year Plan was canceled. Meanwhile, the Economic Reform Programme was implemented between 1991 and 1993 and was succeeded by the Management Development Programme which was started in 1994 and will continue until 2000.

In the Economic Reform Programme implemented from 1991 to 1993, goals such as balancing of the government budget, liberalization of prices, liberalization of commerce and trade and privatization of national enterprises were set. However, economic effects were not generated partially because of the ambiguity of the program targets and the GDP growth rate remained at the low level of -9.2% in 1991, -9.5% in 1992 and -3.0%

in 1993.

The following six items were set forth in the Management Development Programme which started in 1994.

- 1) Administrative reform and awareness reform of public officers
- 2) Advancement of decentralization and strengthening of local government
- 3) Privatization of national enterprises and restructuring of privatized companies
- 4) Promotion of the private sector
- 5) Fostering of management personnel and strengthening of management education
- 6) Strengthening of authority for the Prime Minister's Office

Despite these efforts that are made in the area of realizing financial reconstruction, making the transition to market economy and building a new nation, many difficulties appear to lie in the future of this country.

### III. Population

Mongolia, with a population of 2.35 million as of 1996, is not a country with large population. It is therefore placed at disadvantage in terms of human resources, and the government had adopted a population increase policy since the 1960s. In concrete terms, the government has taken measures such as giving tax break privilege to parents after childbirth and creating a recognition system for teeming mothers. However, deterioration of economic situation is exerting strong influence on the household economy and the number of households that are trying to reduce the number of their children to reduce economic burden is increasing. This trend became particularly conspicuous in 1992 and the birth rate has been dropping rapidly. However, the birth rate still remains at high level compared to other countries and, combined with lowering mortality rate, has contributed to population increase.

Incidentally, the trend of decreasing infant mortality rate and increasing average life expectancy continues largely as a result of improvement in health and hygiene.

Table 1 Status of Population

Item	1990	1991	1992	1993	1994	1995	1996
Population (thousand)	2,048	2,103	2,155	2,200	2,243	2,313	2,347
Population increase rate (%)	2.56	2.69	2.47	2.09	1.95	3.12	1.47
Age structure (%) Age 0-4	16.5	15.8	15.4	14.8	13.4	11.6	11.5
Age 5-9	14.5	13.5	13.7	13.9	14.1	14.2	14.1
Age 10-19	23.3	23.1	23.1	23.0	22.9	23.2	23.2
Age 20-39	29.6	30.0	30.5	31.0	32.2	33.4	33.5
Age 40 and above	16.1	17.6	17.3	18.1	17.4	17.6	17.7
Birth rate (0/00)	35.6	32.9	28.9	22.9	24.1	23.6	22.1
Mortality rate (0/00)	7.9	3.1	7.9	7.5	6.9	7.0	6.6
Infant mortality rate	63.4	62.2	59.8	57.4	46.3	44.6	40.5
Average life expectancy							
Male	60.3	---	60.7	---	---	62.1	63.6
Female	66.1	---	64.9	---	---	65.4	67.7

Source: JICWELS "The 7th Study Programme for the Asian Social Insurance Administrators" 1997

## IV. Poverty

The transition from socialist economy to open market economy is exerting various kinds of influence on national life. Under the socialist regime, people were able to purchase their daily necessities at certain prices because the prices were controlled. Under the open market system, however, prices are occasionally determined by the supply-demand balance and may cause prices to skyrocket and hit people's lives directly. In such cases, the disparity of income (generation of poverty) that has been created under the open market may give rise to problems.

For instance, according to a survey implemented in 1994 (Poverty and the Transition to Market Economy in Mongolia), there are 587,282 people (26.5% of total population) living in poverty. Among them, 137,423 persons (6.2%) responded they were "very poor," and 449,859 persons (26.5%) considered themselves to be "poor." In addition, among the 81,575 households that were living in poverty, 15.7% had 8 or more family members, 33.0% had 6 to 8 family members, 44.2% had 2 to 5 family members and 7.1% 1 family member. (Source: "Technical Information Datasheet on the Developing Countries: Mongolia, 1996, Japan International Cooperation Agency)

Moreover, in the 4th public opinion poll that was conducted in the capital city of Ulan Bator by the Mongolian Institute of Science, Philosophy and Sociology, 15.3% of the respondents said that they could live on their weekly income until their next payday while the remaining 84.7% responded that their weekly wage was less than their weekly living expenses. The poll also revealed that 55.7% of households in Ulan Bator were in debt, that 61.4% of the respondents can only afford to have soup for dinner and that 20% of all households live without central heating. (Source: UNDP "Mongolia Update," 1995)

Thus, the changes in the economic system are exerting all kinds of influence on people's lives and the problem of poverty is becoming actualized.

## V. Employment and unemployment

Table 2 shows the status of employment. It was believed that unemployment did not exist in Mongolia under the socialist regime. However, unemployment was actualized, i.e. unemployment rate rose from 3.8% in 1989 to 5.5% in the following year and to 8.5% in 1993. In addition to the fact that unemployment was created by the collapse of the socialist regime, one must not overlook the aspect of latent unemployment under the socialist regime becoming actualized.

Faced with such serious situation, the Mongolian Government is aiming to create job opportunities for 40,000 people by setting the primary social policy target on increasing employment.

Table 2 Status of employment (unit: thousand persons)

Item	1989	1990	1991	1992	1993
Labor population	794.1	829.3	851.1	860.0	844.7
Number of employed persons	764.1	783.6	795.7	806.0	772.8
Number of unemployed persons	30.0	45.7	55.4	54.0	71.9
Female unemployed persons	---	---	31.3	28.9	38.4
Unemployment rate (%)	3.8	5.5	6.5	6.3	8.5

Source: International Cooperation Promotion Association "Mongolia: Second Edition" 1995

## VI. Education

Mongolia had been investing a large portion of its government budget in the education sector during the socialist regime. For instance, since school education was offered free of charge and its expenses were borne by the government budget, 25% of national budget or 14% of GDP (as of 1990) was allotted to education. Education policy was centered on literacy education of the Mongolian language and the school attendance rate for primary education in particular had already reached the near-100% level during the 1980s (school attendance rate was 98% for primary schools, 85% for junior secondary schools and 15% for senior secondary schools). This has resulted in an extremely high literacy rate—as high as 96% in 1989.

However, cutback of budget allocation for education became inevitable as the public finance became hard-pressed after the reform of the economic system. This has led to measures such as reduction of school staff other than teachers, partial charge for food at kindergartens and boarding schools, cutback on clothing subsidy for boarding school students and charging of tuition at universities, reducing the percentage of education budget in the national budget and GDP to 15% and 3.8%, respectively. Such budget shortage resulted in lowering of education standard not to mention shortage of school buildings and teaching materials.

Table 3 Changes in number of school attendants (unit: thousand persons)

Type of school	FY 1989	FY 1990	FY 1991	FY 1992	FY 1993
Primary school	165.4	166.3	154.6	144.4	142.1
Junior secondary school	240.8	233.0	219.5	206.1	195.1
Senior secondary school	40.5	41.6	37.6	33.5	33.1
Vocational school	34.1	29.1	19.3	11.5	8.3
Professional school	20.5	18.5	15.8	10.9	5.8
University	19.5	17.3	17.5	17.5	24.2
Adult education body	16.3	10.4	3.2	2.8	0.8

According to government statistics data of 1993

Table 3 shows the condition of school attendants from 1989 to 1993. According to this data, the number of school attendants has gone down in all educational institutions except university since 1991. This was caused by the increase in number of primary and junior secondary school students that are not attending school and declining number of students moving on to senior secondary school onward. Such phenomena concerning students, in turn, were caused by discontinuation of free education and participation of young students in the labor market following the changes in the market mechanism, indicating the existence of increased destitution of national life in the background. And this destitution of national life is creating social problems such as child labor.

## VII. Housing

Mongolia has traditionally been a country of nomadic tribes where portable dwelling called “ger” was the main form of residence. A ger can be set up by simply assembling wooden frames and covering the structure with wool felt. As of 1993, 60% of the people were living in gers.

Gers, which are normally built on prairies, started spring up in cities to make up for shortage of apartments, creating a mixed existence of modern apartment buildings and traditional gers in urban areas. A concern exists over the possibility of areas that are presently used for setting up gers turning into slums.



## **VIII. Health and medical care**

Health and medical care in Mongolia had been planned and administered under a centralized system for more than 40 years. Its fundamental policy lied in offering free health and medical care to all the people and this policy had been realized under the socialist administration.

