

three

sources of poverty

The descriptions of the various facets of poverty in mountain areas suggest that the nature and pattern of livelihoods are primarily shaped by physical characteristics that also condition the socioeconomic situation of people in these areas. Inaccessibility, fragility and marginality in physical terms lead not only to a limited base for sustaining livelihoods but, more importantly, result in a great degree of vulnerability, risks and uncertainty in realising the outcomes of livelihood activities.

Limited Resource Base

It is often said that mountains are rich in resources. The fact, however, is that usable resources are extremely limited. Most mountain households depend on farming as the main source of livelihood, but as only around six per cent of the land area is arable (Banskota 2000), the per capita cultivable land is very limited, even with a very low density of population. Over two-thirds of households, with an average size of five to six persons, own less than one hectare of land each, in Bhutan, the hill states of Central and Western India, the hills and mountains of Nepal and the mountain areas of Pakistan (Tulachan 2001). The average amount of arable land per capita is higher in some parts of North East India and Bhutan, but most of it is very low in productivity as it is used for shifting cultivation. In other areas too, most of the land is on slopes and is not suitable for the modern farming methods applied elsewhere. Most arable land is marginal and fertility poor.

Resources for non-farm activities are also limited and in most cases not under the control of local communities. Also, whatever potentials there are not used because of several constraints. Being inaccessible and isolated, most mountain areas have little exposure to and contact with the commercial world outside. This has forced them to focus on farming for subsistence as getting food from outside is difficult. Rising populations with limited cultivable land have led to insufficient food supplies and insecurity. Opportunities to earn income from non-farm activities to buy food and other items of consumption have been limited by the lack of a resource base and poor infrastructure. Thus, over the years, the livelihoods of most mountain people have become more precarious.

Restricted Access to Natural Resources

Resources in which mountains are described as rich, such as forests, minerals and water, are not always accessible for use by mountain people. Besides the difficulties in physically access-

ing them, they are mostly under the control of external authorities like governments that legally restrict their use by local communities for various, including commercial and environmental, reasons. And when these resources are used, either by governments or the private sector for commercial purposes, most income and revenue flow out of the mountains with minimal retention within the mountain regions themselves.

Lack of Access to Markets, Technologies and Inputs

The limited opportunities for an increase in incomes that exist with whatever access to natural resources is available are constrained by lack of access to markets. Markets are physically distant, information about them is not available and because production is dispersed and on a tiny scale, marketing costs are prohibitive. Production is with traditional techniques, mostly manual because there is no motive energy, resulting in low productivity. The capital base of mountain people is poor and access to credit is limited because of lack of both accessible credit outlets and the technical ineligibility of most mountain households to obtain commercial bank loans. For example, in India, with a strong state-led emphasis on extending banking outlets and services to rural areas and targeted programmes of agricultural credit, per hectare credit by 1997 in mountain areas worked out to be INRs 150 compared to INRs 1,600 in the country as a whole (Chand 2000). In Nepal, of the seven major micro-credit programmes, five had no coverage in mountain districts and limited coverage in hill districts. Only government-run programmes reached all the districts (Dhungana and Thapa 1999). Remittances that many households receive from out-migrants are mostly used to meet the deficit in subsistence level consumption over their own production and income.

Unequal Exchange

The purchasing and investing capacity of mountain people is further weakened by highly unfavourable terms of trade in their transactions with other areas. Most of their purchases are at high prices due to transportation costs and, often, the scarcity situation. They have to sell their produce cheaply due to lack of knowledge and inaccessibility to markets, limited holding capacity because of the dire need for cash to meet subsistence needs and lack of bargaining power due to unorganised, individually based small-scale sales to middlemen. Lack of lateral trade and transport often leads to sale at low prices and purchase at high prices of the same commodities, because only 'vertical' transport and trade channels are available between the mountains and plains, and not among different mountain areas, so goods first flow 'down', and then 'up' for final sale to consumers in the mountains. Inequality in exchange is magnified many times if one considers not only the terms in which goods are traded but also the overall flow of natural and human resources from and to mountain areas.

Weak Institutions

Mountain communities have evolved their own institutions and organisations to regulate the socioeconomic aspects of their lives and to cope with calamities and hazards. These include mechanisms for sharing labour and other household resources; for management of common resources like forests, pastures and water; and for community action to meet natural disasters. They have functioned well in the context of subsistence economies and isolated societies. They are, however, becoming increasingly inadequate in a scarcity ridden and dynamically changing environment exposed to the world at large. In other words, their efficacy in the spheres of development and poverty alleviation is inadequate. For example, tribal councils in many areas have been successfully managing the resources and conflicts of communities, but are not

equipped to deal with the problems of organising production and marketing agricultural or forest-based products. On the other hand, the new institutions and organisations tried by governments and non-government agencies to carry out these tasks have only been partially successful, partly because they are alien to local communities insofar as they have not been built upon the local traditional, institutional and cultural base, but mostly because, as they are often conceived, they are not able to bring about the necessary enthusiasm and commitment of people around common interests and visible or potential benefits.

Neglect of Mountain Specificities by Development Policies

Mainstream development strategies, policies and programmes are often unsuitable for mountain areas either because of inadequate understanding of mountain specificities or because of lack of concern for marginal mountain areas. Dominant development strategies, such as those based on the green revolution and large-scale industrialisation, have little relevance for mountain areas; and no special strategies based on their specific conditions have been evolved and implemented in mountain areas. Sometimes an extreme view is taken to write-off mountain areas as unfit for development and any concerns raised relate solely to environmental conservation. This perspective, focussing only on the constraints of development, fails to recognise and, therefore, tends to ignore the opportunities that mountain areas have in the diversity, comparative advantage and niche of their natural resources and the skills and dexterity that mountain people have developed to adjust to adverse circumstances. And, even when these opportunities, such as in tourism, hydropower, and forest products, are recognised, appropriate and integrated policy and institutional mechanisms are not developed to use them for the benefit of mountain people.