

Buying our way out of environmental problems?

PES is often touted as win-win with both environmental gains and poverty alleviation. But REDD+ does not necessarily translate into forest conservation or benefit local communities.

Q: How viable is trading of carbon credits as a mitigation measure?

A: They work well in certain systems, but then, is it for everyone? I believe that our textbook thinking is pretty bad here...

(Excerpt from interview of Elinor Ostrom in Financial Express, 5 Feb 2012)



In the past decade, the idea of payments for ecosystem services (PES) has caught the attention of many donors, policy makers and researchers. It is now being touted as the solution for multiple problems: water scarcity, biodiversity loss and global warming. The powerful attraction of the idea is because it sounds non-coercive (communities may only do things that they perceive are in their economic interest) and win-win (poverty alleviation with environmental gains). The debate appears to have almost shifted away from 'Is PES a good idea?' to 'How do we implement PES?' Nevertheless, many concerns and criticisms remain unaddressed. Understanding the concept, its applicability and its limitations requires us to first clarify our own normative position towards conservation and development issues. We then need to examine the assumptions and theory underpinning claims about how, in what sense and to what extent PES might deliver win-win outcomes as it promises. REDD+ (Reducing Emissions from Deforestation and Degradation-Plus), a concept that involves payments for avoiding deforestation and for improvements in forest quality/quantity and which has reached pilot stage in many countries, provides a good case for such examination.

NORMATIVE STANCE

The proponents and critics of PES schemes do not always differ on empirical claims. They often care about very different things. For instance, those worried about biodiversity criticise REDD+ because they fear that it may lead to the replacement of slow growing (diverse) natural forests with fast-growing monoculture plantations. But clearly REDD+ is not about biodiversity conservation—it is about reducing emissions. So is one holding it up to a wrong standard? But what is the right standard against which one evaluates any such proposal? I would argue that all such proposals must be examined on multiple dimensions: long-term environmental benefits, livelihood gains, equity, and democratising potential. This is because the ultimate societal goal, especially in developing countries, is not just environmental conservation but sustainable and equitable development.

THE THEORY OF PES

The idea of payments for ecosystem services as a way to solve environmental problems involves a sequential set of claims:

- that society as a whole cares about certain environmental impacts caused by the actions of a few,
- that this caring can (and should) be translated into a willingness-to-pay of society at large to those few;
- that this willingness can be translated into actual and adequate payments that will reach those few;
- that individual actions of forest users in response to such incentives will in fact add up to gains in forest cover and in carbon sequestration;
- that monitoring systems can be set up such that if actions are not forthcoming in proportion to the payments, they can be easily detected and payments withheld and
- that such market-based arrangements are the most 'efficient' ways of meeting environmental goals and in many cases will also meet poverty alleviation goals.

Let us see whether and to what extent these claims are tenable, specifically in the context of REDD+.

WILLINGNESS-TO-PAY, WILLINGNESS-TO-FIX

Climate change is a global problem, and the bulk of it has been created by the burning of fossil fuels primarily by developed countries over the past 200 years. Does global society care enough about climate change? As of now, there is little evidence of it—witness the pointless accords in Copenhagen and Durban. If we cared enough, there would have been tight caps on emissions, and then, since currently some trading is allowed, this would have automatically led to a huge demand for carbon offsets. But the bottom has fallen out of the carbon offsets market, with the price hovering around US\$5/tC. Clearly, the biggest problem is not the absence of one more mechanism to offset carbon emissions, but the unwillingness of the emitters to take responsibility for emissions in the first place.



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FIXING BY PAYING OFF? OR PAYING FOR NOT DAMAGING?

Should a willingness to fix be converted into a willingness to pay off someone else? The position of many economists notwithstanding, there is an inalienable ethical content to this question. This is because all individual actions that impinge on societal welfare (which are virtually all individual actions!) have ethical implications. People's ability to make such payments is not an ahistorical random phenomenon, but the outcome of historically high levels of exploitation of natural resources by their predecessors. Buying one's way out of the problem one created seems morally inappropriate. Similarly, the idea of paying for avoided deforestation (paying for not damaging) seems somewhat problematic: it makes a blanket assumption that those who deforest have the right to do so, whereas most societies have put some limits on these rights.

WHO WILL GET HOW MUCH?

What does a price of US\$5/tC mean? Under reasonable assumptions, this would translate into a measly few hundred Indian rupees per household per year in a village of 100 households that dramatically regenerates a barren piece of 50 hectares over 20 years. It would also assume that this land was otherwise lying useless. Clearly, if the recipient is a forest-dwelling Indian household, this payment, even if it reached them, would be meaningless. Even ten times this amount would be hardly significant in the battle against poverty. But will, in fact, this payment even reach them? In any market, payment goes to the owner of the produce. But do forest-dwellers own the carbon in the forest they use? Perhaps in some countries in Latin America, where individuals own significant areas of forested land, the answer is 'yes'. But in much of South and Southeast Asia and Africa, this is hardly the case. Forest departments



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to ‘deliver’ (at least in the short run) the desired environmental outcomes, even while imposing negative impacts on poorer households. This is particularly true in tree planting and conservation programmes such as REDD+, which effectively shut out other uses of the landscape such as grazing and firewood collection that are the needs of the poorest households. In other words, given that REDD+ is about saving forests on public/community lands and not planting trees in people’s backyards, collective action will be essential and such collective action can easily turn coercive for some, especially given the current dispensation, negating the whole idea of win-win that is the key selling point of PES schemes.

