RURAL-URBAN MIGRATION AND LAND AND RURAL DEVELOPMENT POLICIES IN ETHIOPIA

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Abstract

Ethiopia is one of the least urbanized countries in Sub-Saharan Africa. Agriculture remains the main economic source engaging the majority of the rural work force. Still, migration from rural areas to cities has been increasing in recent years. This paper examines the relationship between migration and the land and rural development policies of Ethiopia. The study tests the hypothesis that Ethiopia’s land and rural development policies influence the dynamics of rural-urban migration in ways unanticipated by the policies. Data were collected from rural households and communities in Damot Galie¹, migrants in four urban areas, and government officials and researchers at various levels.

The majority of the interviewed migrants mentioned one or more land related reasons for leaving rural areas, including land shortage for agricultural activities and lack of other job opportunities. However, rural landholders also hesitate to migrate because they risk losing their holding by leaving rural areas. Thus, although limited rural land availability may incentivize rural-urban migration, land policy restrictions may at the same time be reducing incentives to migrate by increasing the costs of leaving rural areas. Still, the combination of improved job and income opportunities in urban areas and deteriorating living conditions in rural areas appears to favor migration.

Despite the diminishing farm size and increasing population pressure, the agriculture sector has continued to heavily dominate the rural economy. Notwithstanding attempts to diversify the rural economy, the lack of capital and skills remain constraining factors to the promotion of non-agricultural activities. At the same time, although the country’s agriculture-led development policy gives significant emphasis to the agriculture sector, the available arable land is not able to provide a sufficient livelihood for the growing rural population. Moreover, the rural areas have been deprived of critical infrastructure, such as roads, markets, electricity, communication technologies, and skills development institutions. Absent significant reforms, this lack of investment in rural areas and competition for increasingly scarce arable land is likely to result in increased rural-urban migration.

Key Words: rural-urban migration, land policy, rural development

¹ Damot Galie is a rural district located in the Southern Region of Ethiopia
² Woreda refers to an administrative structure equivalent to a district
1. Introduction

With 83 percent of its population living in rural areas, Ethiopia is one of the least urbanized countries in Sub-Saharan Africa. Agriculture remains the main economic source engaging the majority of the rural work force. Still, migration from rural areas to cities has been increasing in recent years. The Constitution vests all land in Ethiopia in the Government of Ethiopia; however, rural residents are entitled to indefinite-term use rights to land. Land laws of the country do not allow sale or mortgage of land and put restrictions in leasing out land use rights. Nonetheless, by restricting land rental markets and mandating that landholders farm their land or risk losing it through redistribution or expropriation, the existing land laws discourage landholders from pursuing non-agricultural livelihood strategies away from their holdings. A significant proportion of interviewed rural residents hold tiny plots of land and do not anticipate sufficient income opportunities in rural areas. Farm sizes in Ethiopia are also decreasing as a result of population pressure, which results in increased subdivision to allow successive generations’ access to at least a small plot for farming.

This paper examines the relationship between rural-urban migration and the land and rural development policies of Ethiopia. The study tests the hypothesis that Ethiopia’s land and rural development policies influence the dynamics of rural-urban migration in ways unanticipated by the policies. The remainder of this paper consists of the following sections: a brief overview of prominent theories on rural-urban migration; a short description of this study’s methodology; the results of this study; and finally a conclusion that highlights the policy implications of the results.

2. Theories on Rural-Urban Migration

The popular model of Harris and Todaro (Todaro, 1969, 1970, 1976 and 1986, and Harris and Todaro, 1970), quoted in Cornwell and Inder (2004:2), indicated that rapid movement of people from rural to urban areas is the result of expectations of better wages and the desire to improve one’s economic situation. Some studies indicate that the Harris and Todaro model is more of a micro-economic model, which relates to individuals’ behavior (Ezra and Kiros, 2001:751, quoting Sjaastad, 1962, Todaro, 1969, 1976, DaVanzo, 1981). Individuals make the decision to migrate when they believe the expected economic benefits in urban areas outweigh existing and future economic costs of leaving rural areas. Todaro (1969), quoted in Ezra and Kiros
(2001:751), indicated that migrants calculate expected earnings to make sure that the wage rate at their destination is high enough to bear their opportunity costs.

In addition to Harris and Tadaro’s individual-level model, other studies have developed a theory relating migration to household decision-making. The household-level model argues that in developing countries a household must make the decision for a family member to migrate based primarily on opportunities for sustenance, livelihood improvement, and risk diversification (Lauby and Stark, 1988, quoted in Ezra and Kiros, 2001:751). For example, Stark (1991), as cited by Ezra and Kiros (2001:751), considers families as the principal agents in decisions on migration. Advocates of this model suggest that migration is a survival strategy in an environment where livelihoods are not in a position to support a decent living and a number of risks threaten the wellbeing of rural families (Ezra and Kiros, 2001:751, quoting Stark, 1991, Stark and Bloom, 1985, Lauby and Stark, 1988, Rosenzweig and Stark, 1989, and Massey et al, 1993).

High rates of natural population increase, land distribution problems, weak employment opportunities and inadequate income in rural areas are among the primary factors that lead to the decision to migrate in developing countries. In addition, the large difference in service delivery and living conditions between rural and urban areas strengthens the decision to migrate (Bilsborrow et al, 1987:191, citing Bilsborrow, Oberai, and Standing, 1984, Firebaugh, 1979, International Development Research Centre, 1977, Peek and Antolinez, 1980, and Shaw, 1974).

In general, most of the migration studies reviewed indicated that economic factors are the most important determinants for migration decisions (Rhoda, 1983:41, quoting Brigg, 1973, Connell et al, 1977, Dejong and Gardner, 1981, Findley, 1977, and Simmons et al, 1977). The combination of rural economic “push” factors, such as unemployment and underemployment, shortage of farming land, and weakening livelihoods, and urban economic “pull” factors, particularly high wages in urban areas, ultimately leads to migration (Rhoda, 1983:41).

