

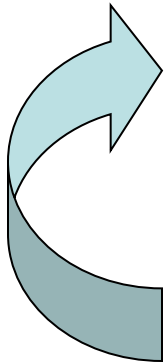
Reversing the “Vicious Cycle” of Poverty and Environmental Degradation

Two Nilgiris Examples

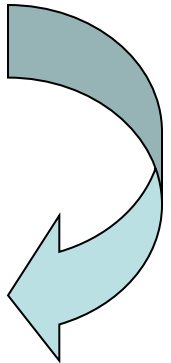
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The 'Vicious Cycle' of Poverty and Environmental Degradation



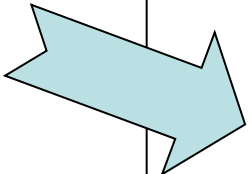
..... Low assets → low income → no surpluses → the poor consume nearby 'natural capital' in which they are stake-holders → even lower assets



- **The Backdrop : *lack of markets in public goods / externalities pricing ... eco-system conservation benefits all, but hits the resident poor with disproportional opportunity costs of conservation ..***
- **The Challenge : *finding alternative, sustainable, local, income models such that residents can earn a return on conservation ..***
- **The Goal : *converting the accidental custodianship of forest-dwelling poor into purposeful stewardship ... the 'win-win' solution***

Lessons from PEP* Seeing the Poor as Part of the Solution

“PEP’s work since 2001 has identified three broad lessons :

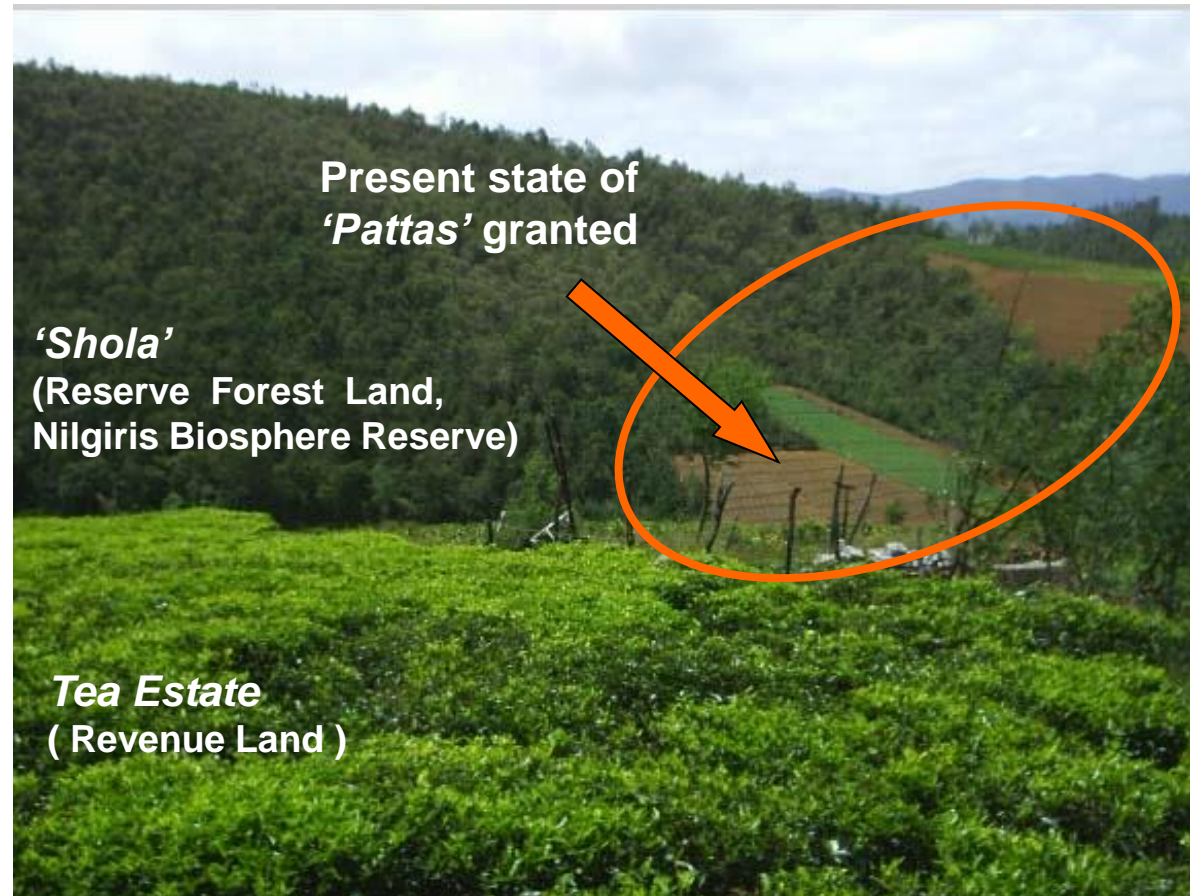
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- 1 The environmental quality of growth matters to poor people.** The poor depend more immediately on clean water, fertile soils, etc, than other groups. Ignoring the environmental sustainability of growth – even if it reaps short-run gains – can undermine growth itself and its effectiveness in reducing poverty.
 - 2 Environmental management cannot be treated separately from other development concerns.** Improving environmental management in ways that benefit poor people requires policy and institutional changes that cut across sectors. These lie mostly outside the control of environmental institutions.
 - 3 Poor people must be seen as part of the solution rather than part of the problem.** If environmental management is to contribute to sustainable growth and poverty reduction, it should reflect the priorities of the poor.”

