
FOREWORD

Poverty in Asia declined by almost half during the 30 years up to 1997, yet still encompassed close to 900 million persons. East and Southeast Asia made enormous progress during this period, but with the onset of the financial and economic crisis in 1997, the economic growth of a number of countries in these subregions came to a halt and even regressed.

The most severely affected countries were in Southeast Asia (Indonesia, Lao People's Democratic Republic, Malaysia, Philippines, and Thailand). However, the overall impact seems less severe than earlier anticipated. At the same time, in addition to the transitional poor, chronically vulnerable groups of poor people suffered more than earlier believed. Given the inadequacy of government social safety nets, the beleaguered family system played its traditional fallback role of sustaining members through enormous hardships. These crisis-heightened burdens further impeded the daily struggle for survival and security of poor people with already limited assets compounded by low levels of education, health, and housing, and few opportunities to make demands of government. Even though national economies appear to be recovering, poor people affected by this "deeper crisis" will need much more time and assistance to pull themselves out of poverty.

For South Asia with its 500 million poor people, the incidence of poverty may have decreased, but the number of poor continues to increase because the rate of economic growth cannot offset population growth. In the Central Asian Republics, people are experiencing very high social costs because government systems that once provided guaranteed employment, family allowances, and social services are being abandoned or remain underfinanced.

Declaring poverty to be an unacceptable human condition that is not immutable and that can be affected by enlightened public policy and action, the Asian Development Bank (ADB) has made poverty reduction its overarching goal and the elimination of poverty its principal *raison d'être* for the foreseeable future. Gaining increasing importance is ADB's role in highlighting current and emerging issues likely to affect the ability of Asian countries to reduce poverty further.

Accordingly, in conjunction with its 32nd Annual Meeting in Manila, ADB organized a seminar on "Poverty Reduction: What's New and What's Different?" on 29 April 1999, featuring a distinguished panel of academics, officials of international agencies including ADB itself, a national government representative, and a civil society leader. The panelists were invited to assess as yet diffuse changes in the paradigms for economic growth that served as the foundations for substantial reductions in poverty before the crisis, particularly in East and Southeast Asia. They were also asked specifically to state what was different in Asia and the world today compared to a decade ago. The panelists' presentations were followed by the viewpoints of two discussants representing ADB and nongovernment organizations (NGOs), respectively, and then comments and questions from the heterogeneous audience, which included civil society leaders, government officials, and representatives of NGOs and international agencies. The report concludes with an analysis of the implications of the presentations and discussions for ADB and its developing member countries.

Serving on the panel were Dr. Richard A. Jolly, Special Adviser to the Administrator, United Nations Development Programme, and former United Nations Children's Fund Deputy Executive Director for Programmes; Dr. Partha Dasgupta, Faculty of Economics and Politics, Cambridge University; Dr. Martodinoto Mobyarto, Professor of Economics, Gadjah Mada University, and

Advisory Expert on Poverty Affairs to the Coordinating Minister for Economics, Finance, and Industry, Indonesia; and Dr. Christine Wallich, Director, Infrastructure, Energy, and Financial Sectors Department (West) and Head, Private Sector Group, ADB.

The two discussants were Dr. A. T. Ariyaratne, President, Sarvodaya Shramadana Movement, Sri Lanka, and Commissioner, Human Rights Commission of Sri Lanka; and Dr. Anita O. Kelles-Viitanen, Manager, Social Development Division, ADB, and formerly focal point for gender issues at the International Labour Organisation. The seminar participants were welcomed by Dr. William J. Staub of the ADB Office of Environment and Social Development (OESD). Dr. Kazi F. Jalal, then Chief, OESD, chaired and moderated the session. The analysis of the implications of the session was made by Dr. Mary Racelis, Director, Institute of Philippine Culture, Ateneo de Manila University, Philippines, who also prepared the report.

The Seminar was held at a time when the impact of the Asian financial and economic crisis was at its peak. Although the region has since begun to recover from this impact, the issues highlighted by the participants with regard to poverty and the potential to reduce poverty in the region are as pertinent now as they were then.

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