WATCHING THE CARBON

Related to this is the issue of transaction costs. Markets ‘work’, i.e., deliver most benefits to the producers and consumers when transaction costs are low, such as with goods that can be easily sold across counters and whose quality is transparent. But in the case of carbon sequestration, credits are being sold by remote villagers to international buyers, and whether these credits translate into real sequestration has to be monitored year after year—all implying a huge intermediary presence and lots of room for fraud and exploitation. We see that even where forest-dwellers are trying to sell tangible forest products such as wild honey or beedi leaves, the structure of government controls and market conditions is such that they barely get a subsistence wage. What would be the case in an international market for a much less tangible commodity like forest carbon? Middlemen would have a field day.

LIVELIHOOD NEEDS OR OTHER FACTORS?

Ultimately, REDD+ assumes that increasing the value of standing forest will translate into forest conservation. The success of REDD+ depends upon this diagnosis of the deforestation problem. But is that really so? Are forests disappearing simply because forest-dwellers find it more profitable to cut them down? Or because forest departments are short of funds? All the research on tropical forests over the past several decades

are the owners, and villagers are tolerated on suffering, if at all. Forest departments would be the first ones to lay claim to the carbon money, and for them, even \$5/tC translates into a significant addition to their budgets (several thousand rupees per hectare per year). This would make them even more intolerant of villager presence in and use of the forests, which would be a further setback to the already faltering attempts to bring about the democratic decentralisation of forest governance in many such countries.

Similarly, forest-dwelling communities are not homogeneous or uniformly poor. Gains from REDD+ could easily be pocketed by the rural elite: it has already happened in many donor-funded forestry projects in the past, including Joint Forest Management in India. Indeed, in many such cases, the rural elite collaborate actively with state agencies

points to a much more complex array of factors, including unclear and centralized forest rights, corruption and mismanagement, pressures of mining, roads and other external developmental activities, and so on.

FORESTS ARE NOT ONLY ABOUT CARBON

Climate change has sometimes been called the ‘mother of all environmental problems’, but it is clear that not all climate-friendly acts are necessarily environment-friendly in other ways. Just as the building of nuclear reactors or hydro-power dams in the name of avoiding emissions has other impacts, fast-growing monocultures that are great at carbon sequestration could lead to biodiversity loss and increased transpiration losses of scarce water resources.

WHAT ROLE THEN FOR ECONOMIC INSTRUMENTS?

It seems that the assumptions on which PES is based do not hold in the case of forests and REDD+. Forest carbon is something over which property rights are unclear in many parts of the world, and over which state forest agencies, and perhaps village elite, rather than poor forest-dwelling households, are most likely to lay claim. Forest carbon sequestration is not like a commodity that can be traded across a counter—it has to be constantly monitored across large scales, imposing huge transaction costs. And all this when it is not even clear that there is any serious global interest in mitigating climate change, nor an ethical consensus on who should bear how much of the mitigation burden and how much ‘trading’ if any should be permitted. REDD+ exemplifies, perhaps

in an acute form, the problems involved in blindly promoting market-based approaches such as PES to achieve environmental goals. How much and what kind of environmental conservation we should aim for, at whose expense and how this may be reconciled against livelihood needs of the poor and consumption wants of the rich is a deeply ethical question, that society at large is far from even confronting, let alone answering.

At the same time, people also think in economic terms and respond to economic incentives, and there is surely a rationale for using economic instruments such as carbon taxes on ‘commodified’ environmental goods such as petroleum for which markets are already well formed. But forests and many other environmental ‘goods’ are not so easily commodified—they have multiple ramifications and require collective action at various levels for their conservation. Given what the history and current structure of forest governance in most developing countries has been, financial incentives flowing from the top (whether from international markets or from national governments themselves) are hardly the solution to the problem of deforestation or degradation. And the real challenge may lie in changing people’s attitudes so that they ‘demand’ (in a broader political sense, rather than narrow economic one) societal action for sustainable and equitable development. Some financial mechanisms may serve to lubricate the wheels of change, but the driver of change has to lie elsewhere.

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Does REDD+ induce inclusive exploitation of forest people?

The Green India Mission aims to raise carbon stocks to tap benefits from the global carbon market. But its reliance upon JFM institutions strengthens the regime of exploitation.



REDD+ (Reducing Emissions from Deforestation and Forest Degradation and Carbon Stock Enhancement) is a critical component of the international initiative for mitigating global climate change. Recently, in favour of a comprehensive REDD+ approach, India presented an ambitious Green India Mission programme under the National Action Plan on Climate Change (NAPCC) in 2008 to advance the objectives of the Kyoto Protocol. The Green India Mission (GIM) is one of eight National Missions under NAPCC which aims to raise carbon stocks to tap benefits from the world carbon market. Hence, the proposed Mission aims to address the issue of climate change by enhancing carbon sinks in the State's forests while enabling forest dependent communities by providing them certain monetary incentives. In this context, I try to assess the impact of India's REDD+ initiatives and argue that this process of enhancing carbon stock through incentivising approaches results in an 'inclusive exploitation' of forest peoples, leading to negative impacts on their relationship with nature and threatening their livelihoods.

WHY REDD+?

