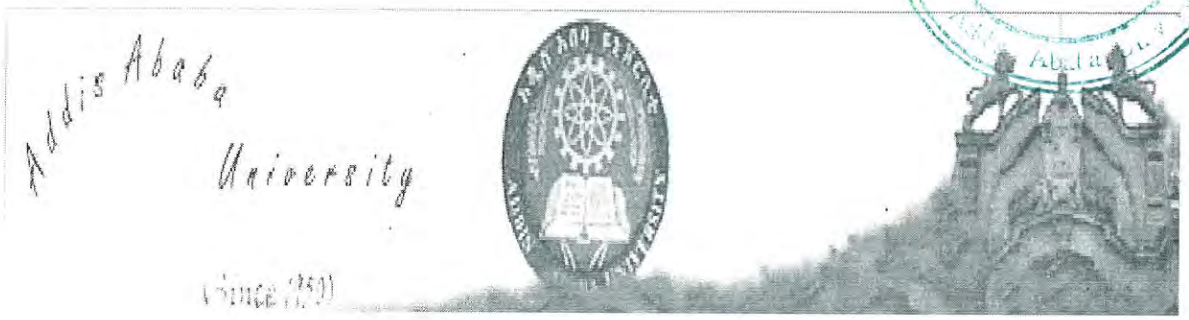

RURAL-URBAN LINKAGES AND THEIR IMPLICATIONS ON LIVELIHOOD DIVERSIFICATION OF HOUSEHOLDS: THE CASE OF SEBETA TOWN AND ITS HINTERLAND IN WEST SHEWA ZONE OF OROMIYA REGIONAL STATE

A THESIS SUBMITTED TO SCHOOL OF GRADUATE STUDIES
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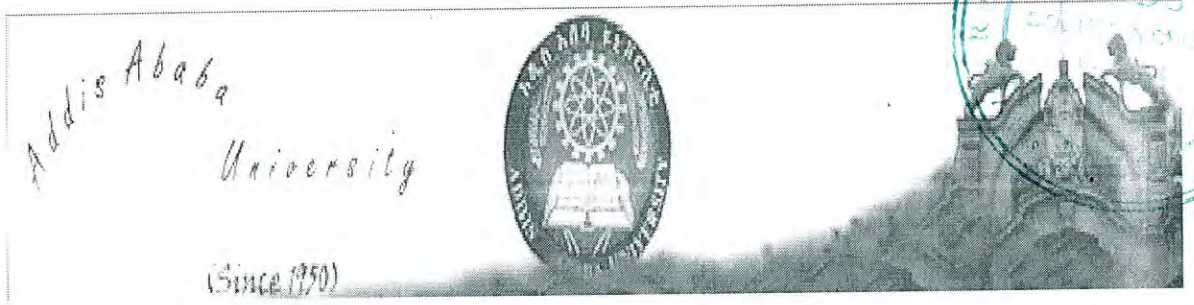
BELETE EJIGU

JUNE, 2011

ADDIS ABABA, ETHIOPIA



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Acronyms and Abbreviations

ADLI	Agricultural Development Led-Industrialization
CBOs	Community Based Organizations
CSA	Central Statistical Authority
DAs	Development Agents
ECSC	Ethiopian Civil Service College
EEA	Ethiopian Economic Association
ETB	Ethiopian Birr
FDRE	Federal Democratic Republic of Ethiopia
FAO	Food and Agricultural Organization
GDPRD	Global Donor Platform for Rural Development
IRD	Integrated Rural Development
MDGs	Millennium Development Goals
MFA	Ministry of Federal Affairs
MSEs	Micro-and Small Scale Enterprises
MWUD	Ministry of Works and Urban Development
NFAs	Non-Farm Activities
NGOs	Non-Governmental Organizations
NUPL	National Urban Planning Institute
PAs	Peasant Associations
PASDEP	Plan for Accelerated and Sustained Development to End Poverty
RUL	Rural-Urban Linkages
RUMLs	Rural-Urban Marketing Linkages
SAPs	Structural Adjustment Programs
SDPRP	Sustainable Development and Poverty Reduction Program
SHWARDO	Sebeta Hawas Woreda Agricultural and Rural Developments Office
SSA	Sub-Saharan Africa
STID	Sebeta Town Information Desk
UNDP	United Nation Development Program

Glossary

Birr- refers to Ethiopian Currency Unit equivalent to 100 cents denomination.

