

Environmental Poverty: New Perspectives and Implications for Sustainable Development in Asia and the Pacific

Over the past decade, the Asia and Pacific region has shown a rapid decline in income-based poverty as a result of broad-based and largely pro-poor economic growth. In addition, social indicators of poverty in the region, as expressed in the Millennium Development Goals (MDGs) have shown substantial improvement. However, the development path followed by most countries has resulted in a host of negative impacts on the environment, and there has been a corresponding increase in the incidence of poverty that can be attributed to environmental causes.

Floods, landslides, declining natural resources productivity, droughts and urban pollution exert disproportionate impacts on the lives and livelihoods of the region's 621 million (17%) people still living in poverty and on the additional 1.2 billion (30%) who remain highly vulnerable.¹ The poor suffer more losses, illnesses, injuries and death as a result of resource degradation, natural disasters and pollution than the rest of the population, because they are more likely to be dependent upon natural systems for their livelihoods or to live in unsafe housing or in areas prone to disasters and pollution.

Since the Rio Earth Summit in 1992 and the Johannesburg World Summit on Sustainable Development in 2001, environmental concern has become a major cross-cutting theme in international development. In recent years, there has also been increasing discussion about and action to address poverty-environment linkages within the international community.

The new millennium has witnessed an increased sense of urgency with respect to the poverty-environment nexus. Recent reports on accelerating threats from climate change and a wealth of evidence demonstrating the dependence of poor people on environmental resources, have shifted the focus of discussion to environment-related reasons for poverty and low MDG achievement.

The Asian Development Bank (ADB) has recognized environmental sustainability as a major goal since the 1990s, and its achievement in Asia and the Pacific remains a strategic priority. With the adoption of poverty reduction as its overarching goal in 1999, ADB further refined its environment strategy to reflect and support poverty alleviation. ADB continues to provide significant investments, capacity building and policy support for urban environmental infrastructure, water resources management, sustainable land management, renewable energy and other sectors linked to environmental improvement.

In late 2006, ADB's Poverty Unit and its Environment and Social Safeguard Division agreed to prepare a paper examining the concept of "environmental poverty." This paper summarizes the evolution of thinking relating to the poverty-environment nexus, from 'trickle down' theory and the 'grow now, clean up later' concepts to those expounded in Rio, Johannesburg, the MDG discussions, and the recent attention to ecological services as fundamental to human welfare.

The paper goes on to discuss the major environmental determinants of poverty in Asia and the Pacific. In rural areas, implications of soil erosion, degradation of coastal and marine systems, deforestation and loss of biodiversity are reviewed, with particular focus on links between declining agricultural productivity and the livelihoods of the rural poor. The paper also discusses how the urban poor are affected by increasing exposure to air and water pollution and the consequences for their health and wellbeing. The added implications of climate change risk are also reviewed.

The paper defines *environmental poverty* as a phenomenon occurring across Asia and the Pacific and exhibiting distinct patterns of spatial distribution tied to resource dependencies or risk exposures. It shows how degraded environments are major determinants of poverty. This is in addition to the exclusion of the poor from social services delivery (social poverty) and the isolation of poor people from the potential benefits of pro-poor economic growth (income poverty). In many cases,

¹ Those in poverty are defined as people living on less than US\$1 per day. The vulnerable population is defined as those living on income of US \$ 1-2 per day.

environmental poverty is compounded with income and social poverty, requiring that poverty alleviation interventions follow an integrated and spatially-focused approach.

The *environmental poverty* perspective categorizes poor people in a manner that demonstrates how environmental conditions affect their well being. It draws attention to the needs of the

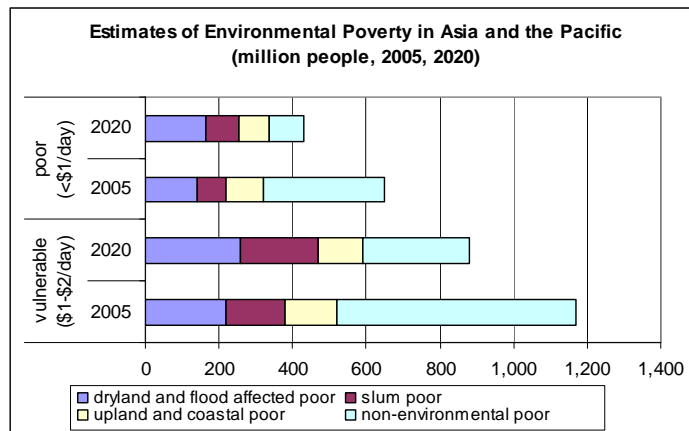
- *dryland poor*—those living on arid and desert land areas;
- *flood-prone and disaster-affected poor*—those frequently affected by flooding and natural disasters;
- *upland poor*—those living in remote upland or mountainous areas;
- *coastal poor*—those living adjacent to coasts and dependent upon coastal and/or marine resources; and
- *slum poor*—those living in substandard settlements with high exposure to urban pollutants.

The paper uses this construct to investigate changes in poverty and vulnerability and concludes that, while the region will continue making progress in poverty reduction both in terms of income and social dimensions, *environmental poverty* in Asia and Pacific is likely to increase—becoming the main form of poverty in the near future. It is estimated that by 2020, more than two-thirds of the vulnerable and poor population in the region will suffer from environmental poverty—up from less than one-half today. Their living situation and income opportunities, particularly of the slum poor and dryland poor, are expected to worsen. This is due to the unabated and increasing degradation of the environment combined with more frequent and intense natural disasters, such as droughts and floods, resulting from climate change. This should further accelerate the exodus of the rural poor to already congested Asian cities—in many cases subjecting these people to the prospect of their moving from one form of environmental poverty to another.

With continuing rural-urban migration and steady pro-poor growth in the region, it is expected that the absolute number of the rural poor directly affected by natural resource degradation will decrease. However, the depth of rural poverty in environmentally degraded regions will rise, and more of the vulnerable poor will find themselves in extreme poverty. At the same time, urban poverty related to environmental problems will substantially increase. With growing concern for air and water quality in urban areas, the health of some urban poor may gradually improve. But a large segment of especially recent urban migrants will be affected by faltering income opportunities due to the

combined impacts of pollution exposure, disaster risk and resource degradation.

Hence, while pro-poor growth policies should continue to have positive impacts on reducing the incidence of poverty, it is crucial that these and related social and economic policies take significant account of environmental poverty issues. Particular focus is needed on investments for rural dryland areas and urban slums with high pollution exposure. The complexity of the problem clearly requires integrated and cross-sectoral approaches.



A draft of the paper will soon be posted for comment at ADB's Poverty Website and Environment Website, as well as on the Poverty Environment Net Website maintained by ADB at the following links:

- <http://www.adb.org/poverty/>
- <http://www.adb.org/environment/>
- <http://www.povertyenvironment.net>

Comments are welcome. The paper is expected to be finalized by March 2007.

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