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## UN Asia Pacific Chief: Corruption Feeding Poverty, Halting Social Development

*Ron Corben / Bangkok*

A senior United Nations official says corruption across Asia is undermining efforts to fight poverty and reduce income disparities. In a wide ranging interview with VOA, Dr. Noeleen Heyzer, the UN's executive secretary for the Asia and Pacific Economic and Social Commission, said countries must invest in what she called social protection to ensure economic growth in Asia.

“You know the issue is governance. Because at the end of the day you need economic governance. You need better political governance because to be able to have systems that invest in the social foundations of your communities in order that people can have a better life. And obviously any forms of corruption acts against that.”

The Asian Development Bank recently called for improvements in government accountability as “critical” in Asia to maintain social and political stability. It said rising corruption was evident in a “deterioration in the quality and credibility of national political and economic institutions.”

A World Bank Institute report warned of a retreat in accountability and political stability in Asia between 2008 and 2009. In India, for example, the World Bank found only 40 percent of government funds allocated for poverty-related programs actually reached the poor. The remainder, the Bank said, was lost because of bad administration and corruption.

Dr. Heyzer warned that despite recent regional economic gains, widening income disparities needed to be addressed by governments through improved social protection programs.

“What we have seen is that in Asia you have high economic growth but you also have growing inequalities and disparities. And the only way to deal with that is to ensure inclusive growth, to invest in social protection in making sure that for the first time this continent can rethink itself and reinvest in itself in terms of taking on the social perspective and dimensions.”

Economic analysts say the Asia Pacific region is an important driver of global growth. But Dr. Heyzer says Asia still faces several challenges to ensure the gains are widely shared.

“Closing the disparity gaps would be critical. How do you sustain growth, but at the same time how do you ensure that this growth is inclusive. We have economic recovery but this recovery is still fragile. There’s going to be major concerns about inflation - there is still a major concern about asset bubbles, capital inflows, and it’s critical to sustain that economic growth.”

In a recently released economic survey UNESCAP forecast Asia Pacific developing economies to grow by more than seven percent for 2011, with China and India expanding at close to nine percent. But the report said inflation remains a concern, due to rising food and energy prices, with the poor especially vulnerable.

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