However, this national health and medical care system was thrown into confusion after the collapse of the socialist regime in 1990. For this reason, the government laid down the guidelines for health and medical care policy in 1991 in an effort to improve the country's health and medical care.

- Place emphasis on preventive medicine while seeking improvement of treatment skills
- Seek improvement of health and medical care in local regions
- Strengthen maternal and child health activities while lowering infant and maternal mortality rate
- Lower the occurrence of infectious diseases
- Implement AIDS prevention
- Produce medicine domestically
- Prevent occurrence of mentally disabled children
- Seek development of health promotion movement, permeation of family planning and improvement of diet
- Make preparations aiming for introduction of health insurance (medical insurance)

Thus the guidelines have been prepared and the efforts are being made towards their implementation. Among them, the health insurance system, which was realized through the Health Insurance Law enacted in July 1993, has a high subscription rate and is subscribed by 93% to 96% of employed persons.

Despite the inclusion of "improvement of health and medical care in local regions" in the foregoing guidelines, improvement of health and medical care in urban areas is also desired because its standard is not necessarily high.

## **IX. Environmental issues**

Mongolia has historically been interested in environmental conservation. However, this stance has been greatly affected by the reform of the system. Although the government has expressed interest in environmental conservation, budgetary measures have not been taken for this purpose. As a result, most conservation districts even lack the funds for carrying out their research concerning environmental conservation.

Moreover, despite the existence of the Underground Resource Protection Law and the Air Pollution Control Law among the current legislation concerning environmental measures, there are problems such as companies not observing the rules, the regulatory standard being too lenient and sanctions against violators being overly generous.

## **X. Social security and welfare**

The social security system of Mongolia that had been implemented until the beginning of the 1990s included offering free medical care in the same manner as education as well as assistance required in the event a person becomes incompetent to work, becomes disabled, gives birth and retires from work. However, such social security under the former regime not only placed economic burden on the government but deprived the spirit of self-help from the people. Because of these inherent problems, the social security system was forced

to change dramatically along with the reform of the system.

Thus the new legal system of fundamental social security was established in 1994. The new system has been founded on “social insurance” and “social assistance.” Social insurance consists of pension, allowance, health insurance, worker’s disability insurance and unemployment insurance. Incidentally, “allowance” includes old-age allowance, disability allowance and widow’s allowance.

Mongolia’s new Social Welfare Law was adopted in 1991. Although this law has been expanded in terms of framework and extent of security from the previous law, it is not necessarily complete when rising prices and fluctuation of foreign exchange are taken into consideration.

## **XI. Conclusion**

Mongolia is placed in the middle of change in two ways. One is the change accompanying the transition from the socialist economy to the capitalist/open market economy. The other is the change of modernization or urbanization. In other words, the country is being swallowed by the wave of modernization that washes up as a result of being part of the international community. Furthermore, Mongolia is economically under the control of IMF and the World Bank and placed under their structural adjustment policy. Therefore, current emphasis is on the economic policy.

However, movements with emphasis on social development are springing up, and system improvement of social security and social welfare is gradually being carried out. The challenge for the future policy lies in positioning of social development and its substantiation in the process of economic development. The success of social development in Mongolia can therefore become a model for the developing countries, particularly for the former socialist countries that are trying to make the transition to market economy.

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# Fiji

Outlined below are some human development indicators for Fiji, regarding the status of its economy and labour issues.

## I. Economic Indicators

I. <u>Economy</u>	1992	1993	1994	1995
<u>Gross Domestic Product (GDP)</u>				
Total GDP at Current Factor Cost (F\$m)	2,019.0	2,170.7	2,268.9	2,351.3
(US\$m)	1,445	1,553	1,623	1,682
GDP at 1989 Constant Prices	1,666.9	1,705.2	1,770.0	1,795.6
<u>Per Capita GDP (\$)</u>				
At Current Factor Cost	2,861.3	2,837.5	2,912.6	2,961.3
At 1989 Constant Prices	2,213.7	2,229.0	2,272.1	2,261.5
(US\$)	1,584	1,595	1,626	1,618
<u>Annual Growth Rates of GDP &amp; GNP</u>				
Real GDP Growth Rates	4.7%	2.3%	3.8%	1.4%
<u>Industrial Structure</u>				
<u>% of GDP</u>				
Agricultural Production	20.3%	20.0%	21.1%	20.9%
Industrial Production	48.0%	51.9%	52.4%	58.8%
Services	27.8%	27.3%	25.7%	25.3%
<u>Consumption as % of GDP (F\$m)</u>				
Private	2,029	2,203	2,286	
Government	1,580.0	1,689.0	1,786.0	
	449.0	514.0	500.0	
<u>Gross Domestic Investment (F\$m)</u>				
Balance of Trade (Exports and Imports)	311	384	369	
	+57	-61	+11	
GDP at Market Prices (F\$m)	2,377	2,540	2,666	
Net Indirect Taxes (F\$m)	283	320	335	
GDP at Factor Costs (F\$m)	2,094	2,220	2,331	
<u>Gross Domestic Savings (F\$m)</u>				
	402	363	423	
% of GDP	16.9%	14.3%	15.9%	
<u>Tax Revenue (F\$m)</u>				
	482.6	527.6	555.3	
% of GDP	23.1%	23.8%	24.3%	
<u>Central Government Expend (F\$m)</u>				
	723.4	818.7	801.7	
% of GDP	34.5%	36.9%	34.4%	
<u>Exports (F\$m)</u>				
	445.0	449.1	544.4	
% of GDP	22.0%	20.7%	24.0%	
<u>Imports (F\$m)</u>				
	630.1	719.8%	829.5	
% of GDP	31.2%	33.2%	36.6%	
<u>Inflation rates</u>				
	4.9%	5.2%	0.8%	

(Source : 1997 Fiji Budget Supplement, 1996 Reserve Bank Report, 1995 World Bank Report)

## II. Employment Indicators

II. <u>Employment Statistics</u>				
(a) Paid Employment	1992	1993	1994	/
<u>Sectors:</u>				
Agriculture	2,200	2,000	2,300	
Industry	33,800	34,900	35,200	
Services	56,300	57,400	57,800	
<u>Total:</u>	92,300	94,300	95,300	
(b) Population, Labour Force and Employment	1992	1993	1994	1995
Population	758,000	771,000	784,000	790,000
Labour Force	264,000	269,000	272,000	276,000
Employment	249,000	253,000	256,000	260,000
Unemployment	15,000	16,000	16,000	16,000
Unemployment Rates (%)	5.4	5.9	5.9	5.8

Source : 1997 Budget Supplement

## III. Human and Social Development Issues:

This section of the paper discusses pertinent social and human development issues/situation, with particular reference to Fiji.

The social/human development issues to be discussed in detail include:

1. The Population and general characteristics of the country – Fiji
2. The Employment/Unemployment situation
3. Poverty
4. Women in Development
5. Youth
6. Crime
7. Education
8. Housing
9. Health
10. Environment
11. Sanitation and Sewerage and Waste Disposal

### 1. Fiji - population and general characteristics

The first indigenous inhabitants of the Fiji Islands arrived about 4,000 years ago. The social and political organisation that evolved was based on ties of kinship, the emergence of a chiefly hierarchy and the people's sense of identification with the vanua (land). For most Fijians, as for other indigenous peoples in the Pacific, all three elements remain a strong motivating force.

Christian missionaries first arrived in 1835. Fijians soon afterwards embraced the gospel teachings. Most Fijians are Methodists, but other denominations also have their adherents. Other great spiritual traditions of the world, Hinduism and Islam, are also present in Fiji.

By the mid-nineteenth century, Fiji was beset by struggles for power among leading chiefs and by the impact of European traders and settlers. In their wake came the colonial powers vying for influence and territory. These pressures eventually led Cakobau, as Tui Viti, to cede Fiji to Her Majesty Queen Victoria and her successors on 10 October 1874.

The Deed of Cession recited that Cakobau and other high chiefs were "desirous of securing the promotion of civilisation and christianity and of increasing trade and industry within the islands. Accordingly, relying upon the justice and generosity of Her Majesty, they agreed to cede to Queen Victoria the possession of and full sovereignty and dominion over the Fiji Islands. In return, Her Majesty promised, among other things, that the rights and interests of the Tui Viti and other high chiefs shall be recognised so far as is and shall be consistent with British sovereignty and Colonial form of Government.

The first resident colonial Governor, Sir Arthur Gordon, came to Fiji in 1875, after service in Trinidad and Mauritius, where the sugar plantations were worked by Indian indentured labourers. Gordon persuaded the Australia-based Colonial Sugar Refining Company to extend its operations to Fiji. In May 1879, the first group of indentured workers arrived from India to work on its plantations.