Beer- refers to alcoholic drinks prepared locally from 'gesho' and malt such as 'Tella'

Debo- refers to labor origination where by other community members assist an individual in a reciprocal manner.

'Got'- is the name given to a certain locality within the lowest administrative units by residents.

Iquib- is a traditional money saving association. The number of members varies from two up to hundreds. The date of saving deposit is defined according to the interest of their members; weekly, bi-weekly or monthly. The amount of money saved is also determined by the economic capacity of the members

Kebele- is the smallest rural administration unit of the local government structure in Ethiopia.

Migrant- A person who move from his/her permanent residential area for one year and above

Non-farm activities-include all activities out of agriculture that are carried as self employed enterprise or wage labor in non-agricultural activities. This sector includes activities like trading, handcraft, quarrying and transport service (Bajaj & Horse-driven cart).

On-farm activities-include all income generating activities such as crop production, animal rearing and sell of animal products.

Off-farm activities- include income generating activities which involves wage on agricultural activities either in respective kebele or in other area.

Primary Activity- refers to first choice main activity practiced by households while **supplementary Activity** is second choice activity practiced by households in their livelihood diversification.

Timad/Qirt- land Measurement equivalent to ¼ (0.25) of a hectare.

Teff- is types of cereal which is used for making Ethiopian flat breaded called 'Injera'

Woreda- refers to equivalent to district, level Administration Unit in the rural area in the administrative Structure of the Federal Democratic Republic of Ethiopia.

Table of Content

Content---------- **Pages**
Acknowledgment----------**iii**
List of Acronyms----------**iv**
Glossary----------**v**
Table of Contents----------**vi**
List of Tables----------**x**
List of Figures----------**xi**
Abstract----------**xii**

Introduction----------1
1.1 Background of the problem----------1
1.2 Statement of the problem----------3
1.3 Objective of the study----------5
1.3.1 General Objective----------5
1.3.2 Specific Objectives----------5
1.4. Research Question----------6
1.5. Research Design and Method----------6
1.5.1 Research Design----------6
1.5.2 Sampling Techniques----------7
1.5.2.1 Study Site Selection----------7
1.5.3 Types and Source of Data----------9
1.5.4 Method of Primary Data Collection Instrument ----------10
1.5.5 Method of Secondary Data Collection----------12
1.5.6 Method of Data Analysis----------12
1.6. Significance of the study----------12
1.7. Scope and Limitation of the study----------13
1.8. Organization of the Paper----------14

Chapter Two----------15
2. Literature Review----------15
2.1 Theoretical Review----------15
2.1.1 Definitions of Terms and Concepts of Rural-Urban Linkages----------15
2.1.1.1 Urban\Rural Areas----------15
2.1.1.2 Hinterland----------16
2.1.1.3 The Concept of Rural -Urban Linkages----------15
2.1.1.3.1 Spatial Linkages----------17
2.1.1.3.2. Sectoral Linkages----------20
2.1.1.4 Factors Affecting Rural-Urban Linkages----------21
2.1.1.5 Migration and Rural-Urban Linkages----------22
2.1.1.5.1 Migration and Remittances----------23
2.1.2 Definitions and Concepts of Livelihood Diversification----------24
2.1.2.1 Livelihood----------24
2.1.2.2 Livelihood diversification ----------24
2.1.2.3 Livelihood Strategies and Activities of Rural and Urban People----------24
2.1.2.4 The Contribution of Local Market in Livelihood Strategies of Households-------26
2.1.2.5 Livelihood Assets and Livelihoods Diversity----------27
2.1.2.6 Debates on Livelihood Diversification ----------28
2.1.2.7. Types of Diversification----------28
2.1.2.8 Urban Agriculture as Livelihood of Urban poor and Rural-Urban Linkages------30
2.1.2.9 Importance of Livelihood Diversification ----------30
2.1.2.10 Causes and Motivation of Livelihood Diversification----------31
2.1.2.11 Factors Affecting Rural Livelihood Diversification----------33
2.1.2.11.1 Physical capital----------33
2.1.2.11.2 Financial Capital----------33
2.1.2.11.3 Social Capital----------33
2.1.2.11.4 Human Capitals----------34
2.1.2.11.5 Natural Capital----------34
2.2 Empirical Review on Rural-urban Linkages and Livelihood Diversification in Ethiopia------34
2.2.1 Rural-Urban Linkages in Ethiopia----------34