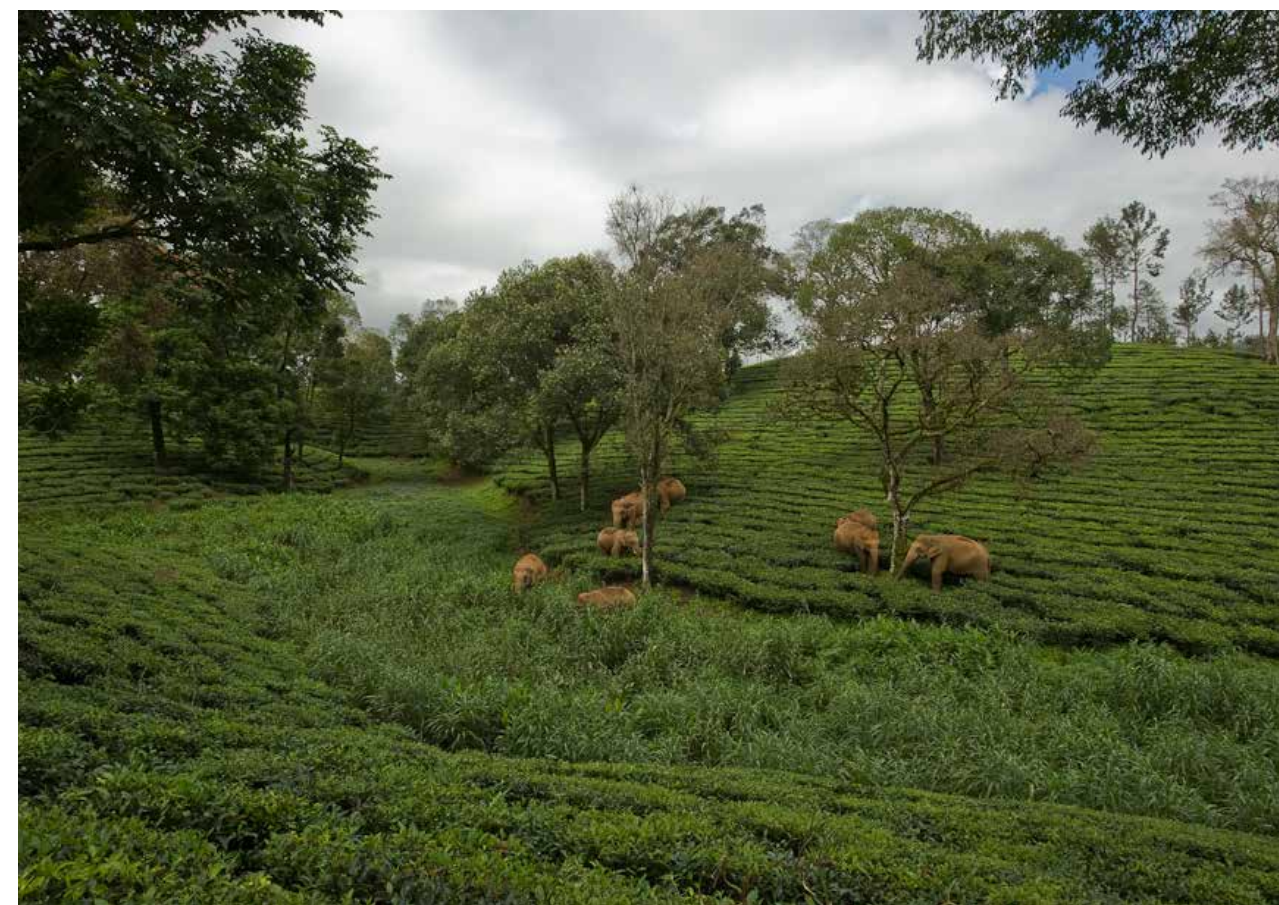
REDD+ initiatives created an enormous opportunity for India to gain 'positive incentives' for its 'pro-conservation approach', guided by the World Bank and other bilateral donors. Following the 13th Conference of the Parties (COP 13) to the United Nations Framework Convention on Climate Change (UNFCCC) in Bali in December 2007, the scope of REDD was broadened to REDD+, which also provides incentives for increases in carbon stocks and emission reduction credits from a wider array of forest management practices. Improvements to logging practices, forest fire prevention, afforestation/reforestation and sustainable forest management, in addition to forest conservation, become potential credit-generating activities under REDD+. Under the REDD+ initiative, India expects to be rewarded for providing carbon service to the international community through nationwide greening programmes, such as the large scale plantations under 'Social Forestry' during 1970s and 1980s and National Afforestation Programme during the 2000s. One major incentive for India to design REDD+ strat-

egy development plan has been the prospect of accessing funds from the World Bank-administered Forest Carbon Partnership Facility (FCPF) and, more recently, from the UN-REDD Programme. It is estimated that a REDD+ programme for India could provide capture of more than 1 billion tonnes of additional CO₂ over the next 3 decades and provide more than US \$3 billion as carbon service incentives under REDD+. As a part of its REDD+ strategy, India has undertaken several initiatives in recent years including a submission to UNFCCC on REDD in 2008, establishment of a Technical Group and a National REDD+ Coordinating Agency.

The most landmark initiative in this regard is the announcement of an ambitious Green India Mission programme under the National Action Plan on Climate Change in 2008 to be implemented between 2010-11 and 2019-20 by the Ministry of Environment and Forests (MOEF), Government of India. Recognising that climate change phenomena could adversely affect natural biological resources and associated livelihoods, the overarching objective of the Mission, with a budget of US \$10 billion (approximately), is to increase forest/tree cover on 5 million ha of forested and non forested land, and improve quality of forest cover on another five million ha—a total of 10 million ha. The Mission will also focus on improvement of ecosystem services, including biodiversity, hydrological services and carbon sequestration, and aim to increase forest-based livelihood incomes for three million forest dependent families. In terms of carbon sequestration, the mission aims to reach an annual CO₂ sequestration of 50 to 60 million tonnes by 2020, which will increase the share of greenhouse gas (GHG) emissions offset by India's forest and tree cover to around 6 percent as compared to 4.5 percent that would have been offset in the absence of the Mission. The ambitious Mission was on the verge of initiation with the allocation of Rs 200 crore in the Union Budget for the year 2011-12.

