

Environmental Income and Inequality of Indigenous Community in Conservation Area in Central Sumatra

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Abstract

Income and inequality of indigenous communities that live in a high conservation value landscape remain poorly understood. We investigated income dependence and income inequality from households (n = 233) in the Rimbang Baling Wildlife Sanctuary in Central Sumatra. We found that cash and non-cash income from forest and river services accounts for a substantial share (80%) of their total income. However, we figured out that higher income groups tend to extract more of the resources and found weak evidence that the extraction will decrease as income reached a certain level. We compared income distribution and applied Kuznets ratio to find that the highest income groups have the largest forest and environmental income proportion, and this proportion is on the rise alongside overall income rise. We further found that higher income group relies more on both subsistence and cash from forest and environmental income compared to that of lower income group. At the same time, the analysis suggests that forest and environmental income have impacts in reducing income inequality.

Keywords: forest, indigenous community, inequality, Kuznets, Indonesia