

FOREWORD

A remarkable economic transformation has occurred in the Asia and Pacific region in the last 5 decades. This transformation has significantly reduced poverty, particularly rural poverty. According to the Asian Development Bank's (ADB) estimates, extreme poverty declined from about 34% in 1990 to 19% in 2003. Despite this dazzling performance, poverty remains the most daunting development problem in the region. And it is largely a rural phenomenon. According to more recent estimates, about 625 million people in rural Asia are poor, based on the \$1-a-day poverty yardstick. But this number goes up to about 1,589 million poor people, based on the \$2-a-day yardstick in 2002. These are unacceptably large numbers. In this context, the importance of rural development is crystal clear for the region and for achieving ADB's vision—a poverty-free region.

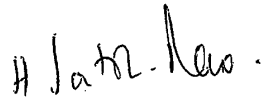
While the urban sector's economic growth and development provide a pathway out of rural poverty, it is difficult to justify exclusive reliance on such a residual or indirect approach to rural development—achieving rural development through urban sector development. Nor will it be a sustainable and adequate pathway given the sheer size of the rural poor population. If rural development is to be achieved within a reasonable time, direct approaches are absolutely essential. This is particularly true if the objective of rural development encompasses inclusive rural development.

A common factor in virtually all now-developed economies and developing economies alike is that each one has emphasized, and continues to emphasize, rural development to varying degrees in the process of development and has attempted to achieve it in many different ways. The underlying reasons for the emphasis differ. So have been the outcomes of the emphasis: some have achieved truly remarkable results while some others have continued to lag behind. The experience is diverse and patchy but at the same time rich and insightful.

This publication provides an overview of the outcomes of rural development in a range of countries in the region from developed countries, such as Japan and the Republic of Korea, to transforming economies, such as the People's Republic of China, and developing economies, such as

Pakistan and Tajikistan. It highlights both income and social dimensions of rural development and attempts to capture emerging trends and concerns. In addition, and more importantly, based on the cross-country review of experience, it provides insights on what is likely to drive rural development in general and inclusive rural development in particular. And it offers some broad lessons and suggestions.

This publication will hopefully not only convey the importance of continued attention to inclusive rural development in the region but also contribute to a better understanding of the rural development process and approaches that would reinforce inclusive rural development in developing Asia and the Pacific, and encourage further research focused on seemingly formidable issues in inclusive rural development. The publication should prove useful to all those concerned with improving the socioeconomic well-being of rural population not only in the region but also in other regions.



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ABBREVIATIONS

ABC	–	Agricultural Bank of China
ADB	–	Asian Development Bank
ASA	–	Association for Social Advancement
BRI	–	Bank Rakyat Indonesia
CBO	–	community-based organizations
DMC	–	developing member country
FAO	–	Food and Agriculture Organization
FELDA	–	Federal Land Development Authority
GDP	–	gross domestic product
IGVGD	–	Income Generation for Vulnerable Groups Development
LFA	–	less favored areas
Lao PDR	–	Lao People’s Democratic Republic
NGO	–	nongovernment organization
NREG	–	national rural employment guarantee
OECD	–	Organisation for Economic Co-operation and Development
PRC	–	People’s Republic of China
RCC	–	rural credit cooperative
RNFE	–	rural nonfarm enterprise
ROK	–	Republic of Korea
SHG	–	self-help group
UNDP	–	United Nations Development Programme

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