

ENVIRONMENT AND THE POOR: DEVELOPMENT STRATEGIES FOR A COMMON AGENDA

H. Jeffrey Leonard and contributors

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Environment and the Poor

Acknowledgments

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Foreword

An emerging “global agenda” of interrelated issues—growth, poverty, environment, and political pluralism—is becoming the central focus for development cooperation for the next two decades. Global poverty remains as serious as ever, despite marked progress over the last three decades in improving human well-being. Environmental stress at both the local and international levels threatens irreversible deterioration of the earth’s fragile environment. Continued high levels of population and economic growth exacerbate both poverty and environmental degradation. And the increase in political openness throughout the world poses both dangers and opportunities.

There is now a growing awareness among policymakers that eliminating global poverty and sustaining the environment are inextricably interlinked. There is little agreement, however, on the necessary policy responses to such global-level environmental problems as the warming of the earth’s atmosphere, or to such local-level problems as deforestation, soil erosion, and degradation, or the provision of urban water and sanitation.

This Policy Perspectives volume, *Environment and the Poor: Development Strategies for a Common Agenda*, is ODC’s first attempt to sort out the complex interrelationships between several equally desirable policy goals: eliminating absolute poverty, slowing population growth, and safeguarding the environment. The central message of the study is important: Six out of every ten of the world’s poorest people are being inexorably pushed by agricultural modernization and continuing high population growth rates into ecologically fragile environments—tropical forests, dryland and hilly areas, or the slums of the great urban areas. Unless development strategies support the capabilities of these people to ensure their own survival, the nearly 500 million poorest people in these fragile areas will be forced to meet their short-term needs to survive at the cost of long-term ecological sustainability and the well-being of future generations.

The contributors to this volume call for new policies and new forms of collaboration across a range of sectors and among participants at the local, national, and international levels. We hope that the many individuals who are part of the solutions to both poverty and environmental problems—population planners, water engineers, health professionals, trade negotiators, local activists, bankers, agroforesters, aid administrators, resource managers, economists, waste-disposal technicians, political leaders, and others—find the policy recommendations stimulating and practical.

Environment and the Poor: Development Strategies for a Common Agenda marks a new stage in the Overseas Development Council's long-standing concern with poverty-oriented development strategies. The study follows two earlier policy studies: *Development Strategies Reconsidered*, which examines the debate between inward- and outward-oriented development strategies; and *Strengthening the Poor: What Have We Learned?* which assesses the experiences of governments and aid agencies in implementing poverty-oriented development strategies over the last two decades. Both volumes were prepared under the direction of ODC's Senior Advisor, John P. Lewis. The interrelationships among policies to eliminate poverty, sustain the environment, restore necessary economic growth, and promote political pluralism will form a major part of the Council's work program over the next several years.

ODC was fortunate to involve H. Jeffrey Leonard as the director of the project that resulted in *Environment and the Poor*. Dr. Leonard, who is a Vice President of the World Wildlife Fund/The Conservation Foundation and director of its Fairfield Osborn Center for Economic Development, is the author of numerous books and studies; perhaps most important, he is one of the few who presently possess a clear and specific view of the close linkages between eliminating poverty and sustaining the environment.

This project was stimulated and made possible by a grant from the Jessie Smith Noyes Foundation. The Foundation's President, Stephen Viederman played a major role in catalyzing our thinking about the contents of this volume. In addition, support for this project came from the funds for work on poverty-oriented development strategies generously provided by Lutheran World Relief, the Christian Children's Fund, and The Hunger Project. The Policy Perspectives series of which this study is part enjoys generous support from The Pew Charitable Trusts and from core support for ODC's work from the Ford, Rockefeller, and Hewlett Foundations.

August 1989

John W. Sewell, *President*
Overseas Development Council

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Overview



Environment and the Poor: Development Strategies for a Common Agenda

H. Jeffrey Leonard

Introduction

Two critical challenges have been thrust to the top of the development agenda for the 1990s: the reduction of poverty and the protection of the environment. First, debt-service obligations, declining terms of trade, high costs of capital, structural adjustment, and reduced development assistance have severely penalized the poorest developing countries. Concern about their plight has renewed international focus on poverty reduction as a priority for international development assistance.¹ Second, recent scientific evidence of global environmental threats—such as climate change due to increases in carbon dioxide in the earth's atmosphere—and growing recognition of the consequences of rampant natural resource destruction in tropical countries have for the first time placed protection of the environment in the mainstream of development policy objectives.² Indeed, the leaders of the world's seven leading industrial democracies, in what has been dubbed the first "Green Summit," agreed at their July 1989 meeting to redouble efforts to assist developing countries to preserve their resources and avoid deterioration of their ecological systems.

The problems of poverty and environmental degradation are both complicated and made vastly more urgent by the relentless increases in sheer numbers of people living in developing countries. Many developing countries experiencing rapid population growth find that per capita incomes are falling even in years of reasonable aggregate economic growth. In some high-population-growth countries, the capacity of the

land and its resources to provide poor people with food and life's basic needs is being exceeded in areas that once yielded ample sustenance.

Widespread poverty and environmental destruction threaten to block economic and social progress in many developing countries in the coming decades. Enduring poverty at the urban periphery and in the hinterlands of many middle-income countries, and pervasive poverty and hunger in the lowest income countries, severely constrain overall economic growth. The clearly visible scars associated with the destruction of forest, soil, and water resources throughout the developing world mark both the extreme waste of economic productivity already lost and the reduced productive potential of these resources for the future.