EMPOWERMENT OF INCLUSIVE EXPLOITATION?

The Mission aims to strengthen decentralised forest governance by involving local community



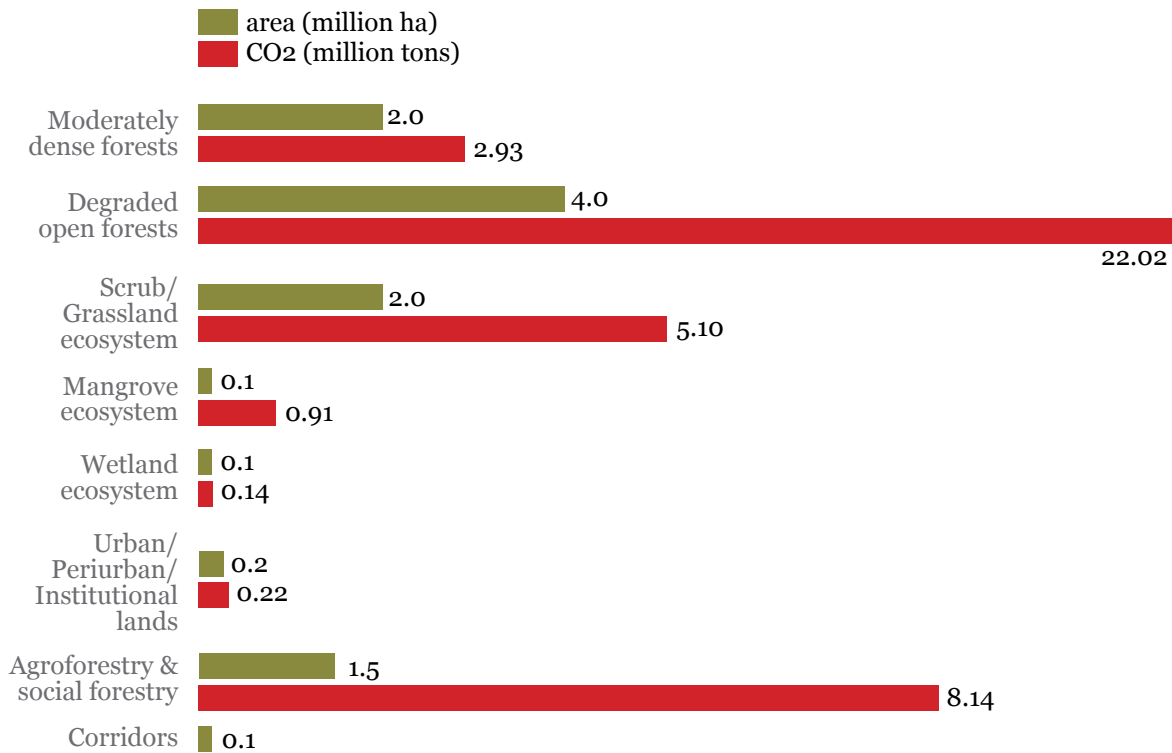
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institutions, particularly forest dwelling communities, in the field level implementation of the programme. According to the draft document, decentralised forest governance would be strengthened through Gram Sabhas (Village Assembly) as overarching institutions and thematic committees such as Joint Forest Management Committees (JFMCs), Community Forest Management Groups (CFMs—a large number in Orissa), Van Panchayats (in Uttarakhand), and Village Councils (in the Northeast) and livelihood promotion groups. The Mission would facilitate the active coordination of the Forest Department with Panchayati Raj Institutions (PRIs) and other partner agencies. According to the Mission document, the spread of Joint Forest Management across states and the implementation of The Scheduled Tribes and Other Traditional Forest Dwellers (Recognition of Forest Rights) Act, 2006 provided a legitimate background and space for positive interventions of the community in this kind of protection, regeneration and management of the forests under the purview of GIM.

The Mission also aims to revamp the FDAs at the State and District levels and JFMCs at the village level for providing support to secured community tenure, capacity building for adaptive forest management and livelihood support activities. With all these initiatives, the Mission would contribute to empowerment of communities and reinforce decentralised local governance of forests in the overall context of climate variability and adaptation. In this context, given increasing educated unemployed youth in rural areas, the Mission would invest in the development of a cadre of 'community-based change agents' from amongst educated community youth, to facilitate planning, implementation and monitoring of Mission activities at the local level. This incentive-oriented model for community involvement for conservation and enhancement of the forest cover engenders the ideas of 'Green Dividend', 'Green Bonus' and 'Trees for Credit', at least in the form of proposals before the MoEF during public consultations on the Mission which took place in different parts of the country. However, it is evident from the Mission document

Tentative Mission Targets

For sub missions/ Interventions to achieve mission outputs/targets:



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that it placed primary thrust upon so-called JFM institutions like FDAs and JFMCs to involve communities. But, JFM experiences show that the so called participatory exercises of people under the programme have been merely restricted to either patrolling activities for forest protection or regeneration of forest species. Participation in decision making regarding the modes of conservation, species choice, livelihood development and above all the quantum and mechanism of benefit sharing has neither been realised nor been encouraged in any form. Community participation was used in this 'joint' exercise as a means of directing communities to achieve preordained project targets, and the programmes failed to secure their rights in planning and decision making. Further, in the 'joint' management, the forest department's agendas of timber extraction dominated the management system, with little benefit to local communities.

