

## Preface

In 1987, the World Commission on Environment and Development defined sustainable development as “a process in which the exploitation of resources, the direction of investment, and the orientation of technological development, and institutional change are made consistent with future as well as present needs.” In 1992, the world community, represented by over 178 nations including 120 heads of State and government, met at the Earth Summit in Rio de Janeiro. It adopted Agenda 21, which was basically a resolution to prevent further deterioration of the global environment, economy, and poverty. At the summit, global leaders urged national governments, and regional, intergovernmental, and other institutions, including the Asian Development Bank (adb), to adopt national and regional action plans suited to their own situations and priorities. To a great extent, the plans are now in place; most national governments have established sustainable development commissions or councils as well as local versions of Agenda 21. Regional organizations and institutions also have similar policies and action agendas. However, a United Nations (UN) review of the progress of implementation of Agenda 21 five years after its adoption reveals that despite some positive economic growth and improvement of social conditions in the region (e.g., the increase of life expectancy at birth, lower infant mortality), Asia has suffered massive environmental destruction and social disintegration. According to *Emerging Asia*, an adb (1997) study, Asian cities have among the worst cases of air pollution in the world, with air particulates being five times more than in industrial countries and twice as much as the world average. Asian rivers typically have 4 times more than the world average of suspended solids, 1.4 times the biological oxygen demand, and 3 times the coliform count. About 60-65 percent of Asia’s solid and hazardous wastes is put in landfills while about 5-10 percent is dumped in the ocean. Approximately 1 percent of Asia’s forest cover is lost annually and soil erosion has become severe in Southeast and South Asia. While Asia is home to 40 percent of the world’s species of flora and fauna, biodiversity is continuously threatened, and about

70-90 percent of wildlife habitats in the region have been lost in the last decade to human encroachment.

Although Asia has shown some improvement in terms of the number of people living below the poverty line, it still has the highest number of poor—about two thirds of the global total. Total regional gdp growth has been impressive, but basic human needs such as water supply, sanitation, primary health care, and pro-poor economic growth have not been satisfactory. Gender inequity, violence against women, and social exclusion are still rampant in many societies.

*Sustainable Development in Asia* attempts to ascertain the degree to which sustainable development in Asia is achieved and to identify the key determinants of sustainable development. It envisions the future of a region where development and sustainability have been projected.

It reveals that while the classical definition of sustainable development as outlined above is still valid, Agenda 21 has failed to operationalize it due to two primary reasons: a significant financial gap and a predominantly environment agenda. Sustainable development is an act of balancing economic, social, and environmental benefits through implementation of development policies, programs, and projects that will not enhance one type of benefit at the cost of others. Sustainable development also requires a major overhaul in the mindset, attitude, and behavior of the local people as well as of the international community.

This book highlights three determinants of sustainable development: (i) consumption, (ii) production, and (iii) distribution. Consumption beyond reasonable limits set by nature; production characterized by gross inefficiencies in use of water, energy, and minerals; and grossly inequitable distribution of resources—all perpetuate poverty and stop sustainable development. Sustainable development demands pro-poor economic growth, social development, and good governance, and is therefore tantamount to poverty reduction—the overarching goal of adb. This book argues that the present pattern of consumption, production, and distribution can be transformed into sustainable development by paying policy attention to three facets

of our society: (i) markets and their imperfections; (ii) quality of governance and its impact on who bears the cost and who reaps the benefits of economic growth; and (iii) how social values are communicated and transformed into public policy through public participation.

It also reveals that a new production revolution is needed which will integrate economic, environmental, and social objectives in a balanced way. The production revolution will dramatically increase the efficiency of the production system, minimize pollution and depletion of resources, turn profit in a competitive market, achieve equity, and increase ecological and social security. This book presents five reasons why Asia is in the best position to be the venue of the new production revolution.

Another major conclusion of this book is that land reform is crucial to reducing poverty and promoting sustainable development. Economies with impressive growth, such as prc, Japan, Republic of Korea, and Taipei, China, all had strong land reform measures initiated by their governments at the early stages of their development. The lack of land reform has been a major cause of persistent rural poverty in Asia and has been well documented in adb's Rural Asia study. Recent analysis of data from Bangladesh undertaken by the International Food Policy Research Institute (1999) indicates that when it is the women rather than the men who possess land, the share of household expenditures for children's education increases significantly. The publication thus suggests a 12-point program for rural restructuring, which is necessary for promoting sustainable development.

Paradoxically, Asia-Pacific governments are not only responsible for both ecological and social disintegration, but are also the principal agents that will reduce poverty and promote sustainable development. The study emphasizes governments' vital role in promoting sustainable

development. While the private sector can only supplement efforts to achieve sustainable development, the essential elements of sustainable development—pro-poor economic growth, social justice, a participatory approach to development, corruption prevention, and appropriate policies and legislation—are almost entirely the responsibility of governments.

In 1985, the UN Social and Economic Commission for Asia and the Pacific organized the first Ministerial Conference on Environment and Development. The fourth one will focus the attention of the region's ministers on the state of the environment and the challenges of sustainable development. Through its regional technical assistance, adb has co-sponsored the conferences since 1990 and prepared quinquennial reports on the state of the environment in Asia and the Pacific. It would be most appropriate, therefore, to present the recommendations of the study to the political leaders and decision makers of the region, who will assemble in Kitakyushu, Japan, in September 2000.

Some points of clarification are in order before closing the preface. *Sustainable Development in Asia* is not an analysis of adb activities. It is a visionary document on regional sustainable development based on development activities carried out by governments and their people, multilateral or bilateral agencies, private sector, nongovernment organizations, and civil society. Although adb financed the study, the views expressed and recommendations made herein are those of the authors and not necessarily of adb. It is agreed that further in-depth analysis will be needed on various topics identified during the review process, which could not be undertaken due to lack of time and a shoestring budget. Nevertheless, the publication should serve an important purpose: to initiate debate and discussion on a new paradigm for sustainable development in the Asia-Pacific region.

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## Abbreviations

<b>ADB</b>	Asian Development Bank
<b>BOD</b>	biological oxygen demand
<b>BOLT</b>	build-own-lease-transfer
<b>BRI</b>	Bank Rakyat Indonesia
<b>EKC</b>	Environmental Kuznets Curve
<b>ESCO</b>	energy service company
<b>GDP</b>	gross domestic product
<b>GNP</b>	gross national product
<b>GPI</b>	Genuine Progress Indicator
<b>HDI</b>	Human Development Index
<b>HIID</b>	Harvard Institute for International Development
<b>HIV/AIDS</b>	human immunodeficiency virus/acquired immune deficiency syndrome
<b>IFAD</b>	International Fund for Agricultural Development
<b>ISEW</b>	Index of Sustainable Economic Welfare
<b>NGO</b>	nongovernment organization
<b>ODA</b>	official development assistance
<b>OECD</b>	Organisation for Economic Co-operation and Development
<b>PPP</b>	purchasing power parity
<b>PRC</b>	People's Republic of China
<b>R&amp;D</b>	research and development
<b>TVE</b>	town-and-village enterprise
<b>UN</b>	United Nations
<b>UNCED</b>	United Nations Conference on Environment and Development
<b>UN DESA</b>	United Nations Department of Economic and Social Affairs
<b>UN DSD</b>	United Nations Division of Sustainable Development
<b>UNDP</b>	United Nations Development Programme
<b>UNESCO</b>	United Nations Educational, Scientific, and Cultural Organization
<b>WB</b>	World Bank
<b>WRI</b>	World Resources Institute
<b>WTO</b>	World Trade Organization