GREEN ECONOMY AND POVERTY

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We are at a stage in economic development, where the green economy is not an achieved state of affairs at all. We are not even sure if we are even sincerely committed to achieving it, or if we are honestly striving to achieve it. No doubt concerns have been expressed both in the civil society and in official circles almost all over the world about the trend towards environmental degradation and the urgent need to reverse it. Various apprehensions have been voiced about implications of a green economy, or even achieving a green economy, for aggravation of poverty, or its decline, or for attempts at its removal. My lecture now is addressed to discussing these apprehensions.

Let me first clarify that by a green economy, I do not necessarily mean an idyllic state where there is no interference of man in to nature. We cannot go back to a pre-industrial state now, nor can we stop the process of economic growth particularly in low-income developing economies. Kenneth E Boulding in his pioneering and famous paper on 'The Economics of the Coming Spaceship Earth', published in 1973 in the book edited by Herman Daly, *Toward a Steady-State Economy,* showed a way to achieving a green economy. The thrust of the article was to persuade humanity to accept the stark fact that the earth is a space-ship, and its economy has to be treated in the same sustainable way as a spaceman treats his space-ship. It is a closed system except in respect of solar energy. At least in regard to use of matter, 'all outputs from consumption would be constantly recycled to become inputs for production, as for instance, nitrogen in the nitrogen cycle of the natural eco-system' (Boulding 2001: 221).[1] But this recycling has limitations imposed by the law of entropy, and will itself require significant amounts of energy. Besides, recycling cannot be done unless it is economical too. Whatever is technically feasible need not be economical. All these limitations suggest that resource- and energy- intensive consumption itself, particularly by the rich, has to be moderated effectively to achieve a green economy. Technological breakthroughs in using solar and fusion energy may hopefully give some relief when they take place, but ultimately there does not seem to be alternative to a Gandhian approach to the problem of sustainable development, which would be essentially be realizing our moral responsibilities in moderating the growth of our wants on the part of the rich – the rich countries as well as the rich in developing countries.

However, it is not within the scope of my lecture to discuss what constitutes a green economy and how to achieve it, as this burden has been assigned to other stronger shoulders in this by our wise Seminar-coordinator. For my part, I will try to explore the relationship between green economy or greening an economy and poverty through five precise questions:

(1) Is greening an economy only an elite concern, and not a concern of the poor?

(2) Will greening an economy help in reducing poverty?

(3) Will a green economy, when achieved, still continue to have poverty?

(4) Is poverty a problem – an obstacle in greening, so that we have to first eliminate poverty through economic growth or development, and then bother about greening?

(5) Is poverty helpful in contributing to greening, in a way that its removal will lead to a worsening of environmental deterioration?

I had earlier discussed the nexus between poverty, development and environment in a paper published in EPW in 2000.[2] My views have not changed in between. But what I am doing now is to explore the relationships between these three problems by asking these specific questions in the context of greening our economies at various levels – local, national and global.

I take up **the first question** : Is greening only an elite concern? Aren't the poor concerned about it? Don't the poor have a stake in it?

Love of nature is not a recent phenomenon. The Rigvedic sages were basically poets, who became ecstatic in praising nature and its manifold forms. They regarded god as a poet (*kavihi*) and the universe as His poem or poetry (*kaavya*).[3] This love of nature and also awareness of our dependence on it made *Yajurveda* to command: '*Prithiveem maa himseehi,antariksham maa himseehi, maapo maaaushadheehi himseehi*' [4] (Do not injure the earth; do not injure the space; do not injure water and the herbs). The eminent Sanskrit poet, Kalidasa, is equally known for his poetic description of Nature and its beauty, and so were old Kannada poets like Pampa.

Even English poets like William Wordsworth were deeply fascinated by Nature and composed memorable poems in its praise. What gave these nature-lovers a rather uncomplimentary label as 'romantic environmentalists', was their opposition to modern symbols of industrialization – the factories, coal mines and the railways. Ramachandra Guha mentions John Ruskin (1819-1900) among the early environmentalists, who opposed these symbols and defended the lakes, the pasture lands and the forests. I will not go into the history of environmentalism, which has been already presented admirably by Guha in his book on

Environmentalism (OUP, 2000). Such environmentalists were dubbed as elitist and romantics, who had no interest in the poor nor in the jobs and incomes and created by the process of economic growth which benefited the poor too.

Guha calls this kind of environmentalism as the environmentalism of the rich, who want to go into the wilderness to enjoy nature on week-ends and other holidays and have a nice refreshing change. The concern was regarded as aesthetic or about spending leisure.