Therefore, the uncritical reliance of the Mission's decentralising strategy upon the JFM framework can only strengthen further the regime of 'in-

clusive' exploitation in forest governance. I term this as 'inclusive' because it happens under the guise of decentralised frameworks where the projected strategy of participation is often turned into a mechanism of co-optation of forest dwellers under a top down agenda of management. Though the Mission document has provided a prominent role for Gram Sabhas in this model of decentralisation, experiences of Gram Sabha functioning clearly show that either they were systematically ignored or forced to agree at gun point to give up their land to multinationals, as in Jharkhand and Orissa. Further, under GIM, the forest dwelling communities would not have any choice of species to be planted. They would not have any authority to decide the quantum of benefit or the mechanism of the said benefit sharing. There is no scope for negotiation with the forest department relating to matters of facilities and privileges to be offered to them. Rather, they would have to work for the protection and plantation of forest species as carbon storage under the terms and conditions laid down by the department to promote the agenda of carbon trading under the REDD+ mechanism.

Here, the exploitation of the ecosystem people occurs fundamentally at two concurrent levels. Primarily, there is an exploitation of the indigenous knowledge, skills and local capacities in regeneration of forests to extract market values from nature while serving the ruling interest. The involvement of forest dwellers in plantation activities through participatory mechanisms would naturally contribute to the associated processes of weeding, cleaning and burning and protection from wildlife in exchange for certain nominal financial incentives to the communities. This community incentive does nothing more than ensure the flow of uninterrupted and cheap labour while bypassing the cost of individual wages for plantation, helping free foresters from the burden of management. Further, the experience from JFM shows that there is every possibility of irregularities in realising those incentives by the communities, where the department is allegedly involved in destroying community organisations by a divide and rule strategy across class, caste and political affiliation. Most importantly, the incentives are primarily linked with benefits to the forest crop enhancing carbon sink rather than with the welfare of the communities. Hence, forest dwellers would be encouraged to plant trees even in their agricultural lands instead of growing seasonal crops, potentially affecting their food production.

POSSIBLE CONSEQUENCES

The market based incentive culture of neo-liberalism through raising carbon stock under GIM is likely to distort communities' normal interaction with nature, as it would alter fundamentally their communal orientation towards subsistence in favour of an individualistic utility maximis-

ing exercise to earn more money from forests. This could not only affect their community bond but hamper their interactions with nature for livelihood. Their role in the maintenance, protection and regeneration of forests seems to be jeopardised by making them an integral part of the neoliberal web of commodifying nature. This change, though it need not mean the complete loss of harmony with nature, certainly implies a negative transformation in the attitude and orientation of forest dependent people towards natural resources.

Besides, this inclusive exploitation may lead to a complete separation of those forest dwellers from their resource base whereby they can be voluntarily displaced from their land and alienated from nature in exchange for the financial incentives provided by private companies to explore a new arena of investment under the carbon trading model of REDD+. Indeed, the Mission could facilitate the process of destroying the livelihood of millions through ongoing massive land grabs by large corporations aided and abetted by the land acquisition policies of the government. Thus, this experiment with incentivisation under a decentralised framework in the GIM is exploitative in concept and operation, cashing in on the indigenous expertise of forest people to protect and regenerate their forest resources, and ultimately facilitating the wholesale take-over of forests by multinational companies at the cost of local livelihoods.

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A pocketful of forests?

Forests are now being quantified and monetised so that they can be traded like other commodities.

Talk of a Green Economy is everywhere. As climate related anxieties take hold of the psyche of large numbers of people living across the globe, several governments have responded by way of initiatives that evaluate and monetise the services performed by ecosystems under threat such as forests and fresh water. Economists, ecologists and policy makers are trying to incorporate into national economies what might have earlier been considered 'free' and commonly accessible goods. By this, the rhetoric of state or market control over land, water and forests has been virtually extended to genes and carbon—the units by which we have come to measure diversity and conservation.

The experience of the last 30 years of forest conservation in India is instructive to understand 'neoliberal nature' where commodities are the outcome of conservation and not production (McAlwee, 2011). Starting with the legislation of 1980 that identified loss of forests to development or broadly defined "non forest" use as a key threat, the Forest (Conservation) Act (FCA) set down rules and procedures for the grant of forest clearance based on assessments and evaluations when a project needed forest land. One of the main ways of offsetting this loss was to make it mandatory for project developers to pay for afforestation over an equal area of non forest land and when that is not available, twice the area of degraded forest land. Conservation, it seemed then, was based on the premise of keeping a certain percentage of land under forest. As this form of forest conservation progressed, official data shows that over 1 million hectares of forest have been put away through forest clearance since then. Of this, over 300,000 hectares were granted clearance between 2003 and 2007 alone, which was possible as procedures for clearances have been streamlined to cut down delays, grant of clearances centralised and expert groups and technical bodies established for decision making. With such 'success' in the clearance process, compensatory afforestation efforts were challenged both materially and morally. While the



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forest departments complained of funds not coming in on time, land not being available and poor monitoring of plantation sites, forest dwelling communities resisted more and more their displacement from forests, loss of access and impoverishment.

