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Abstract

Economic Crisis, Employment and Social Protection - The Case of Southeast Asia -

Wolfgang Scholz

The financial crisis revealed that the Southeast Asian development model had a serious design fault in not bolstering it by social protection. Labour flexibility is no substitute for this omission as proven by growing unemployment rates in the region. Introducing social protection as an integrated part of market economies has gained new attention. It is realised that through the lack of well functioning social protection systems the crisis countries have unnecessary problems to cope with the growing social tensions. Three countries are being confronted with dramatically increasing unemployment rates; in income terms they are thrown back in time by about five to ten years. Now that the Southeast Asian experiment has proven its faults it is time to prepare seriously for the uncertainties of the future. In doing so governments can take advantage from European experience. The broad variety and long-standing experience of European social protection systems could be a valuable source of information for all those looking for solutions in Southeast Asia. Despite much criticism, Europe has managed its recurring economic problems quite successfully - in which the wide social protection system has probably played a more prominent role than usually acknowledged.