But Guha and Madhav Gadgil also spoke of the environmentalism of the poor, which emerged out of livelihood concerns of the poor in contrast to the aesthetic concerns of the rich.[5] Economic development has a tendency to displace, uproot and marginalize the poor, even as it claims to end poverty. Such displacement and deprivation caused by development projects are claimed to be temporary in impact and more than offset by the beneficial impact of development on the whole. But one man's increased happiness is no consolation for another man's loss of it. The displaced have to be necessarily rehabilitated, which is often not done satisfactorily. As a result, the victims of displacement and deprivation have a history of protest movements to save their access to natural resources – forests, fisheries, CPRs and even agricultural lands. There have been several examples of such movements in India and abroad. The leaders of these movements like Medha Patkar, Chandi Prasad Bhat, Chico Mendes and Wangari Mathai were not mere environmentalists but also more particularly defenders of the rights of the poor to livelihood. It was a double and inter-related concern –concern to save Nature as well as to protect the access of the poor to its resources. This was because the Nature nourished the poor and the poor had a stake in protecting it and maintaining its productivity. The poor are often blamed by the elite for having no stake in their future and in preserving the sustainability of the environment. But it depends entirely on whether the poor have a right for access to a natural resource like land on a long term basis. If they have no such long term right, they may tend to be reckless with it, with no concern for its sustainable use. The solution to the problem consists in building an institutional form to give such a stake for the poor.

The poor do have a long term stake in making industrial growth and industries environmentally benign and in preventing pollution. Pollution of rivers can directly hit the poor at large the hardest, by depriving them of drinking water and fisheries, even if some poor may get jobs in the industries. Industrial pollution directly aggravates poverty and ill-health. In every industrial disaster, it is always the poor who are hit the hardest. They have little money and little time for adequate health care, when struck by pollutants. Since most of the poor are employed on day-to-day basis in casual labour, incidents of ill-health cost them their daily livelihood, apart from the need to spend money for treatment.

There can thus be no doubt that the poor have a major stake in keeping environment healthy and bountiful, and are more concerned about it than the non-poor.

Taking up **the second question** now, will greening help in reducing poverty? The answer to this looks obviously positive, if we agree that the poor have an even greater stake in protecting the health of the environment than the rich. Greening an economy will have wide-ranging outcomes which can help the poor. For example, in rural areas, steps taken to green the rural economy through conservation of soils and water, improved cost efficiency and productivity of resources like land, creation and restoration of assets like lakes and ponds to capture un-off water and breed fisheries, augmentation of sources of organic manure and fodder, - all this will improve the livelihoods of the poor and provide them with greater employment. Improvement in rural sanitation will directly reduce the incidence of diseases, enhance the working days available for employment, and save medical bills. Properly designed, rural sanitation can also augment organic manure available for agriculture.

Reducing negative environmental impacts like pollution of air and water, will help both the rural and urban poor. By contributing to mitigation of climate change, reduction in such pollution can reduce uncertainties in agriculture and water availability, and prospects of displacement by floods and droughts can be minimized. Mitigation of climate change is very much in the interest of the poor.

On the whole, greening an economy will create more jobs. The employment potential of greening is often ignored, and fear of job losses following effective environmental regulation are exaggerated, and that is how mitigation of climate change is slower than what is necessary. But greening can create jobs in almost every department – pollution control in industries, afforestation, rain-water harvesting, restoration of lakes, rivers and fisheries, and so on. On the other hand, 'browning' an economy will kill many jobs and livelihoods. There is need for more research in this important area, to estimate the direct and indirect employment potential of greening in different forms, so that it may stimulate positive steps on the environment front.

Yet, we cannot take for granted that any and every method of greening will have a beneficial impact on the poor. Let me cite a small example. About 14 years back, I saw in a city of Karnataka (in Bellary, as I recall, unless my memory is not correct), a beautiful tank surrounded by an attractive park, which was used by the middle class and the elite to take morning and evening walks. I came to know that it was earlier a 'slum area' where poor people lived without any amenities, and the tank was highly polluted and shrinking in size gradually. The slum dwellers were given warnings a few times to vacate, and ultimately, they were evicted by force. The huts were demolished overnight, and the slum dwellers became homeless. Though they were given an alternative land to settle, that was quite outside the city and was not convenient for commuting for daily employment. The city gained a beautiful green spot no

doubt, but it was at the cost of the slum dwellers. Here was an environmental project, itself having negative externalities.