2.2.2 Livelihood Diversification in Ethiopia----38
2.3 Conceptual Framework----42
Chapter Three----44
3. Description of the Study Area----44
3.1 Location of the Study Area----44
3.2 Topography, Drainage and Climate----44
3.3 Foundation----45
3.4 Economic Aspect of the Town----48
3.5 Population Characteristics of the Town----48
3.6 Infrastructure and Municipal Services of the town----49
3.7 Description of the Hinterlands----51

Chapter Four----52
4. Results and Discussions----52
4.1 Demographic Characteristics of Sample Households----52
4.1.1 Demographic Characteristics of Sample Rural Households----52
4.1.2 Demographic Characteristics of Sample Urban Households----54
4.2. The Economic Structure of the Rural Kebeles and their Marketing Linkages with Sebeta Town----55
4.2.1 Land Holding and Ownership System in the Hinterland----55
4.2.2 Farming System and Problem of Agriculture in the Hinterlands----58
4.2.3 Crop Production and Marketing Linkage----60
4.2.4 Fruits and Vegetables Production and Marketing Linkages with Sebeta Town----64
4.2.5 Livestock Ownership, Livestock Products and Marketing Linkages----65
4.3 Patterns of RUMLs in Sebeta and its Hinterland----67
4.3.1 Backward Production Marketing Linkages in Sebeta Town and Its Hinterlands----67
4.3.1.1 Agricultural Inputs Source and Service Usage----67
4.3.1.2 Veterinary and Extension Service Usage and Its Marketing Linkages----70
4.3.2 Forward Production and Marketing Linkages in Sebeta and Its Hinterland----71
4.3.3 Consumption and Marketing Linkages of the Hinterland Farmers with Sebeta Town--72
4.3.4 Consumption and Marketing Linkages of Urban Households----73
4.4 Farmer's Travel to Sebeta Town and Purpose of Travel----76

4.5 Rural-Urban Linkages and Livelihood Diversification----78
4.5.1 Urban Related Non-Farm Activities and their Implication on Livelihood of Rural Household----78
4.5.1.1 Urban Related Non-Farm Activities----78
4.5.1.2 Implications of Non-Farm Activities----80
4.5.1.2.1 Undesirable Effects of Non-Farm Activities----80
4.5.1.2.2 The Role of Non-Farm Activities for Livelihood of Rural Households----81
4.5.2 Urban Livelihoods and Rural-urban Linkages----82
4.5.2.1 Rural Farming/Investment by Urban Households and Rural-urban Linkages----83
4.6 The Nature of Market and Marketing Service in Sebeta Town and its Hinterland----84
4.6.1 The Nature of Market Place in Sebeta Town----85
4.6.2 Challenges of Rural-Urban Linkages as Perceived by Hinterland Farmers----86
4.6.3 Challenges of Rural-Urban Marketing Linkages as perceived by Urban Households---90
4.7 Migration and its Implication in the Study Area----92
4.7.1 Migration of Rural Households and Rural-urban Linkages----92
4.7.1.1 Major Causes of Migration----94
4.7.1.2 Migration Implications----95
4.7.1.2.1 Effects of Migration----95
4.7.1.2.1.1 Remittance and Social Net-work----96
4.7.1.2.1.2 Migration as a Source of Information----96
4.7.1.2.1.3 Role of Migration in the Households' Livelihood in the Study Area----98
4.7.2 Migration Status of Urban Households----98
4.8 The Role of Urban Traders to Promote RUMLs in Sebeta Town and Its Hinterland----99
4.8.1 Grain Traders----99
4.8.2 Non-Grain Traders----100

Chapter Five----100
5. Summary, Recommendations and Policy Implications ----104
5.1 Summary ----104
5.2 Recommendations and Policy Implications ----110
References ----113
Annexes ----119