They and those who followed them were a diverse group comprising people of different religions and social levels, coming first from North India and later from South India. They called themselves the 'girmitiya', after the agreement, which bound them to indentured service. Under its terms, they became free labourers after five years' service. Later they were joined in Fiji by a small number of free immigrants from the states of Punjab and Gujarat.

The humanitarian objections to the importation of indentured labourers led to the cessation of the system in 1916. The last of those already in Fiji were freed in 1920. The immigrants from the Indian sub-continent were British subjects. They were recognised by the British government as having the right to make their permanent homes in Fiji, as in other colonies.

After Cession, other Europeans came to Fiji to settle or to work for the Colonial administration and the various companies, which established themselves in the new colony. A number of Chinese arrived to establish agricultural and commercial ventures. During the period of colonial administration the people of Banaba and some from Tuvalu were re-settled in Fiji. Other Pacific Islanders were also attracted by Fiji's relative prosperity. Some of these people made their permanent homes in Fiji. Many intermarried. Their descendants, together with more recent immigrants from all over the world, make up what has come to be recognised as Fiji's third community. After the Indenture system was abolished, many Indians stayed on as independent farmers and businessmen. Today, they comprise 43.6% of the population.

In this way were sown the seeds of Fiji's multiracial and multicultural society. Even within Fiji's two main communities, people are not as homogeneous as the above short account might suggest. There is a preference for the use of the term "multi-ethnic society" to describe the many strands making up the fabric of Fiji's present-day population.

## **(1) Population**

A total of 772,655 residents were counted in Fiji on census night - 25 August 1996. This excludes visitors in Fiji and citizens and residents who were out of the country on the census night. There were 358,131 persons in the urban areas and 414,524 persons in the rural areas. Of the total, 394,999 were Fijians (51.1%), 336,579 were Indians (43.6%) and 41,077 classified as others (5.3%).

Compared with the 1986 Census, there was a net increase of 57,280 persons during the 1996 Census. Fijian numbers had increased by 65,694 persons; Indian numbers registered a decrease of 12,125 persons as a result of high international emigration, and lower rate of natural increase. The net population loss of Indians through emigration between Censuses, were estimated at 58,300 persons. The number of other component increased by 3,711 persons. The annual average growth rate between the last Censuses was 0.8%. Of Fiji's current population, more than 60% live in the rural areas. Population for Urban Centres - about 167,421 people lives in Suva, Lautoka-42,917, Nadi-30,791, Ba-14,596, Labasa-24,187, Sigatoka-7,940, Levuka-3,745 and Nausori-21,645.

Population projections show the following trends:

- continued growth in the population, but at a low rate;
- growth in the labour supply;
- an increase in the population share of indigenous Fijians;
- a slowing in the growth of the school age population;
- an increase in the average age of the population.

Among the Pacific Island countries, Fiji is well placed, both socially and economically. Its advantages include:

- a comparatively large population and territory;
- an equable climate, except for occasional cyclones or droughts;
- abundant natural resources and exceptional scenic beauty;
- a well-educated, friendly population, including a workforce with a wide range of professional and trade skills;
- an entrepreneurial class;
- health standards that have shown a significant improvement over time;
- a good physical infrastructure; and
- a position at the hub of Pacific Islands' transports routes, tourism and commercial activity.

## **(2) Geographical location**

Fiji lies in the heart of the Pacific Ocean midway between the Equator and the South Pole, and between longitudes 175 degree east and 178 degrees west and latitudes 15 degrees and 22 degrees south. It is made up of about 330 islands of which about one-third are inhabited. Fiji's total land area is 18,333 square kilometers. There are two major islands - Viti Levu which is 10,429 square kilometers and Vanua Levu 5,556 square kilometers. Other main islands are Taveuni (470 sq km), Kadavu (411 sq km), Gau (140 sq km), and Koro (104 sq km).

Eighty three percent of the above land is owned by indigenous Fijians and the remaining 17 percent are owned by the State. Rotumans and individuals. Only 16% of Fiji's landmass is suitable for agriculture and are found mainly along coastal plains, river deltas and valleys. The capital is Suva and it is one of the two cities in Fiji. The other city is Lautoka, both of which are located on the island of Viti Levu.

## **(3) Climate**

Fiji enjoys a tropical South Sea maritime climate. The islands lie in an area, which is occasionally traversed by tropical cyclones, and mostly confined between the months of November to April every year. At all seasons, the predominant winds over Fiji are the Trade Winds from the east to southeast. On the western and eastern sides of Viti and Vanua Levu however, daytime breezes blow in across the coast. In general, the winds over Fiji are light or moderate, the most persistent being in the period July - December.

Temperatures average 22 degrees celsius for the cooler months (May to October) while summer (November to April) temperatures are higher with heavy downpour. Although rainfall is highly variable, the average rainfall increases steadily inland from coastal areas. It usually increases between December - April, especially over the larger islands, but in May - October it is often deficient, particularly in the dry zone on the western and northern sides of the main islands.

## **(4) Flora/Fauna**

Fiji's flora and fauna are relatively few in number but are of exceptional scientific interest because of the higher proportion of endemic forms - i.e. those found no where else in the world. Ten percent of the 476 indigenous Fijian plant species identified are endemic. Fiji also has a few rare reptiles and birds. Notable of this, is the Crested Iguana, found only in some parts of Fiji namely in Bua and the Yasawas. Other rare species include the Fiji burrowing snake, Fiji petrel, the pink billed parrot finch, the red throat lorikeet and the long legged warbler.

## **(5) Religion**

A multi-racial, multi-cultural nation, Fiji is represented by all the major religions of the world. This is obvious when one sees Christian churches, Mosques, Sikh and Hindu temples in towns and the countryside. More than half of Fiji's population are Christians (52.9%), Hindu (8.1%), Muslim (7.8%), Sikhs (0.7%), Others (0.1%) and those with no religion (0.4%).

## **(6) Race relations**

Race relations in Fiji are generally harmonious. The country's 1997 Constitution (Amendment) Act, acknowledges the uniquely multi-ethnic nature of the Fijian society; and guarantees and promotes racial equality. It is unlawful to discriminate on the grounds of colour, race, ethnicity, and gender and, it is an offence to incite racial disharmony.

## **(7) Language**

English is the national (official) language, but Fijian and Hindi are also taught in schools as part of the school curriculum. Both, Indians and indigenous Fijians have and speak distinctive dialects.

## **2. The employment/unemployment situation in the pacific region and Fiji**

The creation of productive employment and income earning opportunities is emerging as one of the major human development issues and challenges facing the Pacific Island Countries (PICs). Both the Pacific Human Development Report (PHDR) and the Suva Declaration, identified the creation of employment and income generating opportunities as one of the key issues of Sustainable Human Development (SHD) in the PICs. Promoting full and productive employment and the reduction of unemployment was also one of the key commitments and components of the programme of action that resulted from the World Summit on Social Development (WSSD). The creation of sufficient employment opportunities for a sustainable livelihood is a particularly challenging one in the PICs, given their growing populations, limited resources and isolation from metropolitan markets.

The challenge to expand productive employment and reduce unemployment confronts not only the PICs, but also the other developing countries alike. In most regions of the world, there is now such an acute shortage of jobs that high unemployment and underemployment may become a permanent feature of the modern economy, thus widening and deepening poverty and undermining social stability. In the Pacific region, with limited land resources, isolation and young growing populations, the PICs have an unenviable and daunting task of ensuring adequate household production and personal incomes for the improvement of living standards and the quality of life for all their people. The major issue confronting the countries is how they can create new jobs and ensure that the jobs are not only plentiful, but also productive and satisfying for everyone.

The size of the employment challenge facing the PICs is clearly evident from the documented sources. It is clear that the number of people needing jobs is much greater than the number of jobs that are likely to be available in the formal sector. The mismatch between the supply of workers and the number of jobs exists in all PICs, but is particularly great in PNG, the Solomon Islands and Fiji.

The Suva Declaration on SHD in the Pacific, adopted by Pacific Ministers of Planning and endorsed by the 1994 South Pacific Forum emphasises the need to expand employment and livelihood opportunities and enhance the productivity of the rural and subsistence sectors.

The need to generate employment opportunities for sustainable livelihoods in the formal, informal and subsistence sectors of the economies has been reinforced at numerous national summits e.g. Fiji's National Economic Summit (1995). Without job creation, SHD is unattainable. SHD emphasises the generation of equitable economic growth, growth that regenerates rather than destroys the environment, growth that empowers

people and gives priority to the poor, and growth that enlarges people's choices and opportunities.