Similarly, Zewdu and Malek (2010:9) indicated that rural-urban migration in Ethiopia could be triggered by the low income generated in the rural agriculture sector and the need to diversify activities in other sectors. In fact, the majority of cases in Ethiopia demonstrate that the poor are more inclined to migrate than the more wealthy. Contrary to experiences in other countries, the
poor tend to migrate more than the rural wealthy in Ethiopia with diminishing income opportunities (De Haan et al, 2000, cited in Zewdu and Malek, 2010:15).

Although Ethiopia is one of the least urbanized countries in Sub-Saharan Africa, current trends show that with the accelerated movement of people, the urbanized population is expected to increase from 16 percent in recent years to 27 percent in 2035 (World Bank, 2010:10, quoting UN Population Division, 2009).

3. Methodology

A household survey was administered to better understand perceptions of economic opportunities and constraints in both rural and urban areas. Data were collected from 100 randomly selected rural households, two groups of key informants, and four focus groups of communities in Damot Galie woreda, 73 migrants in four urban areas (Addis Ababa, Hawassa, Wolayita Sodod and Boditi), and 12 government officials and researchers at federal, regional and woreda levels. In Damot Galie Woreda, two kebeles\(^3\) (sub-districts) were selected on a purposive way, but by taking into consideration agro-ecology, livelihood and land arrangement differences. The number of surveyed households constitutes about 10 percent of the whole communities in the two kebeles.

The collected data are of qualitative and quantitative type in nature. Different sets of questionnaires were administered for both rural households and migrants. In addition, checklists were used to collect data from community representatives, government officials and researchers. The analysis deployed mainly descriptive statistics and correlation tests.

4. Results

4.1. Dynamics and Extent of Migration in Damot Galie Woreda

The survey in Damot Galie woreda indicated that the level of migration has been significant and persistent in recent years. Although some households interviewed hesitated to reveal the number of migrants in their household, most agreed that migration is a common practice in the area. Moreover, the majority (71 percent) of the interviewed households believes that migration to

\(^3\) Kebele is the lowest administrative structure/unit under a woreda
urban areas is increasing. Furthermore, all key informants and focus groups mentioned that the rate of migration has been increasing and is expected to accelerate in the years to come. They all perceived that youth prefer urban migration to remaining in rural areas. According to the surveyed households, key informants and focus groups, there are several reasons for increasing rural-urban migration; these will be discussed in the next section.

Roughly 45 percent of the surveyed households already report one or more family members living in cities. This shows that the extent of migration in the surveyed areas of Damot Galie woreda tends to be high, affecting a large proportion of rural households. Despite the controversial benefits and challenges, a significant proportion of rural families seem to experience migration. While revealing that the trend of migration is increasing, the key informants and focus groups tried to analyze the extent of migration experiences in their respective areas. According to interviews, almost all households will include migrants within a few years given the increasing magnitude of migration. Hence, migration is very likely to become a part of life for the majority of rural people in Damot Galie woreda.

Beyond the major cities, more people are expected to migrate to smaller towns in the years to come. With the weakening carrying capacity of the rural areas and increasing attractiveness of rural towns, it is highly likely that the movement of people away from purely rural areas will continue. Recent studies in rural-urban migration also substantiate this fact. Although the level of urbanization in Ethiopia is lower than the sub-Saharan average, at 16 percent of the population in 2007, recent dynamics indicate that the urban population is growing at a rate of 3.8 percent, while the rural population increasing at 2.3 percent. As a result, the proportion of the population living in urban areas is expected to reach 27 percent in 2035 (World Bank, 2010:10, citing UN Population Division, 2009).

Given these dynamics, the prediction of respondents in Damot Galie woreda that the magnitude of migration is increasing appears to hold true. Due to increasing population pressure, the scarcity of resources is likely to exacerbate the need of the rural people to look for alternative non-land based livelihoods. With better access to information about urban areas, it is likely that urban economic opportunities will appear increasingly attractive to rural youth.
4.2. Reasons for Migration

The rural poor generally consider rural-urban migration as a coping strategy against poverty in developing countries (Sheng, n.d. and Tacoli, 2004, quoted in Zewdu and Malek, 2010:3). Reinforcing this finding, the vast majority of the respondents associated their reasons for migration with economic factors (see Table 1). Among the six factors listed, four (income, land, agricultural productivity and food security) are economic in nature and do constitute the majority of responses. These economic factors imply the difficulties facing migrants in their rural homes, including those associated with production, income generation, wage labor opportunities, and food security. With a significant proportion of respondents seeking additional income, it appears that agricultural income from the available land was not sufficient for them to make a living in rural areas. Most importantly, 40 percent of the response cases were associated with land shortages. The other economic factors, such as income, productivity, and food security, are also related to land availability.

Nevertheless, roughly 33 percent of surveyed households included in their response list that some migrants were attracted by urban life independently from the existing economic challenges in rural areas. These respondents tended to associate the decision to migrate with a desire for luxury goods or modernity. They did not identify other factors that may have influenced their decision. This category of migrants developed positive impression of cities and reported dissatisfaction with the rural situation. Regardless of whether or not the rural economic situation improves, these migrants would prefer to live in towns.

At the same time, in 16 percent of the interviews, education was mentioned as a reason to incentivize (“push”) some people towards towns. Because the rural areas do not have schools to provide education at secondary and tertiary levels, some of the migrants travel to urban areas specifically to finish their education and seek salaried employment. This is particularly relevant for poor households, because most of the poor cannot afford to pay for their children’s secondary and tertiary school fees. As such, students may decide to migrate to cities to find work and try to pursue their education. In this case, migration happens to be a mechanism to access education.

In a situation where 71 percent of interviewed rural households believe that the rate of migration has been increasing, it was important to identify major reasons leading to such an increasing rate of migration. The vast majority of reasons are closely associated with economic factors. With
land shortage leading the proportion of reported reasons, at 29 percent, additional income and job seeking followed, at 26 and 18 percent, respectively. All the indicated economic reasons appear to relate each other and show the inability of many rural households to maintain a decent standard of living depending only on agriculture and the land.

