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FOREST – FOOD SECURITY LINKAGES IN NORTH HIGHLANDS OF ETHIOPIA: SAFETY NETS OR POVERTY TRAPS?

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The perception, that NTFPs are more accessible to rural populations, especially to the rural poor and that their exploitation is more benign than timber harvesting favored NTFP becoming economically acceptable ecological option of development. However, refocusing of the development agenda on poverty has led to the conclusion that optimism about- a win – win development and conservation is unwarranted, and that NTFP extraction is generally a low- income activity that may even result in a poverty trap. However, much of the existing arguments and conclusions made on the link between poverty and forests suffer from an overload of conjectural and anecdotal assertion rather than evidence. Full understanding of the links between forests and poverty require the ability to make causal inferences about the counterfactual – and none of the previous, studies do this. As a result, they have limitations in shedding light on the nature and the extent of linkages between forests and poverty.

In this paper, we investigate the differences in food security outcomes between households that participate in forest environmental resource extraction and those who do not, using 251 sample farm households living in Tigray Regional State Ethiopia. We use PSM methods to account for a selection bias that normally occurs when unobservable factors that influence both participation in forest activity and food security outcomes. The paper also addresses household heterogeneity by explicitly providing separate estimates of the average treatment effect (ATT) for poor and non-poor households.

Our analysis leads to several interesting results. First we find that education, age and sex of household head, access to off –farm employment, shocks related to death or illness of a household member and awareness of climate change significantly affects participation in forest environmental resources. Second, we find that participation in forest environmental resource extraction in rural Tigray has significantly lower food security outcomes than farm households that are not participating. This finding is robust to whether the data are split into poor and non-poor households and to matching methods used. Third, we find that the poor and non-poor households that are participating in forest extraction had lower distress sale of assets for immediate consumption than non-participants in the same sample enforcing the widely held view that forests are important as economic buffer in hard times. Fourth, households in rural Tigray are not driven into forest extraction by risks in farm output only but also by diversification strategy, suggesting that the problem for local communities has both the characteristics of portfolio analysis and economics of insurance.

Thus, examining alternative livelihood strategies such as off-farm work and other social protection programs such as the productive safety net program in Ethiopia would warrant solving the problem of food insecurity and resource degradation in the region.