Sustainable development can break the vicious cycle of poverty

Sustainable development plays a key role in enhancing human welfare. A recent study investigates investment in social and environmental resources in Ethiopia as a means of both encouraging sustainable development and combating poverty.

Ethiopia is one of the least developed countries in the world, ranking 169 out of 179 countries on the United Nations Human Development Index (2008). Almost 60 per cent of the population lack access to portable drinking water. The main source of energy is wood but forest resources are rapidly dwindling. Current development focuses on investing in buildings and industry. Although this development is necessary, it overlooks the importance of human and natural capital, which could lift the country out of its cycles of underdevelopment and poverty.

The research investigated the outcomes of a workshop to discuss the potential for investment in human and natural capital in the city of Awassa in Ethiopia. The workshop included 40 participants from local NGOs, businesses, academia and government.

Participants identified a list of serious needs for the community of Awassa and a number of vicious cycles. For example, deforestation leads to soil erosion which leads to reduced agricultural productivity. This promotes agricultural expansion on marginal land which in turn leads to further deforestation.

Participants discussed possible solutions to these problems and the creation of so-called ‘virtuous cycles’ to replace the vicious ones. They suggested four complementary projects. Firstly, a forestry programme to plant 1 million seedlings and reforest 15,000 hectares of watershed surrounding Lake Awassa. Complementing this would be an ‘Alternative to Woods’ strategy to promote efficient wood stoves in Southern Ethiopia. The stoves would be built and sold by local women and young people to encourage entrepreneurial activity.

Thirdly, the workshop participants suggested a public environmental awareness campaign run by an educational circus company who have previously undertaken campaigns about AIDS. Lastly, they identified the need for a coordination/steering committee to ensure the projects work together.

Participants also identified possible barriers to implementation. Local input and involvement are needed at all stages and financial incentives are required to prevent sacrificing natural capital stocks for short-term gains, particularly in forestry. International Payment for Ecosystem Services (PES) could provide the necessary funding. For example, funds for carbon sequestration from developed countries via the UN’s Clean Development Mechanism².

1. See http://ec.europa.eu/environment/eussd/
2. See http://cdm.unfccc.int/about/index.html


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