Discussions with key informants and focus groups identified major reasons incentivizing and increasing rural-urban migration. The major reasons were population pressure, shortage of land, food insecurity, drought and lack of non-farming opportunities. These factors are widely perceived as negatively affecting rural livelihoods and thereby “pushing” migrants to leave their rural homes in search of better opportunities in urban areas. The issue of population pressure was also cited in group discussions, though not in interviews with households. Rural households have not traditionally seen a high number of children as a threat at household level; rather, there has been a perception that children provide opportunities to support rural families in agricultural activities and generating income through wage labor or other means of employment. Nevertheless, the identification of population pressure by the group discussions indicates that the traditional view that large numbers of children are beneficial seems to be changing within this rural community.

Experts and officials at woreda, zonal and regional level also agreed on the causes of migration, as described by the key informants and focus groups. However, some of these experts and officials added the aspiration of the youth for urban lifestyles and less interest in working in the traditional agricultural activities as an important factor contributing to rural-urban migration. According to these officials and experts, youth prefer a short-cut to escape poverty to the significant effort required to bring changes to the rural areas. The argument of these experts and officials is that youth have negative attitudes toward work in the agriculture sector and even toward non-farming activities in rural areas. In addition, they also believe that existing land renting rights and informal land markets have been encouraging people to move from one area to another. Nevertheless, the experts and officials were not able to show potential opportunities that could capture the attention of youth in rural areas. They also could not provide adequate evidence to prove that efforts to encourage non-farming activities or provide new technologies enabling are, in fact, the landless to find work in the rural economy.
The survey in select urban areas also assessed factors that forced migrants to leave rural areas. The surveyed mentioned one or more reasons that pushed them to urban areas. Although some of the ways migrants responded differ from the rural responses, there are significant similarities between the two groups of respondents. The migrants mentioned those factors associated with economic problems, thus demonstrating their ambition to lead an independent life and support their family. Roughly 24 percent of urban respondents migrated to cities with the aim of becoming self-sufficient by covering their own living costs. This implies that these respondents were not able to lead an independent life in rural areas because they did not have sufficient economic opportunities. An independent life could be interpreted to include marriage, own income management, not being considered a family burden, supporting parents, and taking one’s own decisions.

The reasons indicated by migrants also demonstrated how poverty has forced people to leave rural areas and join the urban environment. Among the respondents, 18 percent of migration decisions were associated with fleeing the prevailing poverty in rural areas. Poverty is a relative term to the urban areas where these migrants were living. In a country where roughly 40 percent of the population lives below the international poverty line, the poverty level in specific rural areas is often higher. The migrants defined poverty in terms of landlessness, lack of productive assets, absence of income, food shortage, marginalization, lack of access to education, health, and other basic services, and an inability to obtain employment. These factors incentivized the migrants to leave their rural areas and families and seek a new living and working environment in urban areas.

While the migrants explain their decision to migrate based on their need for self-sufficiency and escaping poverty, they also tend to associate these factors with land inaccessibility. In other words, if there were land available, they would have continued agricultural activities and led an independent life in the rural areas. Although some of the respondents listed landlessness and shortage of land separately as factors of migration (see Table 3), if landlessness and shortage of land are summed, it is possible to conclude that 40 percent of the responses are directly associated with landholding. A study by the World Bank (2010:23), citing the 2005 Labor Force

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4 Although, the Ethiopian Government has recently claimed that the poverty rate decreased to 29 percent.
Survey (World Bank, 2009a) indicated that 23.5 percent of the people who moved to urban areas did so because of land shortages in rural areas of Ethiopia.

In addition, migration was also found to be a mechanism to generate additional income and buy inputs for agricultural activities. Those respondents who revealed that their objective in migrating to towns was to earn money for inputs fall into two categories. Under category one, migrants plan to stay in urban areas on a temporary basis during the slow months in rural areas to earn money to pay for fertilizer and improved seeds and to rent in additional land. These migrants return to rural areas with some money during the peak farming months. The second category sends money to support their rural family during planting time but tends to migrate permanently. Responses from both categories suggest that the available land in rural areas is not sufficient to cover basic needs or buy inputs for the next season. With 17 percent of respondents revealing that their income is used to purchase farm inputs, some migrants further explained that they also rent in additional plots of land for crop production.

As discussed above, surveyed rural households believed in 33 percent of the cases of responses (see Table 1) that the decision to migrate could be made, beyond any other economic reasons, simply based on an interest in urban life. It is useful to note here, some experts and officials of government also emphasized the attraction of urban areas. However, in the survey with migrants themselves, only about four percent of the responses revealed that their decision to migrate was a result of their interest in urban life. None of the interviewed migrants identified issues related to negative attitude toward agricultural activities, despite the claims by government experts and officials to the contrary. Although all respondents would not be expected to reveal similar perceptions for each factor, the combination of responses from different respondent groups helped to identify all potential factors of migration.

There were certainly various “push” factors that contributed to the decision to migrate. The majority of these factors are related in one way or the other to economic opportunities. If migrants had sufficient economic opportunities in rural areas, most of them would not have decided to migrate. In a predominantly agricultural economy, land availability is associated with most of the indicated reasons for migration.
4.3. Land Availability and Dependency on Agriculture

Ethiopia’s predominantly agricultural economy relies on land as the major factor of production in rural areas. The landholdings of a significant proportion of rural households provide below subsistence livelihood in Ethiopia (Gebeyehu, 2013, based on CSA, 2005-2012). The average holding size will also further decrease if fragmentation continues as a result of inheritance and subdivision. As landholders have very limited options to change occupations, they appear to pursue agricultural activities on existing small plots. Although agricultural production is not sufficient to at least meet their subsistence needs, many farmers choose to not risk losing their land by migrating to urban areas.

Nevertheless, according to the survey conducted in Damot Galie woreda, the majority of the migrants left their rural areas because of a shortage or lack of land. An analysis was conducted to examine households having migrants based on the size of land they hold. The majority of the migrants were found to be from households having 0.25, 0.5 and 0.75 hectares (see Figure 1). Those households with 0.13 and 0.38 hectares have no migrants and very small cases of migrants respectively. However, as the number of households captured with 0.13 and 0.38 hectares was smaller among the surveyed households, this category did not represent a significant proportion of migrant households surveyed. Households with one hectare and above have few migrants, as well. Putting aside other factors, the land holding size alone suggests that most migrants are from small land holders. This impression again leads to the conclusion that shortage of land could push migrants to urban areas.

