

PRESS RELEASE

United Nations Development Programme



UNDP calls for new development paradigm in Asia to ensure its long-term economic recovery

Report presents crisis as opportunity for Asia to lead the global economic recovery, and calls for human development to be at the core of new economic growth strategies

Singapore, 30 November 2009 – A new UNDP report is calling for Asian countries to pursue an equitable approach to economic growth as it emerges out of the current global economic and financial crisis. It commends the region for rapid recovery but argues that not enough is being done to reset the region to a new more sustainable growth path.

Launching the UNDP Regional Synthesis Report was S. Pushpanathan, ASEAN Deputy Secretary-General for the ASEAN Economic Community, who said in his keynote address, “I would like to congratulate UNDP for undertaking this important study on, in particular the social dimension of the (financial and economic) crisis, as it will certainly serve as valuable input to Asian countries in achieving stable, sustainable and equitable growth, fully cognizant of the changes the world economy is undergoing due to shifts in consumption and investment patterns, capital flows, climate change phenomenon, rising food and energy prices and rapid urbanization.”

The Report was introduced by Dr. Ajay Chhibber, UN Assistant Secretary-General and UNDP Assistant Administrator and Director for Asia and the Pacific, who said, “If Asia wants this to be its century, it must more vigorously find an alternate development path away from its old export led growth model and instead view this crisis as an opportunity to rebalance and re-direct Asian growth through domestic demand expansion.”

The Report has emphasized the importance of more equitable growth and the need to avoid the huge imbalances that underpinned the massive global expansion of the 1990s in which developing Asia expanded capital to the developed West.

He added, “There are worrisome signs that some may be tempted to return to the old export led model which is unsustainable given the debt laden economies of the West.”

The Report also urges that Asian countries to modernize social protection policies that not only serve as welfare measures to protect human development, but also act as countercyclical buffers in periods of macroeconomic downswing, in view that the poor, as well as vulnerable groups such as women and children, are the worst effected by the economic crisis.

According to the Report, Asia as a whole has very low social protection coverage, with only 30% of the elderly receiving pensions and only 20% of the unemployed having access to labour market programmes such as unemployment benefits, training or food-for-work programmes.

Healthcare is also cited as a major concern region-wide, with only 20% of the population having access to health-care assistance, and Asia recording the highest rates of out-of-pocket health care expenditure in the world.

Closing the event, Mr. Kamal Malhotra, UN Resident Coordinator for Malaysia and UNDP Resident Representative for Malaysia, Singapore and Brunei Darussalam, said, "With more than half of the world's population residing in Asia, the continent has an urgent and enormous global responsibility to ensure a future growth trajectory that is equitable and inclusive, and one through which the growing disparities between urban and rural sectors are reduced and the welfare of all people are equally prioritized."

The Report also stressed Asia must further ensure that its development is based on a low-carbon growth model, which involves less environmental destruction and avoids over-exploitation of natural resources.

The Regional Synthesis Report is co-authored by Dr. Ajay Chhibber; Dr. T. Palanivel, Senior Policy Advisor and Programme Coordinator, The Millennium Development Goals Initiative (MDGI), UNDP Regional Centre for Asia and the Pacific, Colombo, Sri Lanka; and Prof. Jayati Ghosh, Professor of Economics, Jawaharlal Nehru University, New Delhi, India.

The launch event, co-sponsored by the Institute of Southeast Asian Studies (ISEAS), also features a series of workshops that provided a strategic platform for the exchange of views on the future economic development path of ASEAN countries and the achievement of the Millennium Development Goals. Participating ASEAN member countries include Cambodia, Indonesia, Malaysia, Philippines, Singapore, Thailand, and Vietnam.

To view and download the *Regional Synthesis Report on the Global Financial Crisis*, please visit www.undp.org.my where it will be available from 2 December 2009. –end-

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ABOUT ISEAS: *The Institute of Southeast Asian Studies is a regional research centre dedicated to the study of socio-political, security and economic trends and developments in Southeast Asia in order to nurture a community of scholars interested in the region and to engage in research on the multi-faceted dimensions and issues of stability and security, economic development, and political, social and cultural change. For more information, please visit: www.iseas.edu.sg*

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