



Fostering Climate Resilience through Economic Diversification and Sustainable Livelihoods in Chatra

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Chatra is a district in the state of Jharkhand that covers 4.71% of the state's geographical area¹ and is home to a population of 10.4 Lakhs². The district falls under the Aspirational District category of the NITI Aayog in terms of the socio-economic indicator and is primarily rural, with 93.4% of its residents residing in rural areas and 58.4% of the population lives under multidimensional poverty³. Known for its lush greenery, Chatra has the second highest forest cover in the state of Jharkhand, occupying 47.93% of the district's total geographic area¹ and affording a diverse range of flora and wildlife.

The economy of the district is based on both agriculture and the industrial sector. However, in the backdrop of increasing climate change risks and challenges, achieving India's target of net-zero greenhouse gas emissions by 2070 and transitioning to cleaner sources of energy, it has become imperative to focus on sustainable livelihoods and economic diversification with a holistic approach that focuses on developing the required skill set, infrastructure, and local-level institutions.

Climate Vulnerability and its Impact

In Chatra district, including areas affected by mining, there is a significant potential for agriculture-based livelihoods. The district predominantly cultivates cereals (such as paddy, wheat, maize), pulses, oilseeds, sugarcane, and fruits and vegetables. Also, the district's mineral resources and industrial sectors are mainly coal, sand, and stone, with mining as a key industry. However, environmental degradation caused by mining leads to the depletion of agricultural production, which has resulted in the migration of workers to other cities and states for casual labor, which often does not guarantee a regular income.

The Department of Science and Technology, Government of India, identifies Jharkhand as having the highest climate vulnerability in India. Chatra ranks third in terms of climate vulnerability in Jharkhand.⁴ As a result, the district's economy and livelihoods face considerable susceptibility to the adverse impacts of climate change. It is noteworthy, that though agriculture engage more than 75% of the local workforce as cultivators or agricultural laborers, the cultivated area accounts for only 18.47% of the district's total land, and a substantial portion of the cropping area (73%) relies on rain-fed or uncertain irrigation practices⁵.

• Key Facts about Chatra

• Chatra has five major coal mines situated in Tandwa Block.

• The district is ranked 59th among the Aspirational Districts by NITI Aayog.

• Chatra has the second highest forest cover among all districts in Jharkhand.

• It is the third most climate vulnerable district in Jharkhand.

• Agriculture and mining are the main sectors of the economy.

• More than half (58.4%) of the district's population lives in multidimensional poverty.

¹ ISFR Report, 2021

² Census of India, 2011

³ National Multidimensional Poverty Index, 2021, NITI Aayog

⁴ Climate Vulnerability Assessment for Adaptation Planning in India Using a Common Framework, 2020, DST, GoI

⁵ District Irrigation Plan of Chatra (2016-2020)

Need of Economic Diversification

To enhance climate resilience in Chatra, it is essential to move beyond traditional economic activities such as coal mining and agriculture and explore sustainable livelihood opportunities through economic diversification.

Due to available natural resources, diversification based on sustainable forest-based industries and products like Non-Timber Forest Products (NTFPs), agro-processing industries, tourism, handicrafts and other service-oriented industries that align with the district's resources and capabilities have strong potential in Chatra. Also, entrepreneurship development and promoting Micro, Small & Medium Enterprises (MSMEs) will be key factors in reviving and diversifying the local economy.

The creation of diversified livelihood opportunities can lead to increased income generation, employment opportunities, and economic growth in Chatra. However, the district's low literacy rate (66.18%, which is lower than the state's average of 66.4%) and lack of infrastructure pose challenges for economic diversification. Hence, a holistic approach that focuses on developing the required skill set, social infrastructure, and local-level institutions is needed.

Aim and Objectives of the District Dialogue

The Centre for Environment and Energy Development (CEED), in collaboration with the Taskforce on Sustainable Just Transition, Government of Jharkhand, is actively involved in developing a 'State level Economic Diversification Plan for Jharkhand'. This plan aims to build climate resilience by promoting sustainable livelihoods, creating new opportunities, and reducing the vulnerability to climate risks. As part of this effort, a district consultation is being conducted to identify market segments with growth potential and high demand for skilled resources. By assessing this demand, the consultation seeks to uncover employment opportunities in Chatra and surrounding areas, enabling the planning of economic diversification through targeted skill enhancement and re-skilling programs as deemed necessary. The objectives of the district dialogue are as follows:-

- To Assess the potential economic diversification opportunities in Chatra., including sectors such as agro-forestry, tourism, handicraft, renewable energy, etc.
- To enhance collaboration among stakeholders from different sectors to support economic diversification in Chatra.
- To increase awareness and understanding for sustainable development, climate action and resilience.

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• Eco-Tourism Potential

• **Water falls: Gua, Tamasin, Maludah.**

• **Hot springs: Duari**

• **Lawalong wildlife sanctuary**

• Forest Resources

• **Mahua, Lac, Palash , Charoli (Chironji), Gum Tree (Gum Kray), Pongamia (Karanj), Tamarind (Imli)**

• **Kendu Leaves, Sal Leaves, Sal Seeds**