In addition to examining landholding sizes, it is also interesting to analyze the number of family members per household. The number of family members depending on the available land also likely explains the extent of problems contributing to migration. As can be seen in Figure 2, the average number of family members across all categories of households is above five. According to the data collected from Damot Galie, the number of family members tends to increase with households having larger landholdings, mainly one hectare and above, except households with 0.38 hectare holding. If we overlay the two charts of households of migrants and average family size, we obtain an interesting result: with increasing family size and decreasing landholding, the likelihood of having migrants tends to be high. However, it is still possible to note that the land
size has more influence than family size in relation to migration. In other words, more migration was observed with decreasing landholding than increasing family members.

All the surveyed households were also asked if they have a family member who has migrated to an urban area. Roughly 45 percent revealed that they have one or more family members living in urban areas. To examine the relationship between landholding and migration, the data were further analyzed based on per capita holding and percent of households having reported cases of rural-urban migration. The per capita holding was calculated based on land size categories used in the previous analysis. As can be seen in Figure 3, per capita landholding inversely correlates with cases of rural-urban migration. In other words, with decreasing size of per capita land holding, the percent of rural-urban migration cases tends to increase (see the correlation test in Table 4). The analyzed data indicates that migration in general and rural-urban migration in particular increases with decreasing access to land. The analysis suggests that the identification of land shortage as the cause of migration by the surveyed rural households and migrants tends to hold true.

According to Ethiopian Government policy documents, agriculture provides 80 percent of employment in the country’s economy (MoFED, 1995:7). With such an agriculture-dominated economy, rural inhabitants require a piece of land to enable them to at least lead a subsistence lifestyle or reliable wage employment opportunities on other farms. The majority of the migrants would have preferred not migrating to urban areas, if there were land to cultivate or any other means of supporting a rural livelihood. As discussed above, most of the reasons cited for migration were associated with land shortages in rural areas. In addition, a question was posed to understand future migration plans in relation to land availability: “Do any of the household members still intend to migrate if they are given adequate farming land?” Out of 65 households who volunteered to entertain this question, 95 percent revealed that they would not plan to migrate if land were available for farming.

4.4. Rural Land Policy and Movement of People

Although the Government of Ethiopia owns all land according to the Constitution, rural residents are allocated indefinite-term use rights with restricted transferability. According to the federal and regional land laws, land users can bequeath and rent out their holdings under certain conditions (Gebeyehu, 2013). Except in Amhara Region, most of the regions limit the land size
and time permitted for renting. Rural landholders also risk losing their land to redistribution or expropriation if they do not actively cultivate it. In other words, landholders cannot lease out and stay away from their holdings. As a result, although those people with small landholdings do not wish to depend entirely on agriculture, they are loath to abandon their holding to try non-farming activities in urban areas for fear of losing their land.

The rural respondents in the survey were asked: “Does anyone migrate if he/she is allowed to sell or rent his/her land for a longer time?” The response was something unexpected. Given land shortage being the major cause of migration, one may expect that majority of the rural households would say “Yes”; but the result apparently was “No” by 97 percent. In other words, respondents felt that if a land rental market were allowed to function, migration would not be necessary.

While analyzing this response, it was necessary to examine things in relation to circumstances of the area. In discussions with key informants and focus groups, the participants hinted the need to improve tenure security allowing improved land transfers. However, there was cautiousness observed in both household and group discussions not to collide with government’s policy to migration. With government officials considering rural-urban migration as something unnecessary practice, the respondents did not want to relate improved tenure security to rural-urban migration. In a different question that the surveyed households were asked whether they support rural-urban migration, 80 percent said “No”. Given this situation, it may not be surprising that respondents did not want to link improved lease periods to decisions for migration.

For quite some time, the argument of government in favor of restrictions on land sales revolved around the risks of unplanned or distress migration of the rural poor. On the other hand, criticism against this policy cited issues related to increased land fragmentation, limited transferability of rights and infringed property rights. The Government of Ethiopia has been defending the country’s land policy in two ways. The first argument is that if sale of land is allowed, investors would buy land from densely populated highland areas and may cause displacement of people because these investors would use improved technologies without taking into account the availability of labor. The second argument, if the investors were to buy land and depend on local
labor, there would not be an added value in the agriculture sector development (MoFED, 1995:24).

The above arguments of the Ethiopian Government can be summarized in such a way that if land sale is allowed, farmers would sell their holdings and be exposed to mass-scale rural-urban migration without sufficient supply of urban services and employment. The Government policy documents also argue that grabbing of the land of the majority poor by a few wealthy investors would discourage rural people from investing their labor in agriculture, and this would lead to loss of labor, which is the most important resource of the country (MoI, 2001:66-75). Those criticizing this assumption argue that farmers have adequate knowledge about the importance of land for their livelihood. However, if they want to dispose of their property, it should be seen as the right of every land holder to make decisions based on their own needs.

Given the geopolitical and socioeconomic context of the country, the Government of Ethiopia may not be expected to introduce a private ownership land tenure system allowing sale of land to happen any time soon. Nevertheless, in the absence of such free holding rights, removing onerous restrictions on land rental markets could significantly alleviate many of the problems identified in this study. The argument brought up to restrict leasing of land to investors in the highlands of Ethiopia would probably need periodic revisit. Although the plan to efficiently use available labor is valid, land transfer to investors has to be seen in its multifaceted benefits. With new investment, the agriculture sector would allow the flourishing of agro-processing industries absorbing the rural labor force and the linking of small scale farmers to a viable value chain.

The use right is viewed as broadly sufficient because it is not subject to a time limit, unlike other countries where the state owns all land, such as China and Vietnam. This unlimited-term use right is a source of comfort for rural farmers because they know that they can use their holdings for life absent any redistribution or expropriation. They also understand that their use right can be inherited by their heirs. Nevertheless, as discussed earlier, the vested use right is subject to restrictions related to land transactions and transfers.