"Certain environmental services, e.g. watershed protection, management of landscape beauty, and carbon sequestration, can be supplied competitively by poor groups and rural communities – given the labour- and land-intensive nature of such services."

The Vicious Cycle of Poverty & Environmental Degradation

An Example from the Nilgiris Biosphere Reserve

- land 'patta' allocated by local corporator from forested 'Revenue Land'
- clear felling by Tribals
- lease to local farmer (INR 4,000- p.a. per acre)
- cash crops or grain
- seasonal employment to Tribals (INR 50 per day)
- land goes fallow...
- next 'patta' allocated ..



Are there Sustainable Models for Poverty Alleviation ?

Yes , Several ! Two Nilgiris Examples...



Access to capital :

- (a) Govt of India (carved out of “EGS” scheme INR 240 Bio, 100 days @ Min Wage)
- (b) Institutional & Philanthropic
- (c) Microfinance

Local income models ...

1. Eco-restoration
 2. Eco-tourism
- ... earn a tribal family 5%-8% on conserved natural capital

Example (1) Eco-Restoration *is* a viable, replicable, “alternative livelihood” model (EBR, Nilgiris)



- ✓ Rental of land @ **INR 5,000 per acre** OR... purchase @ INR 100 K per acre
- ✓ Removal of unharvestable Tea @ **INR 10,000 per acre** OR... De-weeding
- ✓ Pitting, Planting, Watering, Weeding @ **INR 65 per day** (Tea Garden Rates)
- ✓ Resident watchman wages @ **INR 50 - 75 per day (1 x through the year)**
- ✓ Nursery Maintenance & Sapling preparation (**1 x through the year**)
- ✓ Tribal harvesting of medicinal plants & herbs, floriculture, and nursery sales
- ✓ **1 Hectare can be afforested @ low cost, and 3 tribals employed**

Example (2) : Cultural- / Eco-Tourism is another sustainable income opportunity ..



- ❑ The *Todas* have a unique & complex ancient culture, a separate pantheon, an evolved mythology ... a fascinating anthropological subject
- ❑ Their unique, eco-friendly huts are a tourist experience
- ❑ Their land (elevation 6,000-7,000 ft) is among India's most beautiful spots

➤ **Income Model : Microfinance-assisted Construction of Five Huts “for tourists only”, and maintained by one *Toda* village**

➤ **“Fair Trade” share of Tourist booking Incomes to the *Toda* Tribals**

Economics of Nilgiris “Alternative Livelihood” Models

(1) Eco-Restoration & (2) Eco- /Cultural Tourism

Income streams from (1) Eco-restoration on degraded land

- ✓ Rental of land at Rs. 5,000 per acre (OR... purchase @ Rs. 80,000 per acre)
- ✓ Removal /clearance (eg : unviable tea bushes @ Rs. 10,000 per acre local rates)
- ✓ Pitting, Planting, Watering, Weeding -100 days at Rs. 65 per day (local rates)
- ✓ Resident watchman wages @ INR 75 per day (1 x through the year)
- ✓ Nursery Maintenance & Sapling preparation (1 x through the year)
- ✓ Villagers harvesting of medicinal plants & herbs, floriculture, and nursery sales
- ✓ Target : 1 Hectare afforested at low cost , and 3 adults employed earning a total Rs. 75,000 p.a.. much higher than Rs 25,000 p.a. from current “patta lease + seasonal farm labour” which causes deforestation & environmental degradation

Income streams from (2) Eco-tourism or Cultural tourism

- ✓ Either “Village Homestay” model with visitors sourced from urban youth , and sales of handicrafts (estimated total income Rs 25,000 p.a.)
- ✓ Or “Built Tribal Home” model, micro-finance funded Rs 50,000 construction of ‘Traditional Toda Hut’ with profits / income sharing for villager partners of project investor (estimated incomes / profits per family Rs. 25,000 – Rs 1 lakh p.a.)