List of Tables

Tables **Pages**

Table 1.1 Distribution of Sample Rural Households in the Study Area----------8
Table 1.2 Distributions of Total and Sample Urban Households in the Study Site----------9
Table 1.3 Numbers of Urban Traders Interviewed from the Major Trading Categories ----------9
Table 4.1 Constraints of Agricultural Production as Perceived by Sampled farmers----------59
Table 4.2 Land Allotted for Crop Production in Timad in the Last 12 Months----------61
Table 4.3 Extent of Cereals Production for Sale and Related Reasons----------62
Table 4.4 Marketed Crops, Market Place and Customer----------63
Table 4.5 Production of Fruits and Vegetables as well as Constraints of Production----------64
Table 4.6 Livestock Type and Ownership by Hinterland Farmers in the Last 12 Months----------65
Table 4.7 Livestock Owned, Sold and Bought by Hinterland Farmers in the last 12 Months ----66
Table 4.8 Consumption of Food Items Purchased by Urban Households per Month----------74
Table 4.9 Constraints in Participation on Combination of Activities by Sampled Urban Households----------84
Table 4.10 Constraint of RUML in Sebeta as Perceived by Sampled Farmers----------90
Table 4.11 Constraint of RUML in Sebeta as Perceived by Sampled Urban Households----------91
Table 4.12 Out-migrants Status of Rural Households, Sex and Age (in percent----------93
Table 4.13 Reasons for Out-migration of Rural Households----------95
Table 4.14 Sources of Information for Migration in the Study Sites ---------- ----------97

List of Figures

List of Figures **Pages**

3.1 Location Map of Sebeta Hawas Woreda----------46

3.2 Structural Plan of Sebeta Town by Kebeles----------47

4.1 Percentage Distribution of Age Structure of Sampled Rural Households----------53

4.2 Percentage Distribution of Educational Status of Rural Households ----------53

4.3 Sampled Household Selling Kubet/Dung in Sebeta's General Market----------68

4.4 Own Field Photo Showing Rural household Travel to Sebeta for Grain Mill----------72

4.5 Field Photo Showing Vegetable Marketing in Sebeta Town----------75

4.6 Own Field Photo Showing Selling of Charcoal and firewood in Sebeta Town----------75

4.7 Sampled Farmers Travel to Sebeta Town to Sell Fire Wood, Straw and Grass----------77

4.8 Own Field Photo Showing Farmers Children Travel to Primary School in Sebeta----------78

4.9 Non-Farm Activities Performed by the Sampled Rural households----------79

4.10 Own Field Photo Showing Participation in Urban Agriculture like Poultry & cattle rearing ---83

4.11 The Overcrowded Condition of Market Center in Sebeta Town at Different Corners----------85

4.12 Own Field Photo Showing Tax Collection----------86

4.13 Own Field Photo Showing the over Crowded Condition of Sebeta Livestock Market----------86

4.14 Customers from Addis Ababa to Sebeta Livestock Market at the eve of Easter Holiday--86

4.15 Sampled Grain Traders in Sebeta Town----------100

4.16 Sampled Chat Traders in Sebeta Town----------101

4.17 Sampled Fruits and Vegetable Traders in Sebeta Town----------102

4.18 Sampled Butchery in Sebeta Town----------103

List of Annexes

Annex I: Household Survey Questionnaires

Annex II: Interview Guide for Key Informants Interview (KII)

Annex III: Check List for Focus Group Discussions (FGDs)

Abstract

The study was conducted in Sebeta town and its hinterland. The main Objective of the study was to assess the Rural-urban Linkages and their Implications on Livelihood Diversification at Household level in the study area. The research employed cross-sectional survey design and used multi-stage sampling techniques to select target population through stratified probability sampling techniques. The data was collected from 200 sampled households. In order to collect the data both quantitative as well as qualitative methods were employed. Regarding qualitative method FGDs, in depth-interview, and direct personal observation was employed. The household survey is the most important method used to collect quantitative information from sampled households. The data was analyzed through both quantitative and qualitative methods which were guided by the proposition that 'rural and urban areas are interdependent spatial units' as a framework. Accordingly, linkage can be manifested in the flows of agricultural products, flows of agricultural inputs and industrial goods, flows of people and remittance, flows of information, flows of finance and urban related non-farm activities.

The findings of the study are concerned: farmers in the rural kebeles are not market oriented as a result agricultural output did not satisfy the demand of some of urban residents in Sebeta. The main products brought to the town are teff, wheat and pulses. In this regard, hinterland farmers have shown relatively strong marketing interaction with urban dwellers than urban traders. The study also shows consumption linkages in terms of expenditure on urban goods and selected social services. The study shows there is similarity between hinterland farmers and their urban counterparts to recognize and identify pertinent challenges that hamper RUMLs. The study has identified weak backward and forward production marketing linkage particularly the later is almost non-existent. The rural non-farm sector is promising with more than half of sampled farmers taking part in the activity as their livelihood income source though it has undesirable effect. On the other hand, more than two-third of sampled urban households earn an income from a combination of activities. In terms of labor mobility, the majority of migrants are young population. Migration has also played an important role in livelihood in terms of remittance and information for rural households' though it causes farm labor shortage. Urban dwellers go with their finance and skill to engage in rural farming as a result there is a transformation of knowledge and flow of finance in the study area.