The argument in favor of public ownership and against migration was not able to predict the growing pressure on existing land with increasing population. In a situation where land is only typically transferred through inheritance or gifts, youth can only access land through inheritance, sub-division, or land allocation from local authorities. As such, the public land ownership policy
can only prevent migration if sufficient land is available to accommodate growing demand. Given population pressure and the resulting decline in landholding sizes, distress migration will ultimately be inevitable. As the number of people becoming landless or unable to access a sufficient amount of land is increasing, it is most likely that migration will continue to be an increasingly attractive alternative for the poor.

4.5. Rural Development Policies and Strategies

The Ethiopian rural development policy targets the agriculture sector. Taking into consideration the tremendous amount of available labor and land, the Government believes that the enhancement and acceleration of agricultural sector growth serves as a great foundation for the improvement of the entire economy (MoFED, 1995:10). The rural development policy assumes that accelerated agricultural growth could spur further growth in the service and industrial sectors. The rural development policy also theorizes that development in agriculture improves consumption behavior and consequently helps to promote trade. With this theory, the policy envisaged enhanced demand for services and goods, which the non-agriculture sector could eventually provide (ibid.).

Although the policy’s intent to favor the agriculture sector based on available resources and practices is legitimate, the policy may overestimate the contribution of smallholder agriculture in spurring growth and underestimate the importance of non-agriculture activities in the rural economy. The growth of the agriculture sector could be supported by the growth of other sectors, as well. Beyond policy and technical support to the agriculture sector, the other sectors should have played significant roles in creating demand for agricultural products and providing the necessary technology and capacity to improve the agricultural sector. The rural development policy of Ethiopia recognizes the need to improve trade and industry to sustain the income and growth of the agriculture sector (MoFED, 1995:8). The Ethiopian Ministry of Information published rural development policy document acknowledges the importance of non-agricultural sectors, like social, market and financial services, to support the agriculture sector (MoI, 2001: 236-237). However, these documents do not provide adequate details of strategies to support non-agriculture sectors along with the agricultural sector in rural areas.

With such a heavily agriculture-based rural development policy; the non-agriculture sectors appeared to receive little attention. Certainly the non-agriculture sectors require some level of
capital and skill. The advantage of promoting the agriculture sector over the non-agriculture sector stems from an understanding that new capital needed to promote agricultural activities is not big. Two of the major production factors – land and labor – are already available. If technical support is provided and farmers are encouraged to invest in what they have, it is easier to mobilize growth in the agriculture sector compared to other sectors of the economy. The question here is that with traditional agricultural practices and other uncontrolled factors, such as population increase and land size reduction, how long the agricultural sector can provide the basic livelihood source before the labor force is transformed into other sectors.

Key informants and focus groups in Damot Galie woreda identified capital and skills as the major required factors to engage in the non-agriculture sector. In addition, among the interviewed households, 28 percent mentioned shortage of capital and 45 percent lack of skill as impediments to effective participation in the non-agricultural sectors. According to those surveyed in Damot Galie, many youth are interested to work in trade, handy crafts, and small businesses, but they do not have the capital to invest. Those who hold small plots of land cannot lease out their land and earn money, nor can they mortgage their land to access credit from banks and financial institutions. If the land policy enabled long-term leasing or mortgaging of land, landholders could use the money earned through lease payments or credit to acquire new skills and capital to enable them to engage in other suitable businesses.

The rural development policy of Ethiopia assumes that the rapid growth of the agriculture sector leads to industrial and service sector development, enabling labor from the agricultural sector to move to the non-agriculture sector. The rural development policy also expected that movement of labor from the agricultural to the non-agriculture sectors would leave the remaining land available for use by the farmers staying in the agricultural sector to scale up production (MoFED, 1995).

Ethiopia’s Growth and Transformation Plan (GTP), which was launched in 2010 as a five-year development plan, still includes a strategy of supporting smallholder agriculture to spur growth in the sector (MoFED, 2010:45). The GTP envisages promoting commercialization of the dominant small-scale farming system. The GTP aims to make agriculture a spring board toward an industrialized economy. Although the GTP seems to carry on objectives of the agriculture and rural development policy and its predecessor documents, such as the Sustainable Development
and Poverty Reduction Program (SDPRP) (MoFED, 2002) and Plan for Accelerated and Sustained Development to End Poverty (PASDEP) (MoFED, 2006), it was progressive in indicating a plan to transform the economy from agriculture to industry. The GTP mentions the need to enhance Micro and Small Enterprises (MSEs) with urban expansion to support the development of the industrial sector.

Nevertheless, the GTP has not provided a clear strategy on how to support the landless and drop outs from agriculture, nor has it adequately described a plan for promoting non-agricultural activities in rural areas. Although the plan to transform the agriculture based economy into an industrialized economy seems appropriate, the industries to be established would most probably be located in urban areas. With this context, the transformation or diversification of the rural economy may lag behind and be unable to compete with urban areas. The development and expansion of urban areas through the service and industrial sectors would thus continue to attract rural youth who suffer from limited livelihood opportunities as a result of land shortages and undiversified economic activities in rural areas.

### 4.6. Existing Non-Farming Experiences in Rural Areas

In Damot Galie woreda, key informants and focus groups mentioned that their experience in non-farming activities is minimal, and any such experience was largely limited to petty trading. The predominantly agriculture-based livelihood and production system has allowed very limited exposure to non-farming activities. For most of the people, it has been very difficult to engage in non-farming activities mainly because of lack of experience and skill. With the absence of non-agriculture practices to learn from, the majority of rural people cannot envision trying other activities as alternative income generating opportunities.

