

OPENING REMARKS

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Examining poverty reduction in Asia today calls first for reassessing a decade-long consensus in development circles. Until mid-1997, international agencies together with national governments favored three workable approaches: (1) foster economic growth that expands income and employment opportunities for the poor, (2) develop human capital, and (3) protect vulnerable groups from catastrophic events through effective and timely safety nets.

The events and trends highlighted by the Asian financial and economic crisis point to new and emerging poverty situations: the appearance of transitional poor groups—people who were not poor before the crisis but fell below the poverty line as a result of it, and who could conceivably rise above it if circumstances allow; transitional economies, as in the Central Asian Republics, where grinding poverty had not existed prior to the dissolution of the Soviet Union but was beginning to appear; and a staggering increase in international flows of private capital and technology into the region, bringing serious consequences.

With inequality within East Asian countries increasing in 1999 as never before, these trends have changed the content of policy dialogues among multilateral development banks, bilateral aid agencies, and national governments. Strong civil society voices raised in protest have spurred this reorientation. Development agencies now emphasize the links between environmental destruction, poverty, and mal-development. Other poverty-related issues have moved onto center stage: the need for anticorruption measures; ownership of assets by the poor; sound development management; and good governance with transparency, accountability, and people's participation.