One of the most significant interventions in the arena of forest governance came from the Supreme Court in 1996. Known popularly after the name of the applicant from Tamil Nadu who is understood to have sent a post card to the court complaining of indiscriminate felling of trees, the Godavarman case (T. N. Godavarman Thirumulkpad vs Union of India and ors {WP No 202 of 1995}) has gone on since, issuing overarching orders to extending the jurisdiction of the central government and state forest department to any area or land which would attract the dictionary meaning of forests. Through the Court's order dated 26.09.2005 in this case, it also introduced the 'Net Present Value' (NPV) for the diversion of forests based on tree density and ecosystem services as a way of making forests more valuable in the process of development. NPV is understood as a value to compen-

sate, in money terms, for the loss of tangible as well as intangible benefits flowing from forest lands due to their diversion to non-forest use. The preliminary idea was that this would either act as a deterrent to forest conversion, or as a compensation whereby the money collected could be ploughed back into conservation activities of the state forest departments. The methodology adopted ranges from charging project proponents amounts from Rs 4.38 lakh per hectare for class IV (open dense forests) to Rs 10.43 lakh per hectare for class I and II (very dense forest). The monies earned are collected by the Compensatory Afforestation Planning and Management Authority (CAMPA) and disbursed to state governments for conservation activities based on their annual plan of operations. These efforts have brought back old and much criticised ideas like Joint Forest Management and invested them with financial resources that have been collected by giving up existing forests.

Whether in the form of land, tree species or density, forests have been classified, monetised and substituted by other products of conservation such as plantations or Protected Areas (PAs). What the dual strategies of valuation and compensation that govern the mechanics of the FCA or NPV have also managed to do is convert forests into decontextualised, mobile and tradable commodities between regions. The condition of compensatory afforestation and NPV in particular meets obstacles in areas such as Kinnaur district in the northern Indian state of Himachal Pradesh. A substantial portion of the district is above the tree line and comprises high altitude cold desert areas. The forest types in this region and many alpine pasture lands of the region are not ones where high tree density can be observed. The calculation of NPV is significantly challenged in an ecosystem of this nature. During a conversation with forest officials of the region in June 2011, it was learnt that forest land is continuously being sought for the construction of border roads as well as hydro power projects, but the district does not have any land where compensatory afforestation can take place. Therefore, if any forest land is diverted in Kinnaur district, the compensatory afforestation will need to take place in another district of Himachal Pradesh, land for which is yet to be identified.

As such policy prescriptions are carried out in ritualised, bureaucratic ways, fictional forests are being reconstituted in law and policy over and over again. While this has been the scenario at the national level, the new global approach of calculating the worth of forests by the carbon they hold is antithetical to popular imaginations of forests. The 1992 United Nations Framework Convention on Climate Change (UNFCCC) has recognised the role of forest conservation in climate mitigation. Mechanisms such as REDD and REDD+ have been arrived at through global negotiations where forests can be valued in the carbon trade market on the basis of their carbon sequestration potential. Such a contention has trapped forests, making them readily available for trade not just nationally but across borders. The global climate change negotiations and decisions allow for financial flow into countries which encourage the maintenance of such units of forests.

Forests have been a contested field for many years now, and the site around which immense mobilisation for cultural identity and political recognition has taken place. Issues of loss of access and forest related livelihoods have animated the movements for economic rights. This new turn, fueled by global climate concerns, to manage forests as carbon stocks as they are the basis of all other environmental services, begs us to investigate knowledge that reduces and abstracts forests into *fungible* units performing certain secular and universal functions that are prioritised above all else. The description of such forests is underscored by quantitative values and even though place, context and relationships may be mentioned, they seem irrelevant to the science of valuation. The forest in government records, is hardly an entity with multiple meanings that are bestowed upon it by our occasions of experience with it. It is without history, ecology or story. Instead, it is transformed into a forest of numbers.

There are innumerable examples to illustrate the effect of regulation based on such forest 'facts'. A few years ago, the Chairman of the National Hydroelectric Power Corporation (NHPC) was heard making a case for the large dam projects in the

Northeastern states of India being awarded carbon credits because it would submerge old growth forests and recreate growing forests that supposedly had a much higher capacity for carbon sequestration. It is not easy to ignore this as bad science because that would merely 'fix' the same forest for its role as carbon stock. We need a new epistemology for environmental governance that rescues forests from the stock vs sequestration debate, or rather from the discourse of fungible environmental services.

The impulse to create an asset out of forests, hardly new to us, so that it will pay for its own management, conservation and governance is now premised on absurd abstractions. Such 'rituals' of commensuration, that are at the core of the idea of Green Capital have legitimised the siting of mines, dams and industrial projects in forests. Rather than methods of abstraction that separate forests from their ecological contexts and divest them of their social meanings, we need a form of governance that will allow forests to thrive for the many things they allow us to be.

Suggested readings

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The PES paradox

Selling PES in the Maloti-Drakensberg Transfrontier Park

Payments for ecosystem services (PES) interventions aim to subject ecosystem conservation to market dynamics and are often posited as win-win solutions to contemporary ecological, developmental and economic problems. While popular in mainstream policy domains, a major academic debate has erupted over whether PES can actually fulfil all (or any) of the promises it makes. Some scholars argue that PES, despite its challenges and shortcomings, is good for rural development and social equity. However, others such as Nicolas Kosoy and Esteve Corbera have referred to PES as ‘commodity fetishism’ implying that when nature becomes a commodity it will have negative effects on how humans relate to and value nature and can lead to social inequalities. Still others argue that PES instruments can contribute to improved environmental governance, but that they might not be universally applicable and might lead to perverse or ineffective outcomes, and hence that there should be a discussion about where they could be appropriate. Here I argue that PES can best be conceptualised as ‘neoliberal conservation’: the paradoxical idea that capitalist markets are the answer to their own ecological contradictions.

