Despite great efforts to reduce rural poverty at the national and global levels, many of the poorest groups remain difficult to reach through mainstream development programs. In particular, there is ample evidence that indigenous and tribal peoples and ethnic minorities are disproportionately represented among the rural poor worldwide. Several recent studies show that the poverty gap between these peoples and other rural populations is increasing in some parts of the world. In addition, indigenous peoples and ethnic minorities generally score lower on the Human Development Index than majority groups in their countries, and this is particularly true of women.

Better reaching out to these marginalized groups in poverty reduction efforts is an important policy challenge. Meeting this challenge requires, first, taking into account the heterogeneity of poverty and, second, building on the strengths and values of these peoples, including their capacity to act as stewards of biodiversity.

Taking into account the heterogeneity of poverty involves recognizing that poor people face different forms of disempowerment and marginalization. For ethnic minorities and indigenous peoples, these forms may be different from those of the majority in their respective societies. Their livelihood systems are often especially vulnerable to environmental degradation and climate change, especially as many inhabit economically and politically marginal areas in fragile ecosystems in the countries likely to be worst affected by climate change. They are often disempowered by lack of recognition of their cultural and socio-political systems, which undermines their social capital and their ability to shape their future. Their land, territories, and natural resources, with which they have ancestral bonds, and which are the basis of their livelihoods, are frequently threatened by encroachment, dispossession, and a lack of respect and protection of their rights. In many cases, their governance institutions, notably concerning natural resource management, have been weakened by socio-economic changes and by official policies. Finally, ethnic minorities and indigenous peoples are often at a disadvantage in capturing market opportunities. These factors of poverty impact on both men and women, but women are often most vulnerable to poverty, disempowerment, and exploitation.

Building on the strength and values of ethnic minorities and indigenous peoples is about enlarging their opportunities to pursue developmental goals that they themselves value, both collectively and as individuals, and to continue to play their roles as stewards of biodiversity and holders of unique cultural heritages. Listening to these peoples, both women and men, and involving them in decisionmaking about their future, are key elements of an effective response. However, ethnic minorities and indigenous peoples are not explicitly targeted by the Millennium Development Goals, they are often marginal players in decisionmaking processes about poverty reduction and development, and rarely have a strong voice in Governments’ overall poverty strategies. This is only slowly changing. Several international and national policy institutions now exist that focus on indigenous peoples and ethnic minorities. Within the UN, these include the Permanent Forum on Indigenous Issues and an Inter-Agency Support Group for Indigenous Issues.

In September 2007, the General Assembly adopted a Declaration on the Rights of Indigenous Peoples, which affirms among other things the collective and individual rights of Indigenous Peoples over their territories; their institutional, social, economic, and cultural autonomy; and their unique paths to development. Several donor agencies also have policies and strategies to guide their work with these groups. These are important resources to use when formulating policies and programs to
expanding their capabilities. However, much effort is still needed to better understand the complexity of the forms of poverty, subordination, and disempowerment faced by these groups as well as to work with them to further their own objectives, values, and capabilities.

**Lessons from IFAD’s Experience**

The International Fund for Agricultural Development (IFAD) has intensified its efforts to reach out to indigenous peoples, tribal people, and ethnic minorities in recent years, by better understanding the complexity and diversity of rural poverty and by striving to expand their capabilities both collectively and as individuals.

A few lessons can be learned from this and others’ experience. **The first lesson** concerns the importance of participatory approaches to design and implementation of inclusive development policies and programs. A key tool to better deal with complexity and diversity is a strongly participatory approach to designing and implementing programs that are responsive to local problems and to the goals and visions of women and men from indigenous peoples and ethnic minorities.

**The second lesson** is that there are promising, reasonably tested approaches to work with ethnic minorities and indigenous peoples to help them to overcome poverty, including the following:

1. **Increasing incomes by diversifying livelihoods and opportunities.** Many ethnic minorities and indigenous peoples live in areas with difficult climates, poor soils, and high vulnerability to natural disasters. Livelihood diversification is thus key to enhance the economic capabilities of both groups and individuals. This entails crop diversification and intensification, research and adaptation of productivity-enhancing technologies, microfinance, support to micro-enterprises, and developing alternative income generation opportunities from natural resources, such as eco-tourism and processing of medicinal and food products. Experience shows that such interventions have great potential but may face problems of sustainability. These can be mitigated by building on local practices, values, and commitments, on sound gender analysis and the mobilization of both women and men, and on the identification of activities with both cultural value and market potential.

2. **Strengthening both group and individual natural resource entitlements.** Weak resource entitlements are often a major factor of rural poverty. In addition, their distribution plays a key role in local livelihood strategies and in cultural and social practices. Loss of land in particular may not only limit livelihood opportunities but also lead to disintegration of the social fabric and to the entrenchment of social marginalization. Some programs have boosted capabilities by facilitating the recognition or protection of indigenous entitlements over natural resources, for instance via demarcation and titling of ancestral lands, forest, and water sources, support to gender-equal distribution of entitlements, and advocacy. Such initiatives often entail new forms of natural resource management and new balances between individual and collective entitlements, which raise new challenges and opportunities for development requiring innovation.