The depreciation of human capital by poverty and the depletion of capital stocks of natural resources assume even graver significance in light of the continuing scarcity of investment capital facing many developing countries. Net capital outflows to developed countries (as debt service, profit repatriation, and flight capital) have seriously constrained developing countries' economic expansion in the 1980s.³ Improvements in human productivity and more efficient use of natural resources (including land) are two of the main avenues by which developing countries could generate internally some of the surplus capital necessary for growth in the absence of sufficient external investment capital.

The Clash of Poverty and Environment

Despite growing acceptance that alleviating poverty and protecting the environment are *both* critical to long-term economic growth, development economists often believe that the relationship between poverty and environment is akin to that between inflation and unemployment, as postulated by the Phillips curve. Many development economists argue that this relationship prevents developing countries from dealing with both problems simultaneously or through a single set of policy instruments, and that policies adopted to redress one problem will inevitably exacerbate the other. The point is often made, for example, that only after poor farmers increase their incomes can they turn their attention to reducing soil erosion and other long-term environmental problems.⁴ Similar beliefs have often been expressed by developing-country leaders. Indira Gandhi, for example, held that extremely poor people and countries must make an explicit trade-off, accepting long-term environmental degradation to meet their immediate needs for food and shelter.

In short, the challenges of poverty reduction and environmental protection are often seen as antithetical—at least in the short-term horizon within which most poor people are forced to live. As with virtually anything that diverts even incremental energies or resources of subsistence-level people, a pause to protect or repair the environment

can literally take food out of the mouths of hungry families.

Yet the real conflict is often less between what is good for the environment and what is good for the poor than between what is good for the poor of today and the poor of tomorrow. In many marginal, rural areas growing numbers of poor people inevitably have to degrade the environment a little more each day just to make ends meet. But in doing so, they take not only from nature's bounty but also from the well-being of future land-dependent generations. Consequently, even when the short-term trade-off between immediate hunger and environment is stark, the urgency is growing for developing-country governments and international donors to promote appropriate policy instruments to reduce the conflicts. As World Bank President Barber Conable has described the stakes: "The stubborn fact of the eighties is that growth has been inadequate, poverty is still on the rise, and the environment is poorly protected. Unchanged, these realities would deny our children a peaceful, decent, and livable world."⁵

The Ecological "Marginalization" of Poverty

More than anything else, three major demographic factors interact to place long-term environmental protection concerns in conflict with the short-term survival strategies of the poor:

- Rapid population growth,
- Land consolidation and agricultural modernization in fertile agricultural areas, and
- Prevailing inequalities in land tenure.

These factors have induced growing numbers of very poor people to migrate to new lands or to already burgeoning urban areas. In many rural areas characterized by traditional technology and few off-farm opportunities, growing populations continuously subdivide a resource whose potential to yield food, fodder, and fuel is relatively fixed.

A basic premise of this book is that, over time, this process causes environmental degradation and intractable poverty to become more and more closely intertwined in particular geographic areas with fragile environmental conditions. The world's poorest people are thus increasingly clustered in two types of areas: remote and ecologically fragile rural areas and the edge of growing urban areas.

Agricultural production, and therefore average income, has risen dramatically in many of the most fertile and easily reached regions of the developing world. But the stagnation of agricultural productivity in other areas and the push of landless people out of areas undergoing agricultural modernization have placed great pressures on poor people throughout the developing world to occupy and exploit more and more marginal lands. These include arid and semi-arid lands, hillsides, moist

tropical forests, and other ecologically sensitive areas that were previously not exploited or were exploited less intensively.

Though not necessarily unfarmable, many of these lands are highly susceptible to ecological deterioration unless they receive investments of labor (or capital) to construct appropriate infrastructure and unless specially adapted agricultural technologies are introduced. Quite often, however, severe environmental degradation—manifested as soil erosion and loss of fertility, desertification, and deforestation—has accompanied the increasing pressures placed on such vulnerable lands. These environmental problems often undermine the livelihood of already impoverished, land-dependent people.

Environmental degradation and poverty clash in urban areas, too. Modern manufacturing industries, commercial centers, and service industries are concentrated at the core of many large cities in the developing world. Around them, large numbers of the poorest of the urban poor cluster in makeshift, ramshackle “shadow” cities at the urban periphery. As a result of absolute shortages of appropriate land or the high economic rents on “serviced” lands, these peripheral urban areas are often characterized by hazardous natural and man-made ecological conditions (some examples are flood plains, steep slopes, or vacant land adjacent to dangerous industries). The physically precarious conditions typical of urban squatter settlements in the developing world greatly magnify the vulnerability of the urban poor to a broad array of environmental sanitation problems (notably waterborne diseases), natural disasters (especially floods and mudslides), and man-made disasters (such as chemical plant explosions and urban fires).

In these geographical “poverty reservations,” the need to reconcile anti-poverty and environmental improvement strategies is most urgent. The interaction of poverty and environmental destruction sets off a downward spiral of ecological deterioration that threatens the physical security, economic well-being, and health of many of the world’s poorest people. Ironically, even as experts point out that the poorest people in developing countries have become “more bankable” by measure of their organization and human capacity, their lands are becoming “less bankable” by virtue of the pervasive deterioration of their productive capacity. This poverty and environment connection, depicted in Figure 1, also has significant implications for the “global” environmental concerns that have become widely publicized in the developed world during the 1980s: the prospects of global warming due to increased carbon and other “greenhouse” gases in the atmosphere and the destruction of a growing portion of the earth’s biological diversity. While it is critical for the developed countries to enlist the developing countries in the “crusade” to save the world’s environment, this will only be possible if developing countries perceive that poverty alleviation efforts are enhanced, not thwarted, by environmental protection plans.

Figure 1. The Poverty and Environment Connection