Ironically, what happens when land-grab takes place either for industries or for multi-storied buildings in cities, takes place even when 'beautification' projects, wild-life sanctuaries and national parks are taken up. It may well be that greening is desirable and welcome, and wild-life protection and bio-diversity conservation are necessary. But when human costs are involved, they should be avoided or mitigated, and the outstees should in all cases be resettled and rehabilitated. We have to ensure that greening also does not unwittingly cause aggravation of poverty. An environmental impact assessment is thus necessary not only for development projects but also for environmental projects. They should assess the likely externalities on all, and the cost of human settlement and rehabilitation should be included as a part of the total project costs in judging economic viability.

Our **third question** is, will a green economy continue to have poverty? My answer to this question is that a green economy is not an end product or final outcome, but a continuous process, and if we are not careful about preventing poverty, poverty can always emerge. Besides, environment is not the only determinant of poverty, and to the extent that non-environmental, that is, economic and social factors operate even when environment is taken care of, they may still create and reproduce poverty.

Even a green economy needs to have economic development, and all development projects and some greening projects may have negative externalities or impacts particularly on the poor and their right to livelihood. Thus poverty may not eradicated once for all, but can emerge particularly in developing economies, which needs to be tackled sustainably and continuously. Even when poverty may seem to have been eradicated, there will still be need for measures to prevent its recurrence among particularly those sections of people who may be vulnerable to poverty. There will be need for safety nets even in a green economy, but to far less extent than in a 'brown' economy.

Though as observed above, economic and social factors also produce poverty, a system which has a firm control on environmental deterioration, will give much less scope for these economic and social factors to manipulate access to natural resources to the advantage of the rich. And thus, even if poverty may still exist in a green economy, its extent and pain would be far less than in a brown economy.

Our **fourth question** is, is poverty a problem – an obstacle- in greening, in a way that we have to first eliminate poverty and then only bother about greening?

Such a view assumes a conflict between greening an economy and poverty removal. At the Stockholm Conference on Environment and Development in 1972, Indira Gandhi, the then

Prime Minister of India, took the stand that poverty was the worst form of pollution, and the first priority was to remove it.

And how to remove poverty? Through economic development, of course! And economic development in practice was taken to mean economic growth to be achieved through faster industrialization and infrastructure development, with as free reign to market forces as politically advisable. The standard argument was that poverty can be removed easily through enlarging the size of the national cake, because an emphasis only on redistributing the given cake would hardly remove poverty. It was feared that an excessive concern with care for environment can only dampen development by reducing incentives and increasing the costs of industrialisation. It was forcefully argued at the Stockholm Conference and thereafter by the developing countries that the developed countries had already exploited most of the ecological space for development, without bothering about environmental costs. They achieved their present development levels rather cheaply. But now that they have already damaged environment and used up a major part of the ecological space, they preach environmental concern to developing countries. This will only keep the disparity in development levels wide, and prevent it from narrowing down. It is now for the developing countries to do their utmost to implement their environmental concerns in their own countries, and leave some left-over ecological space to the developing countries so that they too can develop.

The developed countries, on the other hand, shrewdly used the argument to shift the blame on populous counties for ecological damage. They agreed that poverty is major obstacle in greening, and the most effective way of greening an economy was by removing poverty and the most effective way of removing poverty was by controlling population growth combined with economic development. This is because mass poverty means massive pressure on natural resources like land, forests and water, and unless this pressure is reduced by creating alternative sources of livelihood and population control, conservation of forests and bio-diversity would remain under threat. Both this view coming from the developed countries and the view coming from developing countries discussed earlier, thus converge in agreeing that poverty removal would need high priority, to be achieved through economic development. And if it is not done, poverty would be major obstacle or a formidable problem in greening an economy.

There are two problems with these views. One is that if in the name of pushing economic development, particularly economic growth, environmental impacts are ignored or sidelined, the extent of poverty itself will increase, not decline. Development projects have almost always significant negative externalities which directly impact on the livelihood and health of the poor. That is why, in spite of the rhetoric of poverty being the worst form of pollution, used extensively Indira Gandhi and other leaders of developing countries, almost

immediately after the return from Stockholm, she initiated path breaking measures to tackle environmental problems. The decade of the 1970s marked outstanding legislative efforts to pass new Acts and build new institutions to control pollution of both water and air in India. It was in the 1970s that the Pollution Control Boards were set up both at the state and central levels in India, to tackle both water and air pollution. They were empowered by suitable legislations and they continue to play a key role in pollution prevention and control.