With young and growing populations, some of them increasing rapidly at 3 - 4% annually, and generally poor economic performance in the last decade, most PICs have not been able to generate sufficient employment opportunities for their people. For instance, it has been estimated that in 1991, formal employment could only provide 370,000 job opportunities for the 1.8 million economically active labour force in the PICs. This situation is not likely to improve substantially in the foreseeable future. Based on current job creation rates and projected growth in the labour force, formal wage employment will, for instance, absorb only 3% of the annual increase in the labour force in PNG, 11% in Solomon Islands and 21% in Fiji. The remaining labour force will look towards the informal and subsistence sectors for their livelihood or become unemployed and, in the absence of social networks, depend on the extended families for support, many of whom may not have sufficient income to meet their own basic needs.

National development strategies of PICs to date have primarily been concentrating on the objective of economic growth. Employment generation has often been a secondary consideration to that of GDP growth. Traditional employment policies have tended more towards labour administration and wage employment in the formal sector. The implied assumption has been that the informal and subsistence sectors are able and will continue to absorb and provide for the livelihoods of the rest of the people to meet household needs of production for own consumption and cash incomes. The PICs have however, increasingly realised that providing employment, income-generating and household production opportunities is an important and primary policy objective for the improvement in the quality of life and well being of their people. They have recognised the major task of providing productive employment and sustainable livelihood that is incumbent on the informal and subsistence sectors of their island economies.

Unemployment, especially in the urban areas is increasing in the PICs e.g. the rate of unemployment in Fiji was about 15,000 people in 1993. Sustained unemployment and underemployment provide the foundation for the creation of abject poverty in the absence of social security or other safety networks provided by extended families. The generation of employment and sustainable livelihood for the rapidly increasing numbers of young people entering the labour force is a major policy and strategic planning issue for the PICs. This issue as stated previously, was endorsed in the Suva Declaration.

### **(1) Findings of the Fiji National Economic Summit Sub-Committee on Employment Creation (May 1995)**

Among the most important challenges facing the National Economic Summit (Fiji 1995) was the task of identifying strategies on how Fiji can generate new employment and income opportunities and reduce underemployment and unemployment. The urgent need to create employment opportunities is underscored by the higher rate of labour force growth than population growth, resulting from a period when fertility was much higher than today, and from recent increases in the rate of female labour force participation. Recent slow economic growth and consequent retarded growth in job opportunities, particularly in the public sector, have forced many frustrated school-leavers into marginal activities in small-scale agriculture and the urban informal economy.

Fiji's population is relatively young, with 35% of the total less than 14 years of age, and the total annual population growth rate is 1.4%. A mid-range projection suggests that the total population could reach 860,000 by the end of this century, an increase of almost 20% over the decade. The outcome will depend on the scale of out-migration, which will be partly a function of the future performance of the economy. On the other hand, the labour force grew at a minimum annual average rate of 1.5% between 1988-92, below the long-term trend, largely because of significant out-migration. As female labour force participation rates continue to rise and out-migration slow down, the rate of labour force growth is expected to increase and return to its higher long-term



trend. By the end of the century the labour force could be growing at a rate of 3% per annum, or by 10,000 prospective job seekers.

Meanwhile, paid employment, which is responsible for only about one-third of all those in the labour force, has been expanding by only about 2000 new jobs each year, less than one-quarter of the current net additions to the labour force. The fundamental policy issue is: How can the economy generate almost 9,000 new employment opportunities each year to satisfy the aspirations of an increasingly educated crop of school leavers ?

In general, Fiji must build on those economic activities in which it has a comparative advantage for the future. Realistically its advantage lies in small-scale agriculture and tourism. Both have the potential to generate strong multiplier effects to the rest of the economy. They need the support of the public service and construction sector which also have strong linkage effects. Employment policy must be primarily concerned with the key strategic sectors - small scale agriculture and tourism.

The following are some of the propositions which, identify certain key initiatives which can contribute to remedying some of the constraints on the expansion of employment opportunities:

- Create a conducive environment by reducing perceptions of risk and uncertainty e.g. expiring ALTA leases;
- Place "skills upgrading, employment promotion and human resource development" at the heart of Government's economic strategies;
- Introduce incentives for employers to adopt greater labour-intensity, particularly outside of the major towns; improve health services; promote "buy Fiji made" products; upgrade research and extension services to small farmers to address efficiency of production, quality control, regularity of supply; increase incentives to attract local and potential foreign investors commensurate with competitors and raise the current profile of the Start Your Business/Improve Your Business (SYB/IYB) image. Coordinate efforts of SYB/IYB and the Youth Employment Options Centre, and increase Government funding. Re-examine the development roles of the commercial banks and the FDB in servicing the needs of small entrepreneurs. Target rural areas to upgrade small-scale entrepreneurship, especially progressive farmers; and target small-scale manufacturing and services as sectors with the greatest employment potential.

The growing employment problem in Fiji needs to be addressed at the highest level of policy-making. Ultimately, productive employment opportunities will increase only if higher rates of economic growth than those realised in the recent past are attained. For this higher growth to materialise, the Government of Fiji must fully recognise the great dependency between the public and private sectors and ensure that an enabling environment is created which is conducive to attract higher levels of local and foreign investment. With greater investment, rising levels of economic growth are achievable and, at the same time, increased employment opportunities will follow.

Meanwhile, in order to monitor the evolving employment situation in Fiji more attention needs to be paid to labour market operations, data, information and research.

### **3. Poverty**

The Fiji Poverty Report is a result of a study undertaken by the United Nations Development Programme (UNDP), the Fiji Government and involved many sectors of the Fiji society.

The report analyses information that is currently available about the extent and nature of poverty in Fiji. Its purpose is to understand the nature, causes, consequences and extent of poverty. This will strengthen the basis on which to formulate and evaluate policies and programmes to reduce the incidence of poverty and ensure that assistance meets the needs of the vulnerable and the most disadvantaged. It also aims to stimulate discussion

about the types of action that are needed to reduce poverty; contribute to policy dialogue and implementation across a broad spectrum of activities.

## **(1) Definitions of poverty**

The term poverty is used in the report in two main ways:

**Absolute Poverty** - refers to where people lack the basics of life such as food and shelter. The extent of absolute poverty, the abject of destitution that is visible in other countries, is still small in Fiji.

**Relative Poverty** - refers to where one group in the population has a much smaller share of income than others. This is more relevant in Fiji, for wealth is unevenly distributed here and some people are indisputably disadvantaged.

## **(2) Significant findings/results**

### ***The inequality of incomes by geographic area:***

Income is unevenly distributed between different parts of Fiji and, between the rural and urban areas. There are significant differences between these areas and within them. On average, gross household incomes were 28% higher in the urban areas than they were in rural settlements, and 54% greater than in rural villages. Although still great, urban-rural differences have narrowed since 1977 when urban incomes were 59% and 74% higher than settlement and village incomes, respectively. Within rural areas, however, the gap between settlement and village incomes has widened. Again, these differences reflect the different sources of income available in each place and the uneven distribution of economic activity in Fiji.

### ***Income inequality by ethnicity:***

In discussing ethnicity, the focus is on the three main groups in Fiji: Fijian, Indo-Fijian, and the smaller group of 'Others', i.e. people of all other races. Overall, household incomes are lowest for Fijian households and highest for 'Other' households, being 13% lower and 36% higher than the national average, respectively. However, these average figures disguise a more important pattern for the study of poverty, and that is the distribution of income within each ethnic group. 'Other' households include the generally wealthier European and Chinese communities, as well as poor mixed-race and Solomon Islander communities which include some of the most disadvantaged groups in Fiji. Among Indo-Fijian households, Gujeratis are generally better off than most other households. Much of the difference between the ethnic groups can be explained by where they live and work. Data from the 1989-90 HEAS show three important characteristics of employment in Fiji:

- the concentration of paid employment in towns;
- the large number of urban residents in low-paid employment, mostly in labouring, transport and production jobs; and
- the concentration of rural employment in farming, fishing and forestry.

The ethnic differences in lower paid jobs were small, with roughly equal numbers of Fijian and Indo-Fijians in clerical jobs, more Fijians than Indo-Fijians in service work, and more Indo-Fijian sales workers than Fijians. At higher paid levels, a slightly larger proportion of Fijian workers are employed in professional and technical occupations than Indo-Fijians, while the reverse is the case as managers and administrators. This suggests that the labour market in Fiji is not particularly segregated by ethnicity, but is strongly influenced by urban or rural residence.