Among the interviewed households, not surprisingly, 98 percent of the heads of the households were found to work in agriculture (see Table 5). Those heads of households that work in other sectors in addition to their regular farming activities have tried other activities, like retailing of crops, to complement their agricultural livelihood because the income from agriculture was not adequate to cover their food and other essential expenses. Given the familiarity of respondents with agricultural products, retailing of grains is likely to be the most convenient non-agricultural activity. They can easily identify the type of crops to buy from farmers and resell it or use it for daily consumption.
The survey attempted to capture the level of engagement of rural household members in non-agricultural activities. With a 62 percent of response rate, it was found that the majority of the respondents have one or more family members engaged in non-agricultural activities. As can be seen in Table 6, in about 84 percent of the cases, members of rural households have been participating in retailing activities. Nearly 13 percent of the respondents indicated engagement of one or more family members in salaried employment. With this figure, it is possible to strengthen the aforementioned conclusion that although many non-agricultural activities, such as salaried employment, may require special skills and education, a considerable number of the contacted households have family members engaged in retailing and other non-agricultural activities that do not require special skills and big capital.

Although the engagement of respondents in non-farming activities is not negligible, the proportion of economic output is noticeably smaller than in the agricultural sector. If analyzed further, the situation gives an indication of the relationship with landholdings, as well. Especially having observed these non-farming activities are managed in conjunction with agriculture, it is interesting to note the landholding size of these households. As can be seen in Table 7, all heads of households working in non-agricultural activities, except government employees, hold 0.5 hectare or less. Of these households, the majority hold only 0.25 hectare. The landholding size of these people shows that the engagement in non-agricultural activities is associated with a shortage of land. With diminishing landholding size, the need to engage in non-agricultural activities is more likely to increase.

To triangulate the result of the analysis with the relationship of landholding and non-farming activities, retailing was also examined. As Figure 4 shows, a significant number of households have members engaged in petty trading. With the majority of these households holding less than 0.75 hectare of land, 100 percent of those having 0.13 and 0.38 hectares were engaged in retailing activities. Roughly 60 percent of households with 0.25 and 0.5 hectare have family members working in petty trade. Based on this result, it is possible to infer that with decreasing size of landholding, rural households try non-farming activities that are relatively easier to manage and affordable with available capital and skills, such as petty trading.
4.7. Opportunities of Non-Farming Activities in Rural Areas

As discussed in previous sections, retailing was found to be the most practiced activity in Damot Galie woreda. Retailing is likely to be the easiest activity that rural people can successfully pursue with small startup capital and simple price comparison knowledge. Women, students, and in some cases household heads use their down time to buy grains from one area and sell in another area. This practical situation suggests that those with small landholdings have already been forced to try non-farming activities. Meanwhile, their engagement in non-farming activities suggests there is a growing need to augment agricultural income with other non-agricultural sources of income. This can be used as a major opportunity to build the momentum needed to effectively promote non-farming activities. Although the current areas of non-farm engagement are limited to certain categories, mainly retailing, rural people have already understood the importance of exploring other livelihood options in addition to farming.

The need to work in diversified activities appears to have developed as a result of deteriorating living conditions following a shortage of land and an increased number of dependents per unit of land. Among 97 households who chose to answer to the question: “Do you think there are adequate non-farming activities in your area?” over 60 percent said “No”. The majority of the interviewed households agreed that the existing non-farming activities were inadequate. This can be taken as a good indication that the understanding level of rural dwellers and the demand for non-farming activities have been increasing.

One may ask that in a situation where land is increasingly becoming a very scarce resource, how people can access space for non-farming activities. First of all, most of the non-agricultural activities reported require a very small working area. In rural areas, there are open areas traditionally reserved for common market and social events. These places are free to use for selling or buying any tradable commodities and services. In addition to retailing, the open markets are suitable for various types of other activities, such as cloth stitching, hair cutting, and repairing of goods. Any interested people can use these open markets to carry out the mentioned and other suitable activities and exchange goods and services.

In sum, the growing interest of rural people in non-farming activities as a result of weakening livelihood opportunities in agriculture should be seen as an opportunity. The prevalence of the problem itself has already facilitated a transition from agriculture to non-agricultural sectors. In
addition, compared to agricultural activities, the land requirements of the non-farming sector are rather small and manageable given available private and communal holdings.

4.8. Challenges of the Non-Farming Sectors in Rural Areas

There remain several constraints to be addressed in the rural areas. The rural people interviewed in Damot Galie acknowledged some of the problems preventing them from trying non-agricultural activities. Shortage of skills and capital remains the most important determining factor affecting the engagement of those interested in non-agricultural activities. According to key informants and focus groups, youth could work in different sectors if trainings were provided on skills development and financial intuitions were able to lend money without collateral and other preconditions. However, they do not think these two major factors could be easily fulfilled to engage the youth in non-farming activities.

The surveyed rural areas in Damot Galie woreda have access to elementary education and junior schools. The communities are also relatively consistent in sending their children at least to elementary school. However, the ambition behind sending children to schools in the majority of respondents has been to enable their children to access employment opportunities in government institutions. The role models for most respondents are local civil servants, such as teachers, health workers, agriculture officers, development agents, and administrators. A question was posed to surveyed rural households with regard to the kind of job they plan for their children if land is not available for farming. Roughly 71 percent hoped that their children will obtain government employment if they support their education. This demonstrates that the mentality of the rural households in sending children to school is very much linked to accessing salaried employment opportunities, rather than farming and other activities.

If there were technical and vocational centers providing skills development training in the area, rural households may also learn about other employment opportunities. As a result of policy priorities in the agriculture sector, a number of development agents have been assigned to provide agricultural extension services in the sector. If a similar model were used to promote non-agricultural activities, it is expected that rural people could learn other valuable skills.

The shift from agricultural to non-agricultural activities is not expected to be easy. Those planning to move to the non-agricultural sector will need a source for startup capital given their limited access to assets and cash as a result of weak or no performance in the agriculture sector.
According to the rural communities in Damot Galie woreda, most available micro-finance institutions lend money to activities related to agriculture. Because the poor lack assets to use as collateral (and the land policy explicitly prohibits collateralizing land), micro-finance institutions allocate credit to farmers in groups. If potential customers would like to work in other sectors, they must convince lenders of the business plans for their new activities and also organize themselves in groups. In this environment, evidence suggests that such potential customers may be unable to access credit. Among the surveyed households, none mentioned that they had obtained credit for non-agricultural activities.