The second problem with the above views is that economic development, particularly in narrow sense of economic growth, need not automatically translate itself in to poverty removal. Special efforts will have to be made, and special programmes and projects will have to be initiated for poverty removal directly. It is true that economic growth makes these projects possible by creating the resources for them, but is also likely that economic growth may be hijacked by the elite, and the trickle-down or spill-over effect of economic growth on poverty may be very inadequate.

We cannot, therefore, postpone greening an economy in the name of poverty removal and priority for economic growth. Greening has to be in-built in to both poverty removal projects and economic development programmes and processes. Otherwise, there will be an inevitable aggravation of poverty.

We come now to **the fifth and the last of the questions** posed here: Is poverty helpful in contributing to greening, in a way that poverty removal will lead to browning or environmental deterioration?

One may feel outraged by the possibility that environmental deterioration is slowed down by continuous prevalence of poverty, or greening is made easier by poverty. And yet this is not a purely imaginary situation.

Look at the consumption styles of the poor and the rich. One is energy-saving and the other is energy-intensive. It is the rich who contribute to the bulk of urban wastes, and it is the poor who collect and help in recycling them – the plastic and paper wastes, glass bottles and so on. The countries with large populations of the poor and low per capita incomes are also the least polluters. Once their incomes improve and poverty is eradicated, they too will join the ranks of major polluters!

The most poignant case of environment being helped by the continuation of poverty is that of urban rag-pickers. It is their being in poverty and readiness to accept miserably low rewards for their work that makes urban waste collection and disposal affordable! Even the municipal workers engaged in waste collection and disposal get only a pittance of wages, which helps municipalities to minimise their expenses on the task.

If we depend on the persistence of poverty for conserving environment, such conservation and greening efforts will not be sustainable. Apart from the fact that such an approach is ethically unacceptable, the role of the poor in waste collection and recycling is bound to decline with the proportion of poverty declining with economic development. In future, we would have to find more sophisticated ways of doing it which are consistent with human dignity. Nor can the developed countries continue to keep low-income countries in poverty, just to keep down CO_2 emissions. It would not be a morally and politically acceptable strategy. Nor would it be in the interest of the developed countries to do so, as the size of markets for their products and services will also be kept small if no growth takes place in low-income countries. It is thus not feasible in future to continue to rely on poverty to green the world economy, or even the economy at national and local levels.

Though we cannot rely on involuntary poverty to safeguard our environment, the role of voluntary restraint on the multiplication of endless wants on the part of the rich both in developed and developing countries will have relevance in greening our economies. Blind emulation of Western style of consumption and ways of living cannot contribute to sustainable development. Technology alone may not solve the problem. Though fusion energy is supposed to be very promising, if we simply continue with business-as-usual both in production and consumption, we may be irreversibly damaging our environment before fusion energy is available and viable. Technology has promise, but also has limits. A heart surgeon, for example, will not tell his patient that he has the technology and the patient can eat and live as he or she likes, since they can come to the surgeon whenever a heart problem arises. He will instead advise the patient to change his or her life-style. In tackling our environmental problems also, we need to change our lifestyles, and not be complacent relying only on the promise of technology alone. That is where we need to remember and follow Gandhi's advice to eschew greed to the maximum extent possible. As a verse in the Mahabharata says, greed is not quenched by satisfying greed, it only leaps up like a flame when fed with fuel.[6]

Notes and References

1. Boulding, K E (2001). 'Economics of the Coming Spaceship Earth' in Nico Nellissen, Jan van der Straaten and Leon Klinkers (Eds). *Classics in Environmental Studies: An Overview of Classic Texts in Environmental Studies.* New Delhi: Kusum Publishing, pp. 218-228 (published earlier in Herman Daly Ed. 1973: *Toward a Steady State Economy,* San Francisco, pp 121-132)
2. Nadkarni, M V (2000). 'Poverty, Environment and Development : A Many-Patterned Nexus', Economic &Political Weekly, pp.1184-90.
3. Rigveda, 8th Mandala, ch.41, verse 5.

4. Yajurveda V -42, 43; and XIII.18.
5. See Madhav Madgil and Ramachandra Guha (1995): *Ecology and Equity – The use and abuse of nature in contemporary India,* New Delhi: Penguin, p.98.
6. The original verse is:
   Na jaatu kaamah kaamanaam upabhogena shaamyati /
   Havishaa krishnavartmyeva bhooya evaabhi vardhate //
   (Mahaabhaarata, Aadi Parva, ch 75, verse 50)