The pattern of income inequality is foremost a reflection of the uneven distribution of economic activity in certain parts of the country; Fiji's dual economy, one part of which is predominantly agricultural and subsistence-oriented, the other predominated by urban-based business and paid employment; and the fact that different levels in society have access to different sources of income.

The poverty line marks the point below which people can be said to be living in poverty. Based on basic living costs, the national poverty line in the 1990-91 Household Income and Expenditure Survey (HIES) for a household of five people was estimated to be \$83.00 a week. The poverty line was higher in urban areas, at \$100.08. It is estimated that approximately 25% of households live in poverty. Comparison of the 1977 and 1990-91 poverty lines and the respective income distributions points to a growing number of people living in poverty.

**Trends:**

- There has been growing inequality since the late 1970s. While the Fiji economy grew approximately 25% between 1977 and 1990-91, the proportion of the Fiji population living in poverty grew by almost two thirds.
- There is a widening income gap within both urban and rural areas.
- Poverty is not concentrated in any particular sector, but is across all communities. Over and above economic hardship, poverty entails a variety of individual, family and community problems: isolation, a sense of social inferiority, frustration, lack of opportunity, physical weakness, vulnerability and humiliation. These are people who, for various reasons, cannot rely on their extended family or community for long-term support.

**Characteristics of low-income households as demonstrated by (HIES):**

- The heads of poor households are often married, male and employed, yet unable to sufficiently support their families because they work in occupations that do not pay a living wage for a sole-income earner with family responsibility.
- They are small, isolated and usually have only one or no adult income-earner. The safety nets available to many low-income people do not fully bridge the gap between an adequate lifestyle and poverty.
- Most heads of low-income households are engaged in mainstream economic activity. Most work as farmers or blue-collar workers, however, some work in jobs less commonly associated with poverty, such as the retail trade and clerical work. At least half are the sole income earner for their families.

**Women and poverty:**

- There is a higher proportion of female-headed households, particularly in the urban areas, where they account for one in every five poor households.
- The concentration of women household heads in specific low-paying jobs is more marked than for men. Of the women household heads working in urban areas, two jobs predominate - housemaids and sewing - accounted for 50% of their employment and three others - typists, clerical workers and machinists - for 15% more. These low wages are commonly accompanied by insecure and poor working conditions.

**Two broad categories of the poor** - those who enter into poverty at some stage of their lives, and those who are poor throughout their lives. In analysing the circumstances by which households become abruptly or slowly impoverished, two themes dominate:

- The first is the inherent insecurity of many households and the inadequacy of existing safety nets.
- The second is that the immediate causes of these misfortunes are becoming more commonplace. These include illness or disability of a family member, particularly an adult; marriage break-up or single motherhood, and the inability of a custodial parent to collect maintenance payments from their ex-partner; and old age.

Characteristics of households in long-term poverty are their insecure means of livelihood, their limited skills which place them at the bottom of the job market; their restricted access to land and sea resources, and the additional economic and social barriers that women-headed households face. There is no clear cut-off point

between the poor and not so poor in these respects, but rather a continuum of relative disadvantage.

### **Children and poverty :**

Although there is a high rate of primary school enrolment, at least 30% of children do not complete primary school or proceed to secondary school. Financial pressures are a principal factor in the school dropout rate. Another link with poverty is that many children are compelled to leave school because they fail in national examinations in which children from resource-poor schools and poor communities generally score lowest. Among adults, there is a demonstrable link between low education, insecure employment status and low incomes.

### **Safety nets :**

In the absence of a welfare state, there are four types which currently assist the poor: family support systems, financial institutions, Government welfare services and NGO services. Of these, NGOs provide a large share of material and other assistance to the poor and to other people with special needs. They are seen foremost as welfare organisations, but many give greater emphasis to empowerment and the provision of skills and knowledge for self-sufficiency.

The report confirms past findings of poverty in Fiji:

- that Fiji is a society with deep inequalities;
- that although there is little absolute poverty, a sizable proportion of households in Fiji have difficulty meeting their basic needs for food and shelter, and many cannot do so adequately; and
- that tradition, community and family networks now fail to support some of the poorest and most disadvantaged.

The Fiji Government in the 1990s, has given a renewed emphasis to poverty eradication and has new programmes/projects (with UNDP assistance) in place to assist the poor and disadvantaged. Some of these programmes/projects include:

- Micro-Credit Schemes for squatters in Ba;
- Assistance to Drought-Risk Villages (Ministry of Regional Development);
- Research into School Drop-outs (Save the Children Fund); and
- Assistance to Monfort Technical Institute (Savusavu)

There is a growing realisation that NGOs are effective development partners of the Government; with Government providing the necessary funding and the NGOs providing the requisite services to disadvantaged people.

The Government is working at eradicating poverty in Fiji through the provision of both immediate relief and long term sustainable measures. A recent survey indicated that about 8% of households in Fiji earn less than \$3000 annually. In economic terms, this was a major concern to Government who since independence has generally conceived poverty in absolute terms. In 1992 the Government set aside \$7 million to address this problem and assist the poor start up small-scale income earning projects. By the end of 1992, 3000 applications were processed resulting in the disbursement of \$2.5 million.

For 1997, the Government has set aside \$4.6 million to the Family Assistance Scheme to be administered by the Department of Social Welfare. This represents an increase of half a million over the 1996 allocation. Half a million is allocated to cater for poverty projects identified by NGOs, and to the Housing Assistance Relief Trust for provision of homes to the poor.

Since 1994, the DSW has also administered capital grants payable for Poverty Alleviation Projects (PAP) of voluntary organisations focussing on the coping capabilities of Family Assistance allowance recipients. Since the inception of this programme, \$1,007,366 has been distributed to 98 voluntary organisations to benefit 302 poor families.

Other major efforts include Government's partnership in the Equitable and Sustainable Human Development Project, which focuses directly on rural communities. Despite the fact that some 70% of the total population live in the rural areas, Fiji enjoys a relatively high standard of living. Most of the rural areas are accessible by road, they have radiotelephones, electricity and proper water supplies.

A three-pronged strategy for poverty eradication in Fiji would involve improving the productive capacity of the people; improving access to and the performance of social services; and increasing the capacity of community groups to work with and assist the poor.

#### **4. Women in development**

Women constitute about half the population and they have the right to vote. Legislation which discriminates against women and do not afford them sufficient protection by the Laws of Fiji against crimes, are currently being reviewed.

As stated in the Government development blueprint "Opportunities for Growth", Government is committed to involving women as equal partners in the national, economic, political and social development of Fiji. The Ministry for Information, Women and Culture looks after women's interests and issues of development. The main areas of activities for the women's office involves field services through provision of advisory and technical services on women in development of community and income-generating projects, as well as cultural assistance. More recently, the Department has completed a statistical gender profile, a database outlining the status of women in Fiji. (A brief Executive Summary of this is provided below).

The benefits and drawbacks of development affect different groups of society - youth, women, and the elderly - to different extents. As a group, women reap fewer of the benefits and suffer more of the drawbacks. Evidence shows that females are less likely than males to be trained at the tertiary level though, they are better achievers at school. Women are less likely to gain access to the better jobs and less likely to be promoted. They earn less, own fewer businesses and gain access to less credit. They are less well represented in leadership. They are the victims of increasing violence and are found in increasing proportions amongst the unemployed and poor.

This is not to deny however, that some gains have also been made. A few women have entered national Parliament, while others have been appointed to ministerial level. Women are making inroads into senior positions. Female participation in the formal labour market has also increased. Pioneer women have proved their worth in business and women's cooperatives have been a success. Scholarships are more equitably awarded, and women's health indicators have improved.

Most of these gains however, involve relatively few women, and are as yet small in relation to the disadvantage suffered by many. The overall status of women is low in comparison to that of men. One half of Fiji's human resources thus remain underutilised, their potential contribution to development unrecognised. Such a situation is detrimental to the development of the country: it has become increasingly evident elsewhere that development cannot take place effectively unless all sections of the community take an active part. Gender equality is thus a prerequisite for development.

Women's contribution to economic development is seen in the extent to which they participate in the labour force, although women's contribution in the informal economy (subsistence) is considerably under-reported in official statistics. Fiji has experienced recent developments in the formal economy, due largely to government policies permitting tax-free manufacturing (which has attracted considerable investment interest, notably in the garment industry) and encouraging growth in the service sector. Both of these areas have provided increased employment opportunities for women (though usually at cheap rates) with the result that formal sector employment of women has increased.