Weak infrastructure remains another challenge in promoting the non-agricultural sector. The surveyed rural areas in Damot Galie woreda had no access to electricity or power during data collection. Some participants in the focus group discussions raised the lack of power as a key factor hindering their attempts to engage, for instance, in wood and metal working. Given growing demand for furniture in wealthier families, wood and metal products could have a good market if produced locally. Such rural households must instead go to towns to buy wood and metal furniture. The lack of clean water also affects rural dwellers’ involvement in other activities, like baking. Although the surveyed areas have decent road access, there is still a need to expand existing roads to supply products and buy inputs at a competitive price.

4.9. Rural Non-farming Activities versus Rural-Urban Migration

The engagement of a significant proportion of the rural poor in retailing activities indicates the need to diversify activities and income sources beyond the agricultural sector. However, some of the major factors required, like capital and skills, were not readily available to help rural dwellers shift to other sectors in response to the decreasing reliability of agriculture as a result of land shortages. Among the interviewed rural households in Damot Galie, roughly 60 percent did not think that there were adequate non-farming activities to change their occupation or diversify their economic activities in rural areas.

Among the contacted urban migrants, roughly 14 percent did not have a job, and 36 percent were students before they left their rural areas. The other 43 and eight percent were engaged in farming and retailing activities, respectively. According to these migrants, they could not afford to stay without job or any kind of reliable income source in rural areas. In a situation where only eight percent of migrant respondents attempted non-farming activities in the rural areas first,
mainly retailing, it is possible to conclude that there were inadequate livelihood options in rural areas. Since urban areas could offer attractive economic opportunities compared to the rural areas, most of the migrants interviewed revealed that they decided to migrate out of desperation. Close to 50 percent of the migrants believed that lack of capital was the major challenge to trying non-agricultural activities in rural areas.

The landless, including youth and the poor, seem to be at a cross roads as to whether to try non-agricultural economic alternatives in rural areas or migrate to towns. Key informant interviews and focus group discussions indicated that migration would not be the preferred option if there were other alternatives in rural areas. Migration involves separation from families, which has affected family and social ties, and risks related to insecurity and disease. With the movement of youth to urban areas, elders are left alone and marriages are endangered. The number of single mothers has increased, because husbands migrated out of distress, sometimes without the agreement of spouses. The deepening poverty facing rural areas is forcing children to drop out of school and join the migration to towns: among the interviewed urban migrants, 36 percent were students in rural areas.

The interviewed migrants justified their migration decision in different ways. With the majority of migrants relating their reasons for migration specifically to land, 20 percent mentioned that it was generally a decision made to escape poverty. In addition, 11 percent aspired to change their occupation and learn new skills in urban areas. The rural areas did not provide them adequate opportunities to work in sectors other than farming. The majority of these migrants would not have left their rural areas if there were alternative job opportunities in rural areas. A significant proportion of these migrants expressed their interest to return to their rural areas and work, even in the agricultural sector, if they were provided with land.

Given land shortages and limited economic opportunities in rural areas, rural-urban migration appears to be the preferred economic alternative at this point in time. Although both the rural households and migrants interviewed seemed to agree that rural-urban migration is not an advisable choice, given the lack of alternatives in rural areas it has become the last resort for the landless and the poor. In light of the persistent challenges to successful engagement in non-agricultural activities in rural areas, rural-urban migration is likely to remain a potential mechanism for youth and the poor to escape rural poverty.
5. Conclusion

Although relatively less urbanized than the rest of the continent, Ethiopia has experienced increased movement of people from rural to urban areas in recent years. The reasons driving the decision to migrate provide an important opportunity to assess related policy issues. Population pressure has apparently coupled with other factors to exacerbate the movement of people to urban areas. Further analysis of per capita land holdings suggests that rural-urban migration increases with decreased landholdings. In a country where agriculture continues to provide employment to over 80 percent of the workforce, the rural economy has nonetheless been unable to provide sufficient employment and alternative livelihood opportunities to the youth.

The land policy of the country is believed to influence rural-urban migration trends in Ethiopia. Although the policy provides use rights to the rural people for an indefinite period of time, regional states’ laws restrict the transfer of these rights. The alarmingly diminishing holding is mainly a result of the continued practice of sub-division of already small landholdings. The resulting shortage of land is preventing youth from pursuing agricultural activities. Most of the interviewed rural households of Damot Galie that include migrants hold the smallest land areas per capita. Given the shortage of skills and capital in most rural areas, the transition to non-farming activities appears to be challenging. Although the landless and the poor have sought alternative livelihood activities, they are often limited to low-skilled, low-capital options, such as retailing agricultural products.

The Ethiopian Government development policy, “Agriculture Development Led Industrialization,” gives emphasis and priority to the agriculture sector. The policy aims to increase the agricultural productivity of small-scale farmers and transform them into market-oriented producers to enhance consumption and trade and thus spur industrial growth. The results of this study suggest that unless non-agricultural activities are supported to grow, these policy goals cannot be realized based on crop and livestock producers’ productivity alone. The policy documents seem to overlook the importance of enhancing non-agricultural activities through small and medium enterprises (SMEs) development, skills transfer, and facilitation of capital flows in rural areas.

In general, addressing migration requires a holistic policy approach. In addition to reforming land and rural development policies, such as loosening land rental markets and promoting non-
farming activities, it is also important to consider the relationship and influence of other issues, like population growth, urban development, infrastructure capacity, education, and finance.
References


Tables and Figures

Table 1: Rural households’ perceived reasons of migration (multiple answers)

<table>
<thead>
<tr>
<th>Reasons of migration (multiple responses)</th>
<th>Percent of Cases</th>
</tr>
</thead>
<tbody>
<tr>
<td>Looking for additional income</td>
<td>65.1</td>
</tr>
<tr>
<td>Lack of land to make a living on farming</td>
<td>39.5</td>
</tr>
<tr>
<td>Seeking urban life</td>
<td>32.6</td>
</tr>
<tr>
<td>Weakening productivity of agriculture</td>
<td>16.3</td>
</tr>
<tr>
<td>Education access</td>
<td>16.3</td>
</tr>
<tr>
<td>Food shortage</td>
<td>7.0</td>
</tr>
</tbody>
</table>

