



# ETHIOPIA

POVERTY ELIMINATION AND  
BARRIERS TO DEVELOPMENT

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Independent Study Project  
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# BARRIERS TO DEVELOPMENT

- *The Bottom Billion* by Paul Collier
  - Bad governance
  - Natural Resource
  - Conflict
  - Geography (Bad Neighbors)
- *The End of Poverty* by Jeffrey Sachs
  - *Poverty*
  - *Epidemiological*

# BARRIERS CONTINUED

- *Dead Aid* by Dambisa Moyo
  - Dependency culture created by Foreign Aid
- *Why Nations Fail* by Daron Acemoglu and James Robinson
  - Vicious Cycle
    - Extractive Institutions
  - Virtuous Cycle
    - Inclusive Institutions

# SOLUTIONS

- Capital (Moyo)
- Big Push (Sachs)
- Clinical Economics (Sachs)
- Combination of four instruments (Collier)
  - Aid
  - Laws and Charters
  - Military Intervention
  - Trade

# ETHIOPIA: AREAS OF CONCERN

- Institutions
  - Transparency and foreign aid
- Infrastructure
- Land Policy



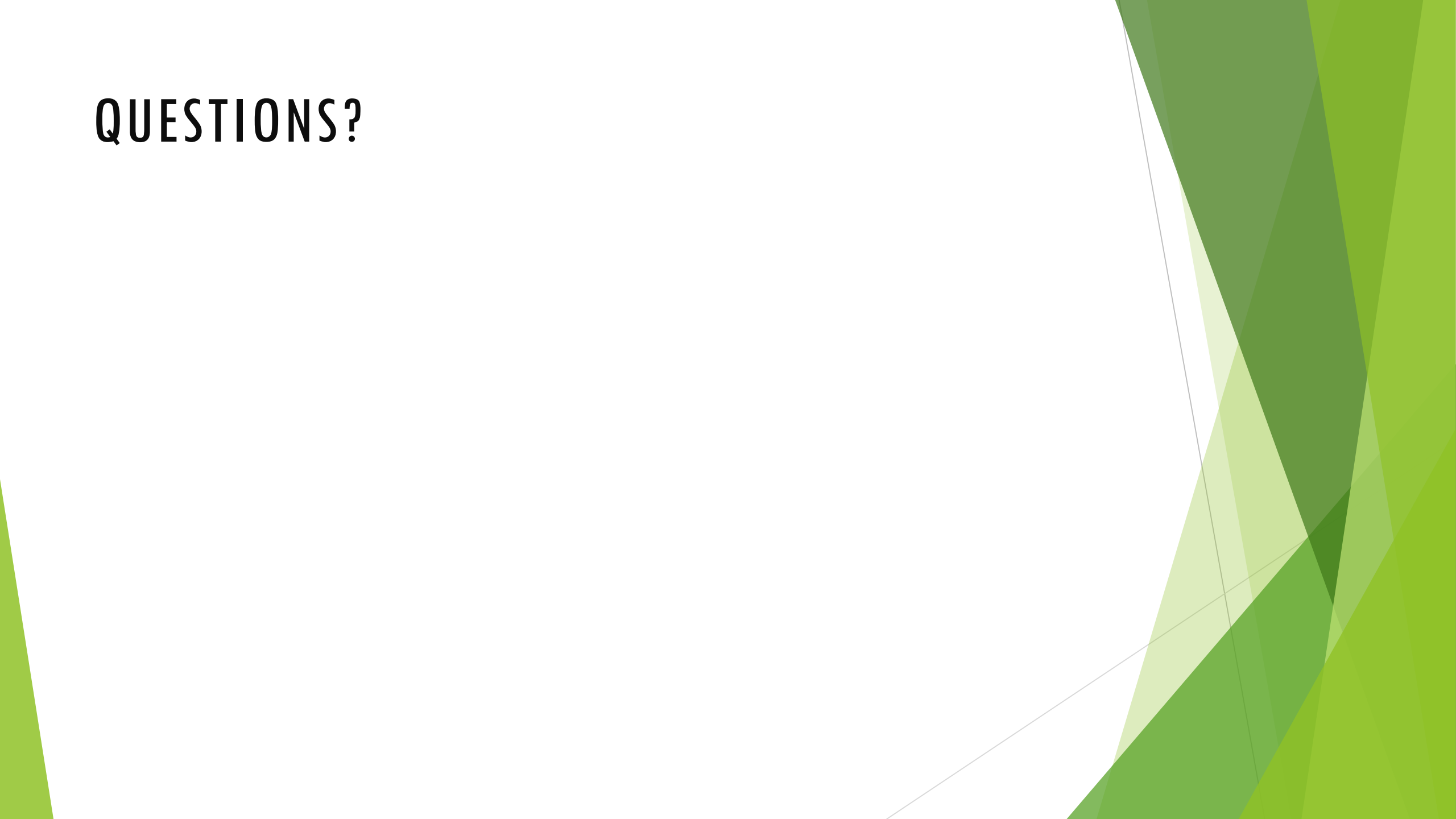
# A CLOSER LOOK AT LAND POLICY

- ▶ History - cultural barriers to reform
- ▶ Distributed equitably - just put name on waiting list
  - ▶ Downside of population increases
- ▶ Maintain property use rights- presence and dependence
- ▶ Some rental agreements/informal sharecropping
  - ▶ Cultural impacts
  - ▶ Lack of faith in government
- ▶ Missing/imperfect markets for inputs (Labor, oxen etc.)
- ▶ Implications

# SUGGESTIONS MOVING FORWARD

- Increase Transparency
- Foreign Aid Analysis
- Investment in Infrastructure
- Land Reform

**QUESTIONS?**





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