In the formal sector, about half of all women are employed in agriculture/forestry/fishing and about half in manufacturing. Most women are self-employed with the remainder being employed on a casual basis and the

majority of these unpaid. Where women are paid for their work, they earn roughly three-fifths of what men are paid though they work almost as long hours.

Participants in the labour force are described as “economically active” and include people aged 15 plus who are employed, whether for cash or not, and those who are unemployed and available for work. Those who are not economically active include students, housewives, the elderly, the disabled and others who do not work. It is seen (1986 Census) that male rates are much higher than female rates (though the latter will be too low because much of women’s work in the informal sector is not recognised). Urban females have higher participation rates than rural females except at older ages when formal sector employees retire, though again rural rates will be disproportionately low because of the non-recognition of women’s work in the informal sector. For males, rural rates are slightly higher than urban rates and rural males tend to enter the labour force earlier and leave later than urban males.

The average participation rates, according to the 1986 census, were 23% for females and 85% for males. More recent data indicate that rates had increased by 1980-90 by 55% for females and 87% for males (Household Economic Activities Survey). Though some of this increase may be due to better coverage of women’s work, some is due to the increased participation of women in formal sector employment, in particular in the garment industry. The lower participation rate for females is due to the high proportion (32%) who are classed as housewives (no such category exists for males). Amongst males, 48% are wage or salary earners and 29% are self-employed, compared to only 16 and 25% of females respectively. Females are more likely than males to be both unpaid family workers (i.e. Working in a family business or subsistence agriculture for no pay) and unemployed.

In 1989-90, 10% of heads of households were female, with roughly equal percentages for Fijians, Indians and Others and for urban, rural village and rural settlement locations (Household Economic Activity Survey, 1989-90). It is seen that 63% are economically active; this compares with 94% of male heads of households. The proportion of female household heads that are not working is particularly high for Indians, especially those in rural settlements. In general, the proportion of female household heads that are not working is highest in rural settlements and lowest in rural villages.

The total number of paid employees and self-employed persons was 171,572 in 1992, 29% of whom were female (Fiji National Provident Fund – FNPF). The proportion of females amongst paid workers has increased steadily from 23% in 1995. It is seen that in 1989, the main occupational group for both females and males is production/transport/labour: 29% of females were in this group, whilst a further 27 and 25% respectively were professional/technical and clerical (Annual Employment Survey). The low number of women in administrative/managerial positions is a reflection of attitudes towards women on the part of both men and women: only 1% of employed females were in this occupational group and 8% of all administrative/managerial positions were held by females. Females are also under-represented in formal sector agriculture, but are over-represented in professional /technical and clerical occupations.

Whilst the occupational distribution of males remained almost constant between 1985 and 1989, the structure of the female labour market changed quite markedly during this period, in that the percentage of females in production/transport/labour occupations increased from 13 to 29 (Annual Employment Survey: 1985, 1989). Similarly, data by industry indicate little change for males but a marked increase in the proportion of females employed in manufacturing, from 14% in 1985 to 29% in 1989. This was accompanied by an overall increase of females in formal employment, and is the result of the newly established manufacturing industries, in particular the garment industry.

Whilst the two main organisational types are private companies and central government, females are more likely than males to be employed in partnerships, private companies and non-profit organisations, whilst males are more likely to be employed in public organisations: public companies, statutory bodies, and central and local government. Females working in partnerships and private companies are more likely to be waged, as opposed to

salaried, than males; but those working in NGOs and central government are more likely than males (46% compared to 40% for males) to be salaried rather than wage earners.

Employment in the Public Service comprises about a third of formal sector employment (Public Service Commission). Females currently comprise 44% of all public servants, with Fijians and Other females accounting for 47% of their respective totals and Indian females accounting for 39% of all Indians. Most females are to be found in the Ministries of Health and Education where they are employed as nurses and lower level teachers. In fact, females comprise only 8% of upper positions, 20% of middle positions and 48% of lower positions; and Indian females are more disadvantaged than Fijian females.

The informal sector as discussed here, covers economic activity carried out by households. This sector forms a significant proportion of all economic activity in the country, especially in agriculture, forestry and fishing, but also in manufacturing and to a lesser extent in professional and community services. In 1989-90, 78% of all informal activity was in agriculture, forestry and fishing, and a further 18% in manufacturing. Compared to the formal sector, females play a more important role with 36% of persons engaged in the informal sector being women (Household Economic Activity Survey 1989-90).

Women play an important role in agriculture, forestry and fishing, in particular in the subsistence economy. In the informal sector, 22% of labour in both agriculture and forestry are female, and 59% are female in fishing. The nature of paid employment in forestry and fishing results in very few females being paid for these activities.

The growth of formal sector manufacturing has been encouraged by the introduction of the Tax Free Factory in December 1987, which is a key element in the restructuring of the economy. The major industry to take advantage of this scheme is the garment industry, which relies on a plentiful supply of cheap female labour. It has been seen above that employment in the manufacturing industry has increased from 14% of the formal sector in 1985 to 29% in 1989. Indications are that it comprises a larger share today. Employment in garment factories producing for export increased by more than 1200 in the first 6 months of 1991, and by a further 1000 by mid-1992 when total employment exceeded 10,000. Almost all employees in the garment industry are female.

In 1986, unemployment rates (as indicated by persons reported as available for work in the population census) were higher for females than for males, higher in urban than in rural areas and higher for Indians than for Fijians (1986 Population Census).

The educational status of women has continued to improve. Amongst 15-19 year olds, literacy rates for both females and males are high. However, females are still disadvantaged at the higher secondary and tertiary levels despite better performance in primary and secondary school. Males are more likely to stay at school to Form VII, and more likely to gain entry to tertiary education, a reflection of societies attitude towards women rather than superior male ability.

## **5. Youth**

Youth comprise 24% of the total population and 26% of the economically active population. Approximately 60% of the youth population reside in rural areas.

Through the Ministry of Youth, Employment Opportunities and Sports, various training programmes have been introduced to equip our youth with skills for self-employment. A new initiative is a Positive Mental Attitude training programme aimed at inculcating values of achievement and success.

Various training programmes have been instituted to equip youth to establish self-employment activities. The Ministry of Youth, Employment Opportunities and Sports will continue to focus on developing the full potential of Fiji's youth so they can positively contribute to the economic and social development of the country.

Government's plans include improving the work of the Youth Employment Options Centre to help school leavers and the jobless to make informed choices about their careers. The annual Careers Expo, the Small Business Development Programme, and the Fiji National Youth Band will be developed further.

The National Youth Service programme is being continued following its success. The programme aims to provide disadvantaged young people with opportunities to develop work skills and gain experience through vocational training, and individual and community based social and economic projects. The recent decision by Government to purchase the CONAG farm in Navua and set up the Viti Corps Company Limited is a further manifestation of government's commitment to broaden the training base and development potential of Fiji's youth.

## 6. Crime

Crime, deviance and delinquency has become an important national issue for Fiji in recent years. Reports of violent crimes and acts of juvenile delinquency are recounted in the country's major dailies with growing frequency.

Official police statistics on crime, deviance and delinquency in Fiji society reveal a significant increase in the major categories of crime, such as burglary, murder, rape and other acts of violence, over the past years. Whilst on the one hand, statistics reveal an increase in crime, it is difficult to ascertain on the other hand, whether the increases in crime figures actually reflect actual increases or merely reflect greater willingness on the part of citizens to report crimes. 1Official police statistics on crime, deviance and delinquency in Fiji society reveal a significant increase in the major categories of crime, such as burglary, murder, rape and other acts of violence, over the past years. Whilst on the one hand, statistics reveal an increase in crime, it is difficult to ascertain on the other hand, whether the increases in crime figures actually reflect actual increases or merely reflect greater willingness on the part of citizens to report crimes. 01Official police statistics on crime, deviance and delinquency in Fiji society reveal a significant increase in the major categories of crime, such as burglary, murder, rape and other acts of violence, over the past years. Whilst on the one hand, statistics reveal an increase in crime, it is difficult to ascertain on the other hand, whether the increases in crime figures actually reflect actual increases or merely reflect greater willingness on the part of citizens to report crimes. 001Official police statistics on crime, deviance and delinquency in Fiji society reveal a significant increase in the major categories of crime, such as burglary, murder, rape and other acts of violence, over the past years. Whilst on the one hand, statistics reveal an increase in crime, it is difficult to ascertain on the other hand, whether the increases in crime figures actually reflect actual increases or merely reflect greater willingness on the part of citizens to report crimes. 0001Official police statistics on crime, deviance and delinquency in Fiji society reveal a significant increase in the major categories of crime, such as burglary, murder, rape and other acts of violence, over the past years. Whilst on the one hand, statistics reveal an increase in crime, it is difficult to ascertain on the other hand, whether the increases in crime figures actually reflect actual increases or merely reflect greater willingness on the part of citizens to report crimes.