3. **Strengthening local and traditional governance institutions.** Several donor-funded initiatives aim to strengthen and reform traditional governance institutions, particularly in relation to natural resource and conflict management. Strengthening these institutions constitutes both a challenge and an opportunity for development, as it may affect the balance between group and individual goals, practices, and visions in ways that development enablers must be better prepared to address.

4. **Respecting the principle of free prior and informed consent.** This is enshrined in the Declaration and should guide development interventions with ethnic minorities and indigenous and tribal peoples. Respecting this principle means both addressing the causes of rural poverty among Indigenous Peoples and nurturing their capabilities in decision-making.

**The third lesson** is that the application of programmatic and technical solutions developed in other contexts is often not an optimal response to the challenges facing indigenous peoples, ethnic minorities, and other marginalized groups. Solutions are required that are appropriate to these groups. These can be found through the following means:

1. **Engaging indigenous and tribal peoples and ethnic minorities shaping their future.** “Development with identity” is an important principle for development enablers working with these groups. This principle affirms that cultural distinctiveness, which includes specific values and perspectives on development, is part of indigenous developmental capabilities; hence it needs to be targeted with initiatives to enhance social and cultural capital and to improve communication and information about
indigenous cultures. IFAD-funded programs include initiatives to address cultural marginalization and loss of social capital and to involve indigenous communities in the design of programs to ensure adaptation to local conditions, cultural and social ownership, and gender equality.  

2. Building on local and indigenous knowledge systems. Indigenous peoples and ethnic minorities are often stewards of biodiversity and holders of unique knowledge linked to local cultures and identities, which has two main implications for development policies and programs. First, technological packages to improve livelihoods should evolve out of adaptive R&D, in order to build on local knowledge systems in the face of new environmental challenges linked to climate change and to enhance local capabilities. Second, certain forms of local and indigenous knowledge (for example, about medicinal plants or underutilized plant species) need to be supported to be integrated into fair, sustainable value chains, which may boost local capabilities and strengthen local cultures while also contributing to climate change mitigation and biodiversity.

The fourth lesson is that we need to innovate to find new and better solutions to emerging challenges, rather than only to longstanding ones. A case in point is climate change. While poor people, including ethnic minorities and indigenous peoples, are among the least responsible for the problem, they are among those most vulnerable to it. However, they can also be part of the solution, due to their knowledge of how to manage their environments in a sustainable manner. This requires finding ways to help these marginalized groups to continue to manage their lands and to store carbon on them. In this regard, IFAD is discussing with the International Food Policy Research Institute (IFPRI), in the context of their strategic partnership, how to help poor rural people to benefit economically from storing carbon on their lands in the interest of all humanity.

Some Implications for Development Policies and Programs

The challenge of facilitating development among ethnic minorities and indigenous peoples requires better understanding and dealing with complexity and difference, both as concerns factors of rural poverty and local and indigenous values, capabilities, and visions. However, in order to do so we need to part with some previously held wisdom, beliefs, and visions.

First, the challenge of development for marginalized groups such as ethnic minorities and indigenous peoples is not, as they have also repeatedly stressed, one of access to “modernization.” Policies and programs driven by this notion tend to ignore the fact that these groups have livelihood systems historically adapted to their environmental circumstances and often well suited to the tasks of climate change mitigation and adaptation. For many of these groups, “modernization” has historically meant pressure to assimilate, abandon their institutions, and accept economic marginality. Blending modern and traditional institutions and technology is the most effective approach in our experience.

Second, building “cultural sanctuaries” around ethnic minorities and indigenous peoples should be avoided, as it may perpetuate their marginalization and stifle change and individual choice. As noted, respect for the capacity of these groups to define themselves, their development strategies, and their future has been sanctioned by the recent UN Declaration on the Rights of Indigenous Peoples, and it should be central to rural development initiatives with these communities. However, this should not lead us to build monolithic understandings of the cultures of ethnic minorities and indigenous peoples or to discount difference and a capacity for change in their societies.

What is needed is an approach that respects the rights of ethnic minorities, tribal people and indigenous peoples in line with the recent UN Declaration, which affirms the cultural, economic, political, and civil rights of these groups and of individuals belonging to them.

The main implication of the above for development policies and programs is the need for robust, simultaneous action on three fronts, as elaborated below:

1. Principles of engagement:
   - broad-based policymaking and programming;
   - development with identity;
   - free, prior and informed consent;
   - engaging marginalized groups, such as ethnic minorities and indigenous peoples as full partners in development;
   - gender equality;
   - flexibility and sensitivity to context;
   - long-term commitment and perspective; and
   - addressing the many forms of disempowerment of ethnic minorities and indigenous peoples as factors of poverty.
2. **Policy interventions to address**
   - the legal definition and protection of the natural resource rights of ethnic minorities and indigenous peoples;
   - the cultural, social, and political marginalization of these groups; and
   - factors and circumstances that hinder the participation of ethnic minorities and indigenous peoples in national, regional, and local development strategies.

3. **Program interventions to address**
   - income improvement through sustainable livelihood diversification;
   - cultural and social empowerment and education;
   - research and development, and adaptation of technological solutions to local knowledge and livelihood systems;
   - building on local knowledge systems and products and their fair and effective integration into broader value chains;
   - technological and institutional innovation to address new challenges linked to ecosystemic fragility and climate change; and
   - capacity building of local institutions particularly for natural resource and conflict management.

**For Further Reading:**

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