The urban trader survey revealed that the town is used as a collection center of both agricultural products produced by the hinterland farmers and industrial products from Addis Ababa. The urban traders in the study site run their business with limited capital and the business is managed by the family with few hired labor. However, they play an important role in connecting the hinterlands with the town and capital city.

Finally, there are some policy implications that emanate from the study in order to strengthen rural-urban linkages and bring reciprocal relationship in the study area. These are: expansion infrastructure particularly feeder road transport development, creating access to credits for poor farmers, encouraging traders to support famers in provision of credit and information and provision of skill training for non-farm participants.

Chapter One

1. Introduction

1.1 Background of the Problem

Development paradigms have constantly changed their emphasis on the various conditions that are assumed to be vital for attaining development. The theoretical and empirical approach in development studies and planning before 1970s were based on the assumption that there is a distinction between rural and urban areas (Lynch, 2005). The development policies and strategies of most developing countries have addressed either rural or urban areas rather than the interdependence between the two spatial units (Tacoli, 1998). Since urban and rural areas were given different attention in practice and planning, such approaches have undermined the potential of rural and urban linkages for poverty reduction and mutual development. It also creates disparity between two spatial units in the levels of living.

The adverse impact of urban based industrialization policy on rural development was recognized later in 1970s and the paradigm shifted towards IRD, which in turn, failed to bring desired outcomes due to the neglect of urban aspect in the development process (Tegegne, 2001). Hence, both spatial units have been given different emphasis in practice and planning which obscured the collective synergy of rural-urban linkages for poverty reduction and mutual development (Tegegne, 2005).

However, in the past few decades, there had been a growing recognition of the importance of focusing on the mutual interdependencies rather than separateness of the two spatial units. Rural-urban linkages are a crucial element of economic growth, social as well as cultural changes. They can also contribute for poverty reduction by enabling the households or individuals to expand their options for income generating activities (Tacoli, 2005).

As such it is clear that rural-urban interaction affects rural areas and influences their development. In this regard, rural livelihood relies on urban and rural based resources. Consequently, the mere consideration of rural developments as an entirely distinct entity from urban development is no longer acceptable. Instead, rural-urban linkages development approach becomes the appealing regional development strategy (Okpala, 2003). Similarly, the Virtuous Circle model confirms that the notion of

"a divide" had become a misleading allegory, one that over simplifies and even distorts the realities (Tacoli, 1998).

Rural-urban areas are mutually interrelated spatial units in various socio-economic, cultural and environmental aspects (GDPRD, 2007). To this end, designing a balanced and mutually supportive approach to development of both geographic units is vital (Okpala, 2003). It seems evident that such symbiotic development pattern can be realized through RUL (Tegegne, 2001). Therefore, researchers, development practitioners, and other stakeholders need to view development issues along the broad spatial continuum rather than treating the two areas independently (GDPRD, 2007).

The challenges for regional planning are to narrow rural-urban divide by incorporating this fact into development frameworks, and further identify policy measures to bring mutual benefits (Douglas, 1999). Therefore, in developing countries like Ethiopia, RUL should form a central part of policies that guide rural-urban development (Tegegne, 2006). In recognition this fact, the Ethiopian government had incorporated RUL as a prioritized development strategy in its PASDEP initiatives (MWUD, 2005).

Nevertheless, designing a sound policy framework and development strategy is not an end by itself; rather a consolidated effort is needed from the scientific community to bridge the prevailing rural-urban divide (Tegegne, 2005). This can be done by unravelling the role of rural-urban linkages in the development process in general and in influencing livelihood in particular.

As such, the major concern of this paper is to assess and explore RULs and their implications on livelihood diversification of households in Sebeta town and its surrounding rural areas, Mirab Shewa Zone in Oromia Regional State.