I first came to this conclusion based on extensive research on a conservation and development intervention in southern Africa, the Maloti-Drakensberg Transfrontier Project (MDTP). This project sought to stimulate local development, environmental conservation and international collaboration in the mountainous Maloti-Drakensberg area between Lesotho and South Africa. Amongst its many activities, the project introduced several market-based strategies to achieve its objectives, including PES. PES seemed a welcome solution to the many problems and political issues in the area. Indeed, for the first 3 years, the MDTP itself was also mired in struggles and tensions, and in this tense atmosphere the PES solution was welcome

indeed. A baseline study was commissioned, in which Nicci Diederichs and Myles Mander argued:

“Payment for environmental services provides an incentive for directing landowners towards environment management actions that address priority environmental services, such as water security. As a payment system directly links buyers and producers of environmental services, it builds relationships between people who are economically linked and allows market based transactions to take place, reducing the need for further state regulation. Furthermore it focuses on measurable deliverables and consequently sharpens the performance of conservation actors (public, private or communal)”.

PES can best be conceptualised as ‘neoliberal conservation’: the paradoxical idea that capitalist markets are the answer to their own ecological contradictions.

Interestingly, the study says almost nothing about the complex context and chequered history of the Maloti-Drakensberg area. Rather, in paragraphs such as the above, these are replaced by a closed (ahistorical) framework whereby social relations, individual behavior and their environmental effects are (efficiently) directed by market incentives. Moreover, the reports replaces cultural, political and social dynamics with a focus on ‘relationships between people who are economically linked’ thus reducing the area and its

inhabitants to a technocratic, neoliberal model that would subsequently have to be managed into reality. Indeed, the goal of the MDTP, from the start, was to set up PES as the magic bullet, as the ideal mechanism to ecological, developmental and economic concerns in the Maloti-Drakensberg. Interestingly, the same baseline study admits this by stating that:

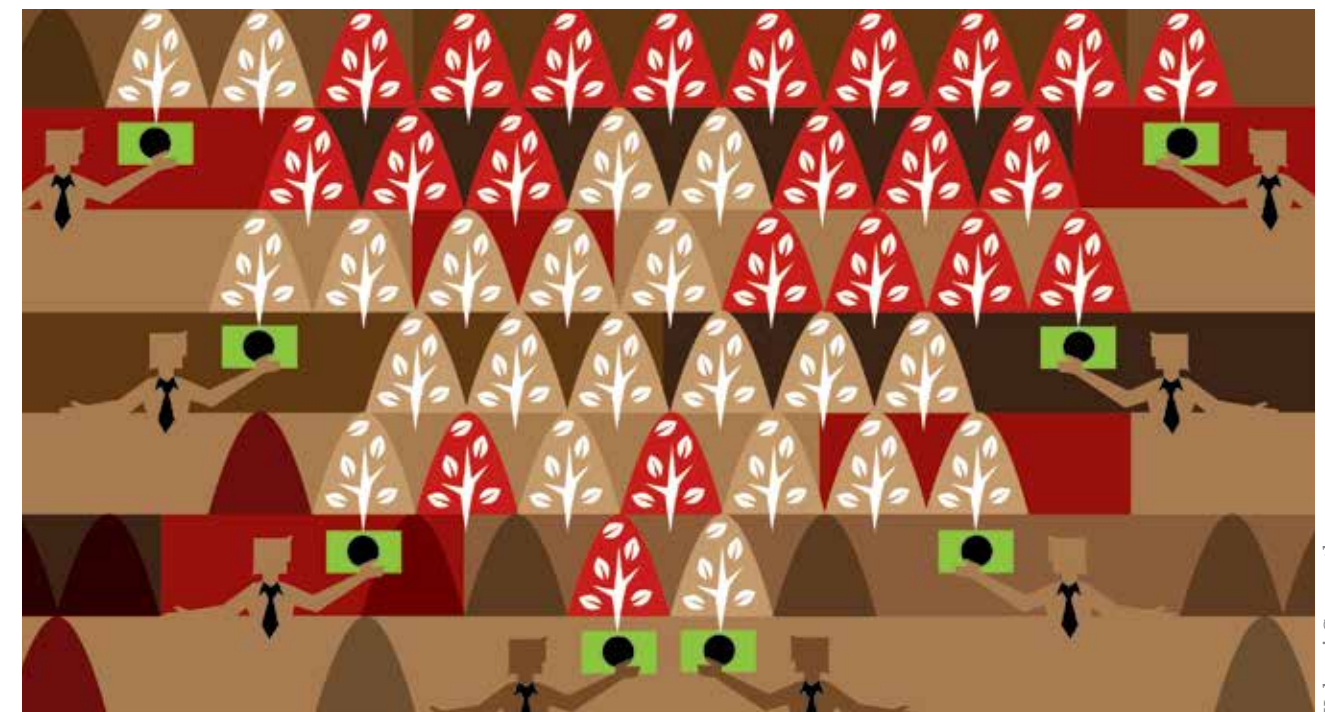
“The resources available to this project (MDTCDP), both internally and externally (by means of partners), and the willingness of the MDTCDP to use economics for conservation action, generates a practical opportunity to initiate a market development process in the next three years. Furthermore, the current activities of the existing project, such as research and public education, are complementary to the development of a payment system.”