There are numerous causes of crime and deviant behaviour in Fiji. These include social, economic and political factors, some of which include:1There are numerous causes of crime and deviant behaviour in Fiji. These include social, economic and political factors, some of which include:01There are numerous causes of crime and deviant behaviour in Fiji. These include social, economic and political factors, some of which include:001There are numerous causes of crime and deviant behaviour in Fiji. These include social, economic and political factors, some of which include:0001There are numerous causes of crime and deviant behaviour in Fiji. These include social, economic and political factors, some of which include:

- Rural-urban migration
- Unemployment
- Breakdown of families
- Lack of or an inappropriate education system
- Alcohol/Drug abuse



- Learnt violence from movies, videos, etc

The 1995 Annual Police Crime Report reveals some rather alarming statistics. During the 1995 calendar year, a total of 21,272 criminal offences were recorded as being committed. This compares with 19,730 cases in the 1994 period, representing a 7.8% increase. Between 1990 – 1995, youths consistently contributed the most offenders – annual average of 75% of total offenders. The total number of offenders gradually increased at an average rate of 5% per annum. Juvenile offenders remain at a constant 3% of total offenders per year.<sup>01</sup>The 1995 Annual Police Crime Report reveals some rather alarming statistics. During the 1995 calendar year, a total of 21,272 criminal offences were recorded as being committed. This compares with 19,730 cases in the 1994 period, representing a 7.8% increase. Between 1990 – 1995, youths consistently contributed the most offenders – annual average of 75% of total offenders. The total number of offenders gradually increased at an average rate of 5% per annum. Juvenile offenders remain at a constant 3% of total offenders per year.<sup>001</sup>The 1995 Annual Police Crime Report reveals some rather alarming statistics. During the 1995 calendar year, a total of 21,272 criminal offences were recorded as being committed. This compares with 19,730 cases in the 1994 period, representing a 7.8% increase. Between 1990 – 1995, youths consistently contributed the most offenders – annual average of 75% of total offenders. The total number of offenders gradually increased at an average rate of 5% per annum. Juvenile offenders remain at a constant 3% of total offenders per year.<sup>0001</sup>The 1995 Annual Police Crime Report reveals some rather alarming statistics. During the 1995 calendar year, a total of 21,272 criminal offences were recorded as being committed. This compares with 19,730 cases in the 1994 period, representing a 7.8% increase. Between 1990 – 1995, youths consistently contributed the most offenders – annual average of 75% of total offenders. The total number of offenders gradually increased at an average rate of 5% per annum. Juvenile offenders remain at a constant 3% of total offenders per year.

<sup>010010001</sup>The crime trend over a 10-year period (1986 – 1996), reveals that the total number of offences committed between this period, has witnessed a gradual increase from 15,645 in 1986 to 21,272 in 1995. This represents a 36% growth over the period or an annual average rate of 3.6% per annum. The major contributing category of offence throughout the 10-year period was “Against Property” followed by “Offence against Person” and “Offence against Penal Code”. The category of offence that witnessed the highest growth over the 10 year period was that “Against Public Morality” – 75%, followed by “Against Property” – 43%, and than offence “Against Person” – 40%.

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was that AgainstPublicMorality – 75%, followed by AgainstProperty – 43%, and than offence AgainstPerson – 40%.The importance of law and order is vital 1The importance of law and order is vital 01The importance of law and order is vital 001The importance of law and order is vital 0001The importance of law and order is vital to the socio-economic growth of Fiji, and any other country. Whilst the crime rate cannot be totally eradicated, it can be controlled and minimised through a number of strategies/measures such as :

- Reforming the educational system with more emphasis on vocational and technical skills, which can be utilised by youth to earn a living, i.e. need for a change in focus of current curricula;
- Rehabilitation of prisoners;
- Need to address the current alcohol consumption age, and put in place mechanisms to restrict alcohol consumption by people below the restricted age;
- Need for more severe censorship laws on violent movies, videos, etc.
- Need for more intensified drug awareness programmes for drug abuse cases;
- Need for control mechanisms to be put in place in the case of rural-urban migration; and
- Strengthening of the police force in terms of better equipping them to deal with criminals.

## **7. Education**

In education and training, the main objectives of Government are to provide Basic Education for All by the Year 2000, as well as continue to improve the scope and quality of the curriculum, raise standards of performance, and motivate our children and youth to strive for excellence. Government's initiative to provide Ten Years of Education for All by the Year 2000 has seen the provision of tuition fee-free education from Class 1 to Form 3 in 1997. This assistance is to be extended to Form IV in 1998. In addition, Government has also begun introducing compulsory education, starting with two Districts this year (1997).

Government will continue to focus priority attention on the development and improvement of rural schools to ensure that rural children are given the same educational opportunities as their urban counterparts. Curriculum in primary and secondary schools are being expanded to include the teaching of Fijian and other vernacular languages, value education, consumer studies and energy and environment awareness programmes. Technical/vocational courses will receive more attention at all levels of the education system.

On tertiary level education, Government is preparing a Strategic Human Resources Plan to help identify those sectors which offer the greatest potential and opportunity for employment growth. At the same time, it is to ensure, through opportunities for specialised training, that adequate numbers of skilled workers are available to meet the needs of industry.

Fiji's population is well educated, with virtually universal access to primary and lower secondary education. About a quarter of the entire population is of school-going age and although education is not compulsory at any stage, over 98% of children between 6 and 14 years of age are attending primary schools. This year (1997) work on the Education for All by Year 2000 programme will continue. This programme aims to phase in compulsory primary education for all by the year 2000.

All major exams have been localised and are conducted by the Ministry of Education. The principal external examinations are the Fiji Intermediate Examination (Class 6), Fiji Eighth Year Examinations (Form 2/Class), Fiji Junior Examinations (Form 4), Fiji School Leaving Certificate Examinations (Form 6) and Fiji Seventh Form Examinations.

Government maintains education standards through accrediting schools, recruiting teachers, developing the curriculum, providing teaching materials and providing external examinations. Government also encourages school attendance by rural and poor children through measures like the free tuition scheme for primary schools and per capita grants and remission of fees for secondary students.

There is a high degree of community participation in the delivery of education services which is a strength of the system that needs to be maintained. Most schools are managed by non-government organisations. Government operates only 2% of the primary schools, 8% of the secondary schools, 8% of vocational and technical education schools, and 2 out of the 5 teachers training institutions. Government realizes that the level and quality of education is one of the main factors that will determine Fiji's development, now and in the future. It is therefore, committed to providing these essential services. The total education budget for 1997 has increased to \$134 million. This is 4.7% more than 1996.

Government funding of Education has been focussed in the following areas:

- Fee-free schooling to Form 3 to the level of \$120/child, and partially Form 4, is facilitated by an extra \$2.5 million this year, and \$3.5 million in both 1998 and 1999;
- To improve the quality of education, teacher-training is stepped up in 1997 to raise the standards of classes 7 and 8 to that of Forms 1 and 2; and
- To specifically improve the quality of education in rural areas, the 1997 budget provides increased incentives for teachers to move to rural areas.

Fee-free education in essence means tuition free. With free fee education schemes already implemented, focus in the years ahead will be on phasing in compulsory education measures to ensure the attainment of global primary education for all by the year 2000.

Form 7 education will also be consolidated further by improving the quality of courses in existing schools and centralising in strategic centres. Positive measures will continue to be made to reduce the disparities between rural and urban schools by improving teacher quality, curriculum resources and upgrading student assessment. The pupil-teacher ratio at the primary level is around 1:31 with a lower ratio (1:20) in the rural areas and higher ratio (1:42) for urban areas.

## **8. Housing**

Housing is characterised by a diverse quality of houses in the rural and urban areas. It is mainly a private responsibility, but in recognition of the status of housing as a basic need, the government has tried to ensure that affordable housing of reasonable quality is widely available. The Housing Authority and the Public Rental Board are the two government-housing institutions that play pivotal roles in the provision of low-income housing.

The public sector-housing programme provides various strategies for addressing housing needs of urban and rural people. Government through the Housing Authority (HA) caters for the needs of people earning between \$3,700 - \$16,500 per annum. Since 1993, there have been plans by HA to build a variety of homes with prices that are affordable to clients.