Source: Author, based on rural households’ survey data in *Damot Galie Woreda*

Table 2: Rural households’ perception on increasing rate of migration

<table>
<thead>
<tr>
<th>Reasons for increasing migration</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land shortage</td>
<td>28.7</td>
</tr>
<tr>
<td>Need for additional income</td>
<td>25.9</td>
</tr>
<tr>
<td>Job seeking</td>
<td>17.6</td>
</tr>
<tr>
<td>Economic problem in rural areas</td>
<td>8.3</td>
</tr>
<tr>
<td>Attracted by better income and living condition in urban areas</td>
<td>6.5</td>
</tr>
<tr>
<td>Hope to improve future life</td>
<td>6.5</td>
</tr>
<tr>
<td>Decreased productivity of agriculture</td>
<td>4.6</td>
</tr>
<tr>
<td>Food shortage</td>
<td>1.9</td>
</tr>
<tr>
<td>Total</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Source: Author, based on rural households’ survey data
Table 3: Migrants’ reasons for leaving rural areas (multiple responses)

<table>
<thead>
<tr>
<th>Reasons (multiple responses)</th>
<th>Percent of Cases</th>
</tr>
</thead>
<tbody>
<tr>
<td>Need for self-sufficiency</td>
<td>44.3</td>
</tr>
<tr>
<td>To skip poverty</td>
<td>32.9</td>
</tr>
<tr>
<td>Landlessness</td>
<td>22.9</td>
</tr>
<tr>
<td>For education</td>
<td>18.6</td>
</tr>
<tr>
<td>Inadequate farming land</td>
<td>17.1</td>
</tr>
<tr>
<td>To generate additional income for input</td>
<td>17.1</td>
</tr>
<tr>
<td>To learn new skills</td>
<td>10.0</td>
</tr>
<tr>
<td>Natural disaster/drought</td>
<td>7.1</td>
</tr>
<tr>
<td>To change occupation</td>
<td>5.7</td>
</tr>
<tr>
<td>Seeking urban life</td>
<td>4.3</td>
</tr>
<tr>
<td>To skip forced marriage</td>
<td>2.9</td>
</tr>
</tbody>
</table>

Source: Author, based on migrants’ survey data

Table 4: Pearson Correlation between rural households’ land size and migration occurrence

<table>
<thead>
<tr>
<th>Variables</th>
<th>Household landholding size</th>
<th>Per-capita landholding size</th>
</tr>
</thead>
<tbody>
<tr>
<td>Family members migrated to other areas due to land shortage</td>
<td>0.161</td>
<td>-0.016</td>
</tr>
<tr>
<td>Family members changed their living places to urban areas in the last 15 years</td>
<td>0.108</td>
<td>-0.110</td>
</tr>
<tr>
<td>Availability of migrated family members to urban areas</td>
<td>0.143</td>
<td>-0.084</td>
</tr>
<tr>
<td>Number of migrants from 2008 to 2012</td>
<td>0.179*</td>
<td>0.012</td>
</tr>
<tr>
<td>Family members planning to migrate to cities due to land shortage</td>
<td>0.153</td>
<td>0.009</td>
</tr>
</tbody>
</table>

Source: Author, based on migrants’ survey data
Table 5: Job of surveyed heads of rural households (multiple responses)

<table>
<thead>
<tr>
<th>Job of heads of the surveyed rural households</th>
<th>Percent of Cases</th>
</tr>
</thead>
<tbody>
<tr>
<td>Farmer</td>
<td>98.0%</td>
</tr>
<tr>
<td>Artisan</td>
<td>1.0%</td>
</tr>
<tr>
<td>Agriculture laborer</td>
<td>1.0%</td>
</tr>
<tr>
<td>Non-Agriculture laborer</td>
<td>2.0%</td>
</tr>
<tr>
<td>Retailer</td>
<td>11.0%</td>
</tr>
<tr>
<td>Government employee</td>
<td>1.0%</td>
</tr>
</tbody>
</table>

Source: Author, based on rural households’ survey data

Table 6: Household members’ engagement in non-agricultural activities (multiple responses)

<table>
<thead>
<tr>
<th>Type of non-agriculture activities</th>
<th>Percent of Cases</th>
</tr>
</thead>
<tbody>
<tr>
<td>Artisan</td>
<td>3.2%</td>
</tr>
<tr>
<td>Construction labor</td>
<td>4.8%</td>
</tr>
<tr>
<td>Retailing</td>
<td>83.9%</td>
</tr>
<tr>
<td>Religious services</td>
<td>3.2%</td>
</tr>
<tr>
<td>Salaried employment</td>
<td>12.9%</td>
</tr>
</tbody>
</table>

Source: Author, based on rural households’ survey
Table 7: Non-farming activities versus landholding size

<table>
<thead>
<tr>
<th>Job of household heads</th>
<th>Land size in hectare</th>
</tr>
</thead>
<tbody>
<tr>
<td>Artisan</td>
<td>0.25</td>
</tr>
<tr>
<td>Agriculture laborer</td>
<td>0.25</td>
</tr>
<tr>
<td>Non-Agriculture laborer</td>
<td>0.25</td>
</tr>
<tr>
<td>Retailer</td>
<td>0.13 - 0.5</td>
</tr>
<tr>
<td>Government employee</td>
<td>1.5</td>
</tr>
</tbody>
</table>

Source: Author, based on rural households’ survey data

Figure 1: Proportion of households having migrants with different landholding size

Source: Author, based on rural households’ survey data in Damot Galie Woreda
Figure 2: Households’ number of family members under different categories of landholding size

![Bar graph showing the average number of family members for different categories of landholding size.]

Source: Author, based on rural households’ survey data in Damot Galie Woreda

Figure 3: Per capita landholding versus rate of rural-urban migration

![Line graph showing the relationship between per capita landholding and the proportion of rural households having rural-urban migrants.]

Source: Author, based on rural households’ survey data in Damot Galie Woreda
Figure 4: Households’ landholding size versus engagement in non-agricultural activities

Source: Author based on rural households’ survey