All of this sounds ‘neutral’, straightforward, and apolitical, exactly how markets are often depicted in general. Yet, it needs to be stressed that this scientific practice of framing institutional arrangements according to markets and market metaphors means bringing actors and ecosystems (further) into the *capitalist* mode of production. Hence, where some authors ask ‘can markets do

better?’, the point is that ‘markets’ are not an instrument that can be switched on and off to see whether they ‘work’. Markets change social and socio-ecological relations, and markets in a capitalist political economy change these relations according to the capitalist mode of production. In turn, the capitalist mode of production harbours particular socio-ecological contradictions in general and with specific reference to ecosystem services.

Yet, it is clear from the above quote that the resources available to the MDTP were put to use in a very specific way, namely to render the Maloti-Drakensberg area as an ‘ecosystem services market’ and so subject it to deepening capitalist relations and power structures. In turn, this corroborates the point that market forces are not ‘natural’, but need to be ‘constructed’ into place through what Jim Glassman refers to as ‘extra-economic’ means. In other words, a whole host of *political, social and scientific* tools are necessary to construct (and oversee) particular ‘economic relations between people’.

In turn, these political, social and scientific tools were grounded on rather tenuous and/or one-sided arguments and evidence. While I refer the reader to the main *Conservation & Society* article



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for substantiation of this claim, what matters here is that despite the tenuous and one-sided evidence, the transfrontier project and the consultants it had contracted for the PES studies started marketing the potential for successful PES implementation in the area very early on in the project. PES was not only pushed through as a panacea for many of the area's ills, but the same consultants hired by the MDTP to set up a PES system, started marketing this system as a 'success' towards associated and likeminded, or 'epistemic' communities who were implicated in, and depended on this 'success'. This directs attention to a point which is often only alluded to in the PES literature, namely that the evidence built up in scientific constructions of PES depends on it being validated and taken up by particular epistemic communities, which are "experts sharing a belief in a common set of cause-and-effect relationships as well as common values to which policies governing these relationships will be applied."¹ In other words, scientific representations of PES in the Maloti-Drakensberg area were marketed through epistemic communities that already support and/or depend on the success of these same PES models, and as such a seemingly convincing case is set up, backed by scientific evidence.

But this goes further still: many of those involved in constructing PES markets are also those that posit them as a 'success' in policy, academic or other arenas. For example, the same consultants and researchers hired by the Maloti-Drakensberg Transfrontier Project to explore the suitability of PES in the Maloti-Drakensberg area between Lesotho and South Africa marketed their own PES constructions as successful through epistemic communities and policy arenas that already support and/or depend on the success of these same PES models. Crucially then, *the interpretation of scientific evidence also resembles a market*—if particular epistemic communities 'buy' into this evidence, it can seem to be legitimate and/or attract attention and more resources. In other words, the case of the MDTP functions in a broader 'scientific context' where likeminded epistemic communities valorise and indeed promote the

paradoxical idea that capitalist markets can be the answer to their own ecological contradictions. In turn, this dynamic can become self-reinforcing in that more attention and resources are employed to further strengthen the power of the PES discourse, making it susceptible to becoming a relatively closed loop that effectively shuts out the complex socio-ecological dynamics it aims to address. An interesting—and disturbing—corroboration of this point relates directly to the *Conservation and Society* article itself. Before publication, I sent a version of the article to some of the MDTP PES consultants in order for them to respond to my criticisms, but they did not bother to give it any attention or feedback, despite several reminders from my side. The precise reason for this is of course difficult to grasp, but since I am not part of the epistemic communities that they depend on for their livelihoods, it seemed my article was not worth their attention, as the only thing it could do was rupture their carefully constructed discourse and the myth about the Maloti-Drakensberg as a 'successful' PES case.

Taking the alternative evidence from the Maloti-Drakensberg area case study, one could simply conclude that PES indeed seems a familiar progression of capitalist expansion and intensification in the area of environmental conservation. Yet, at the same time it is important to point out what seems new is that it openly acknowledged that conservation of biodiversity and ecosystems should occur through its submission to the capitalist mode of production while being completely blind to the contradictions and histories of this same mode of production. Indeed, this article shows that conservation projects and associated epistemic communities work hard to produce evidence that works to establish scientific credibility while erasing difficult and conflict-wrought histories in order to effectuate this submission. In turn, this enabled those same actors to market PES as a 'success', and so build a context that serves to attract resources and cement actors' careers within a popular paradigm. To capture these dynamics adequately, one needs to acknowledge PES and the way in which it is marketed within a global political economy that has sought to undo the restraints placed on capitalism since the 1970s and now seems to be at its zenith. PES, therefore, should



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be recognised first and foremost as 'neoliberal conservation'—as a response to the global neoliberal political economy that South Africa has also adopted and strengthened over the past 15 years.

Unless one takes this context into account, one risks missing the bigger picture—that the political-economic realities that cause many of the environmental and social problems frame solutions for them in the same spirit, for example through 'PES'. And as these are built into the same mechanisms, they might equally strengthen, rather than alleviate, the dynamics that cause the problems in the first place. Only by first framing PES as 'neoliberal conservation', and thereby acknowledging the broader point that capitalist markets cannot be the answer to their own ecological contradictions, can we begin to understand contemporary socio-ecological problems in their full complexity and start working on devising meaningful and constructive solutions.

Suggested reading

Büscher, Bram (2012). Payments for Ecosystem Services as Neoliberal Conservation: (re)interpreting Evidence from the Maloti-Drakensberg, South Africa. *Conservation & Society* 10, 1: 29-41

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1 Haas, P.M. (1989). Do regimes matter? Epistemic communities and Mediterranean pollution control. *International Organization* 43, 3: 376–403.