The HA's aim this year (1997) is to develop 1037 serviced residential lots and build 300 new houses under its design and build programme. The HA also provides cash loans for both individuals and village housing schemes.

The Public Rental Board (PRB) also provides rental flats to about 1700 families in the urban areas. Tenants are required to pay economic rents for the flat they occupy, although some 450 tenants are assisted by way of rental subsidy because their incomes are not sufficient to pay rent and meet other family needs. About \$0.46 million is allocated in the 1996 Budget to the PRB as subsidy for tenants unable to meet economic rents. Ownership of flats rented by tenants is being pursued by the PRB.

Government is also assisting Housing Assistance and Relief Trust (HART) to provide shelter for the poor, particularly those who are destitute or semi-destitute. Around \$0.5 million is allocated in the 1996 Budget to the HART for provisions of homes to the poor. In 1994, HART extended more new flats at Newtown, Nasinu. It has built 8 new single bedroom flats at Bulileka, four in Nadi and a new HART settlement was opened in Naqoro and

Rakiraki early this year with provision for 10 flats. In the 1996 Budget, the Government also approved a new squatter policy, the main thrust of which is to encourage squatter upgrading in areas of concentrated housing and areas where there is evidence of rapidly growing squatter community.

## 9. Health

Fiji generally has a good standard of health and compares well with other Pacific Island Countries. The country's health status meets or exceeds most of the World Health Organisation's goals for the Year 2000. Such a status is due to improved health standards, sound comprehensive health care programmes and the untiring effort of the Ministry of Health in promoting healthy living to people. The Government's focus for health lies in preventative care. However, at the same time there is that recognition of curative health care needs that support the preventative focus.

Government's health policy is to provide a service that is not only effective and efficient, but one that is also affordable, accessible and equitable to all citizens. The main thrust of our health care services have been in primary health care and disease prevention. A new area of emphasis will be on the active promotion of good personal health, quality of life, and healthier living. This means educating individuals to be fully aware of the dangers of smoking and the abuse of alcohol and drugs, and also to appreciate the importance of physical and emotional fitness, and the value of good nutritional practices.

People are living longer with life expectancy at 61.4 years for males and 65.2 years for females. Infant mortality has fallen by 62% in the past 20 years and is now at about 16.3 deaths per 1000 live births. Good obstetrical services contribute to the lower infant death rate with about 95% of births being attended to by trained medical personnel. Fewer children are experiencing vaccine-preventable deaths with no cases of polio, diphtheria, pertussis and tetanus being reported in the past several years. This is due to an active immunisation programme where the coverage rate for 1995 was reported to be 94%, and greater for tuberculosis, polio, tetanus, diphtheria and measles. There are 409 village clinics, 100 nursing stations, 74 health centres, 3 area hospitals, 3 nursing homes, 16 sub-divisional hospitals, 3 divisional hospitals and 2 specialty hospitals (Tamavua and St. Giles) in the country. Many of the buildings date back to the old colonial days but a comprehensive program of upgrading rural subdivision health facilities has been a priority project of Government's short and medium term plans.

Two-thirds of hospital inpatient morbidity in 1990 was due to female morbidity, but if normal deliveries and morbidity related to pregnancy are excluded, less than one third of morbidity is due to females (Ministry of Health, Annual Report 1990).

The most common sexually transmitted disease in Fiji is gonorrhoea, but the incidence declined between 1985 and 1990, when 1058 cases were reported (Ministry of Health, Annual Report). Only about 12% of reported cases are female, reflecting transmission factors and the tendency for females to seek treatment at a later stage in the development of the disease. The incidence of syphilis amounted to 666 cases in 1990, and though fluctuation has occurred there has been no real change since 1985. Most cases are of secondary syphilis rather than primary, especially in females for whom the disease is detected by routine testing during early pregnancy.

There have been a total of 20 cases of HIV to date in Fiji, 6 of which are female, and 14 male. All except 4 cases are in the age range 20 to 39. The most common mode of transmission is heterosexual (9 cases); with other modes being homosexual/bisexual (7); blood products (3); mother to infant (1) and injection/drug use (1) (Ministry of Health).

Pregnant women in Fiji attend antenatal clinics an average of 7 times during the course of their pregnancy. All women attending antenatal clinics receive tetanus toxoid immunisation, and almost all births are attended by trained medical personnel. Traditional birth attendants delivered only a small percentage mainly in remote areas. Traditional birth attendants are not encouraged by the Ministry of Health, and the increased level of trained medical attendance has led to considerable reductions in infant and maternal deaths. Maternal mortality in Fiji declined from

119 per 100,000 livebirths in 1976 to 53 in 1980 and 27 in 1990 (Ministry of Health, Annual Report).

The incidence of stillbirths and deaths in the first week of life (perinatal mortality) is related to the quality of pre-natal care. The perinatal mortality rate has decreased from 31 per 1000 in 1974 to 13 in 1985 and 11 in 1990. Reductions in the mortality of infants and young children have been achieved largely by improvements in immunisation against childhood diseases.

The ratio of doctor-population as projected in 1992 is around 1:2448. For the nursing division, there is a total of 2472 registered nurses practicing in the country providing nursing services in hospitals, health centres and nursing stations. Using the 1996 population figure, the nurse population ratio is about 1:312.

The five top causes of death are related to circulatory conditions, endocrine disorders like diabetes, cancers, respiratory problems and injuries. The number one cause, circulatory diseases, has increased by 14% in the past 20 years and was responsible for about 5,400 hospital admissions in 1994.

Motor vehicle accidents have become an increasingly important concern with road accidents costing the country about \$20 million per year. In 1995, there were nearly 1,400 casualties registered, almost 500 required hospitalised care and 83 were fatal injuries. The 1996 figure for fatal road accidents stood at 112. The majority of those injured, hospitalised or killed on the roads are between the ages of 21 and 25 years.

While infectious diseases used to claim a majority of lives, it no longer does so due to the vigorous immunisation programme and improved living conditions. Diabetes however, continues to be a devastating disease. Estimates reveal that 1 in every 8 people is infected in some way by this disease. Health education and promotion efforts in schools, community groups, and national campaigns are targeting children and adults to prevent the development of the disease and to reduce the number of complications that arise from poor disease management.

Government continues to provide the bulk of the health services both in curative and public health through its National Health Service system. The Ministry of Health's principle objectives are to promote, protect, maintain, restore and improve the well being of the citizens of Fiji; and develop within available national resources a comprehensive coordinated, integrated, accessible, responsive, balanced and equitable health delivery system dedicated to primary health care, health promotion and disease prevention.

The upgrading of medical facilities and services at Taveuni will be a major initiative in the coming year, along with the continued upgrading of hospitals, health centres and nursing stations in other parts of the country.

## **10. Environment**

Government has been active in the area of environmental management and protection in its effort to promote sustainable development. This commitment is demonstrated by the setting up of a Department of Environment and the formulation of a National Environmental Strategy. The Department of Environment is also involved in environmental assessment and monitoring, national environment council formation, conservation protection and management of waste and pollution minimisation.

A mammoth task in which the Department of Environment has been involved in since 1996 has been the putting together of a new comprehensive and integrated legislation that will rationalise, streamline and strengthen Fiji's environmental management framework. Furthermore, a Sustainable Development Bill is under preparation to provide a comprehensive and integrated legislation that will streamline and strengthen Fiji's environmental management framework.

## **11. Sanitation and sewerage and waste disposal**

Water is one of the nation's most important resources and the availability of adequate water supplies is a prerequisite for most development activities. It has particular implications for the health of children. About 70% of the total population have access to proper piped water supplies. Government funds the development of regional and urban water supplies, and also carries out the construction, operation and maintenance of these schemes through the Water and Sewerage Section of the Public Works Department. Cost recovery is low, and

well under half of the annual expenditure (including capital expenditure) is recovered through water tariff.

Government also assists rural communities in developing water supplies through the rural self help scheme, where communities provide one third of the cost of materials and free labour, or where boreholes are sunk under the borehole subsidy scheme. Assistance has been provided in the development of over 1,400 rural water supply schemes since 1965.

It is estimated that 12% of Fiji's population now have access to treated sewerage facilities, compared to only 6% in 1980. It is estimated that a further 57% of all urban areas have sewerage. There are almost 13,000 sewerage connections to government schemes, just over 80% of these being domestic connections.

Town and city councils were traditionally responsible for sewerage services within their boundaries, but these responsibilities have now been transferred to Government. Urban waste disposals including household rubbish and garden refuse remain the responsibility of town and city councils, which operate landfills for this purpose. The Ministry of Health administers some regulatory responsibilities in relation to waste management and pollution control.

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