

Preface

Despite the surge in manufactures trade and production networks that anchor the industrialization process in East Asia, agriculture remains an important sector of the economy of most developing countries in the region. Indeed, for the lower-income member countries of the Association of Southeast Asian Nations (ASEAN) that rely preponderantly on agriculture, agricultural development is the key to widespread economic growth and rapid poverty reduction. For the middle-income ASEAN countries as well as China and India, agricultural development remains an important pillar for balanced growth, sustained poverty reduction, and a deeper domestic consumption base for their manufacturing and service industries.

An integrating and industrializing East Asia offers both opportunities and challenges to the region's agricultural sector. On the one hand, a robustly growing East Asia is a growing source of demand for a wider range of agricultural products for food and industrial purposes. On the other hand, for food-deficit countries, the increased opportunities for agricultural exports from a robustly growing and industrializing East Asia are tempered by the political and social imperative of food security. This is because natural disasters like drought or widespread pest infestation that significantly reduce domestic food production can cause food prices to spike unless global prices are stable.

This book consists of papers from the Economic Research Institute for ASEAN and East Asia (ERIA) research project on "Agricultural Development, Trade and Regional Cooperation in Developing East Asia" in Fiscal Year 2010-11. It aims to address the twin issues of the growing opportunities for agricultural development and trade arising from a robustly growing East Asia on the one hand and the political and social imperative of food security on the other hand. All papers in this book were presented in two workshops held in Siem Riep and Phnom Penh, Cambodia in 2010 and 2011. The collection of papers in the book examines the aforementioned concerns as follows:

- Examine the role that agricultural development can play in engendering sustained economic growth and substantially reducing poverty in the poorer countries of Cambodia, Laos, and Myanmar.
- Understand the interaction of agricultural commercialization and modernization on the one hand and rural transformation and agri-based manufacturing on the other hand and their implications on the overall economies of the middle-income countries of Indonesia, Thailand, and Viet Nam.
- Analyze the changes in consumption in the fast-growing economy and market of China and their implications on East Asia's agricultural trade, and examine how a food-deficit country like the Philippines can benefit from expanded opportunities for agricultural trade while addressing food-security concerns.
- Explore the possibilities of regional cooperation in mitigating the welfare effects of natural disasters and crises; in developing the potentials of a green economy within the confluence of Northeast India, Southwest China, and Myanmar; and in strengthening the role of agricultural research and development as a major productivity-enhancing investment in developing East Asia's agriculture

I sincerely hope that the recommendations put forward by ERIA's initial study on agricultural development issues in the region prescribed in this book would be fruitful for concerned stakeholders in the region to stimulate discussions on a more open agricultural economy in tandem with investments in productivity-enhancing interventions like irrigation and agricultural research and development, while creating regional cooperative efforts that redress or temper the negative welfare effects of crises and natural disasters. I welcome your feedback for us to advance our research in these areas.

Hidetoshi Nishimura

Executive Director

Economic Research Institute for ASEAN and East Asia

Acknowledgements

We would like to express our appreciation and gratitude, first and foremost, to the members of our research working group for their scholarly contribution to the completion of the *Agricultural Development, Trade and Regional Cooperation in an Integrating and Industrializing East Asia* project. We are also indebted to Professor Fukunari Kimura, Chief Economist of ERIA, for his intellectual guidance, encouragement, and support for the project.

ERIA's management support is crucial for the successful completion of the project and this book. We are profoundly grateful for the strong support from our Executive Director, Mr. Hidetoshi Nishimura, General Manager, Mr. Daiki Kasugahara, Research Director Mr. Mitsuo Matsumoto, Finance Manager, Mr. Takeo Tsukuda, and the research support and administrative staffs of ERIA.

Opinions expressed in this book are those of the respective authors and do not necessarily reflect the views of the Economic Research Institute for ASEAN and East Asia.

Ponciano S. Intal Jr.

Sothea Oum

Mercy Simorangkir