

# **THE GROWTH AND SUSTAINABILITY OF AGRICULTURE IN ASIA**

by

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# FOREWORD

An economic transformation has occurred in much of rural Asia since the Asian Development Bank (ADB) last undertook a survey of the region in 1976. The rural economy has become increasingly linked to a rapidly integrating world economy and rural society in Asia faces new opportunities and challenges.

The transformation of rural Asia has also been accompanied by some troubling developments. While large parts of the region have prospered, Asia remains home to the majority of the world's poor. Growing inequalities and rising expectations in many parts of rural Asia have increased the urgency of tackling the problems of rural poverty. The rapid exploitation of natural resources is threatening the sustainability of the drive for higher productivity and incomes in some parts of rural Asia and is, in general, affecting the quality of life in the entire region.

These developments have altered the concept of rural development to encompass concerns that go well beyond improvements in growth, income, and output. The concerns include an assessment of changes in the quality of life, broadly defined to include improvements in health and nutrition, education, environmentally safe living conditions, and reduction in gender and income inequalities. At the same time, the policy environment has changed dramatically. Thus, there has arisen a need to identify ways in which governments, the development community at large, and the ADB in particular, can offer more effective financial and policy support for Asian rural development in the new century.

Therefore, the ADB decided to undertake a study to examine the achievements and prospects of rural Asia and to provide a vision for the future of agriculture and rural

development in Asia into the next century. The objective of the Study was to identify, for the ADB's developing member countries in Asia, policy and investment priorities that will promote sustainable development and improve economic and social conditions in the rural sector.

The Study was designed as a team effort, using ADB Staff and international experts under the guidance of an ADB interdepartmental steering committee. To address the diverse issues satisfactorily and in a comprehensive manner, five thematic subject areas were identified to provide the analytical and empirical background on which the Study's recommendations would be based. Working groups comprising ADB staff were set up to define broadly the scope and coverage of each of the themes. The five working groups acted as counterparts to international experts recruited to prepare the background reports, providing guidance to the experts and reviewing their work to ensure high quality output.

A panel of external advisers from the international research community was constituted to review and comment on the approach and methodology of the study and the terms of reference for each of these background reports. The external advisers also reviewed the drafts of the reports. In addition, external reviewers, prominent members of academe and senior policymakers, were appointed to review each of the background reports and to provide expert guidance.

The preparation of the background reports included four workshops held at the ADB's headquarters in Manila: an inception workshop in May 1998; two interim workshops, in November 1998 and January 1999, respectively, to review progress; and a final workshop in March 1999, at which the background reports were presented by their authors to a large group of participants comprising senior policymakers from the ADB's developing member countries, international organizations, international and locally based nongovernment organizations, donor agencies, members of academe, and ADB staff.

The five background reports, of which this volume is one, have now been published by Oxford University Press. The titles and authors of the other volumes are:

*Transforming the Rural Asian Economy: the Unfinished Revolution*

Mark W. Rosegrant and Peter B. R. Hazell

*Rural Financial Markets in Asia: Paradigms, Policies, and Performance*

Richard L. Meyer and Geetha Nagarajan

*The Quality of Life in Rural Asia*

David Bloom, Patricia Craig, and Pia Malaney

*The Evolving Roles of State, Private, and Local Actors in Rural Asia*

Ammar Siamwalla with contributions by Alex Brillantes, Somsak Chunharas, Colin MacAndrews, Andrew MacIntyre, and Frederick Roche

The results and recommendations from the Study were presented at a seminar during the ADB's 32nd Annual Meeting in Manila. These have since been published by the ADB as a book titled *Rural Asia: Beyond the Green Revolution*.

The findings from the Study will provide a basis for future discussion between the ADB and its developing member countries on ways to eradicate poverty and improve the quality of life in rural Asia. The volumes in this series should prove useful to all those concerned with improving the economic and social conditions of rural populations in Asia through sustainable development.



TADAO CHINO

President

Asian Development Bank

# PREFACE

This volume explores the transformation of agriculture in Asia since the last survey by the Asian Development Bank, published in 1978 when the impact of the green revolution was beginning to be felt and the focus of governments and researchers was on food security. In the last two decades, Asia has seen unprecedented growth in both the agricultural and nonagricultural sectors. Many countries in Asia have begun industrializing and their economies are no longer primarily agrarian in nature.

The volume is written within the rural Asian context and with special emphasis on sustainability issues. It is not intended to be a survey of Asian agriculture. Rather, it concerns how much growth there has been, what made that growth possible, and how growth can be further enhanced on a sustainable basis. Issues related to agriculture that are relatively remote in relation to rural Asia are given less attention. The focus of the book is how agriculture could become a component of a path to sustainable development.

The contributors to this volume are Mingsarn Santikarn Kaosa-ard, Benjavan Rerkasem, Apichart Kaosa-ard and Kanok Rerkasem from Chiangmai University; and Sunil Subanroa Pednekar, Shelley Grasty and Paul Auger from the Thailand Development Research Institute Foundation.

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and BENJAVEN RERKASEM