1.2 Statement of the Problem

The Ethiopia economy is largely based on agriculture. About 84% of the population of the country lives in the rural areas. This people rely on agriculture for their livelihood (Tegegne, 2001). Ample evidence, however shows that development strategies and directions in the country had been urban biased (Tegegne, 2005; Bezabih, 2006). They were diercted to urban areas by connecting on urban nodes and giving scant attention to agricultural and rural-led development.

This development history of the country has had an adverse effect on the socio-economic transformation of the country, in general and both the rural and urban poor, in particular. Tegegne (2005) argues that isolation of the rural sector from the main stream forced the rural population to remain under subsistence livelihood with little interaction with the urban sector. However, if there are strong linkages, it is possible to exploit the opportunities like off-farm and non-farm activities, which provide income diversification and this in turn, enables farmers to be more risk takers in using inputs and technical innovation.

The current government has tried to increase productivity and income of small landholding farmers through ADLI. The central idea of this policy is that agricultural development serves as an engine for the growth of industry. The strategy however remains to a larger extent rural-oriented with emphasis on production rather than exchange and trade (Mushi, 2005). Therefore, the government recently recognizes the role and importance of urban sector and is in the process of making policies that mitigate the problem (Tegegne, 2005).

Since, livelihood strategies of households spread across sector and spaces, the "spatial bias" policies would not reflect the realities. For example, the livelihoods of rural dwellers can have urban components as they may practice off-farm and non-farm activities. They may also send family members to earn a living in the cities to send back some of their earnings or they may move themselves (Garrett and Chowdhury, 2004). Therefore, empirical study of rural-urban linkages in livelihood strategies of people or households is important for influencing the policies and strategies of the government.

Generally, the linkages could be manifested in different forms of demand that may be exhibited by households as consumers and producers. Households in rural areas demand urban goods and services whereas households in the urban areas demand farm products. Farmers demand inputs for their farm production while manufacturers and businessmen demand raw materials and labor from the rural areas. Non-farm earning near urban areas are greater because of better business and employment opportunities. These different forms of demand translate into various types of goods, capital, and flows of people between the two spatial units (Tegegne, 2001).

Small urban centers are essential for agricultural development in Ethiopia. These centers are closely interlinked with the lives of rural people. The mere presence of small towns by itself could not bring the desired development unless the towns are capable of providing proper function and stimulate rural-urban linkages (Rodinelli, cited in Tegegne, 2001). As such, urban centers are expected to assist agricultural and rural development by serving as market, processing, service, and employment center for the rural hinterlands.

On the other hand, although rural and urban relations mutually strengthen the livelihoods strategies of people, generalization on the nature of rural-urban linkages across different locations and in terms of how they affect different groups must be avoided (Tacoli, 2002). The links may vary depending on location, wealth, generation and ethnicity; theses factors also influence access to assets which includes natural resources, labor and human capital, financial capital and infrastructures. Therefore, analyzing rural-urban links and providing some insight into the implications on the livelihoods diversification of households are important core idea of this study.

Currently, the importance of focusing on rural-urban interdependence and mutually supportive development strategies has got recognition and acceptance. However, no study of linkages has been conducted in Sebeta town and its hinterlands. Sebeta town and its hinterland are important areas for industrial growth in the region and attract migrants.

With regard to literature, the researcher found hardly studies pertaining to rural- urban linkages and its implication on livelihoods diversification of both rural and urban households. In fact, Tegegne (1999) studied rural-urban relations in rural regions (Although the interactions between rural and urban areas were examined in this study their effects on the livelihoods of households were disregarded).

Megersa (2007) also conducted a research on production-consumption linkages. He gave emphasis on flows of agricultural produces as well as industrial goods and service linkages. Recently, Muluadam (2009) investigated on the problems and prospects of rural-urban linkages and he focused on problems and opportunities of marketing linkages.

This study takes approach that is different from the above three studies. It identifies and examines the linkages and shows their implications on the livelihoods diversification of households. It is believed that this study will fill the research gaps that exist in the country in this regard in general and the study area under concern in particular.

1.2 Objectives of the Study

1.3.1 General Objective

The general objective of the study is to identify and examine the existing spatial rural-urban linkages such as marketing, migration, and labor engagement on-farm and non-farm activities and show their implications on livelihood of households in the study area.

1.3.2 Specific Objectives

The specific objectives of the study include:-

- To identify the pattern (types and magnitude) of rural-urban economic linkages in the study area;
- To identify factors that affect the nature of rural-urban linkages in the study area; and
- To find out how rural-urban linkages affect the livelihood of households in the study area.

1.4 Research Questions

The study answers the following questions:

i. What kind of rural based products are demanded by the urban households?

ii. What is the nature of farmers demand for farm inputs and from where do they get it?

iii. What is the nature of farm households' demand for urban goods and services?

iv. What factors influence the observed rural-urban linkages in the study area?

v. How rural-urban linkages affect the livelihood of houselods in the study area?

1.5. Research Design and Method

This study is mainly aimed at exploring and examining rural-urban linkages and their implication on livelihood diversification at household level. The study employed both qualitative and quantitative approach (mixed approach) to minimize the limitation of each approach and to address some non-quantifiable aspect of the households such as perception. It also helps to triangulate the various tools and instruments of the data collection and data analysis.

1.5.1 Research Design

A cross-sectional study design was employed to assess the implication of rural-urban linkages on livelihood of households in the study area. This method in stead of longitudinal approach is chosen due to the financial resource and time shortage to carry out the research on the extended periods of time through repeated field visit to gather primary as well as secondary data. Unlike longitudinal approach, the design needs only one time data collection with the study population; it is relatively easy, simple, and cheap to undertake the study by collecting the overall information as it stands at the time of the study (Yeraswork, 2010).

Previous empirical studies have also used cross-sectional methods (Tegegne, 2002; Bezabih, 2006; Goitom, 2005; FAO, 2005 and Muluadam, 2008). Following other researchers, the study adopted 10kms radius from Sebeta town as an area of intensive interaction between the town and its hinterland. Such 10kms distance is also assumed to be reasonable to be covered on a daily walking travel since it is the dominant mode of transport in the study area.

1.5.2 Sampling Techniques

A multi-stage sampling technique has been used to come up with more representative sampling unit and size. The researcher adapted four stage stratified random sampling design for the rural kebeles as well as two stage for urban dwellers and three-stage sampling design for urban traders in the kebele.

1.5.2.1 Study Site Selection

Sebeta Hawas is selected purposely based on the following criteria:

- First, the presence of on-farm and various non-farm activities which are run by different social groups.
- Second, familiarity of the researcher with the locality that will facilitate the collection of data from the governmental office as well as households.
- Third, the researcher conducted a senior essay on the study site under the title urbanization and its consequences in Sebeta town adding to the knowledge base of the auhter
- Fourth, the rapid physical, social and economic change of the study area due the increase in demand for land will help to see the dynamics in the town.
- The final criterion is the knowledge of the researcher that no study has been studied in the site especially regarding the implication of rural-urban linkages on livelihood of households.

A four-stage sampling strategy has been used to select representative households for the study. First, the researcher has contacted the Woreda Agricultural and Rural Development Experts (Personnel) and identified 41 Peasant Associations (PAs) of which 11 rural kebeles are found within 10kms radius from Sebeta town. Second stratified sampling technique was used to sub group the 11 rural kebeles/PAs in the two groups based on geographical proximity, market catchments and economic ties to the town. As per the stratification, five PAs: Roge Atebella, Koche, Dima Guranda, Dima Magno, Dalati are wholly found within the first 5kms radius from Sebeta town while the rest six-PAs: Gora Harkiso, Haro Jilla, Moglee, Korke, Furi, and Bole are wholly found within the next 6-10kms radius. Thirdly 2 PAs were purposely drawn, one within each successive 5kms radius from Sebeta town.

The selection of the two PAs is not haphazardly done, instead the availability of infrastructures are taken into consideration to see their impact on the patterns of the existing linkages. Accordingly, from the five PAs that fall within 5km, Dima Guranda was purposely chosen as one of the study PA, since it is found along the highway that runs from Sebeta to Jimma and has access to telecommunication

services. The second PA from those kebeles that fall within 6-10km, Gora Harkiso was chosen as one of the study PA because it has no access to infrastructures. Fourthly, after preparing a sample frame from the kebele registration file the researcher was used fixed sampling to decrease the over representation of the kebele which has large number of households over the smaller one, thus 100 (i.e.50 from Dima Guranda and 50 from Gora Harkiso) rural sample households were selected for the survey through systematic random sampling as shown in the table 1.1 given below:

Table 1.1 Distribution of Sample Rural Households in the Study Area

Survey Site	Kebele	M	F	T	TNSHHs	Distance from main town
Sebeta Ha	Dima Guranda	339	195	534	50	4km
	Gora Harkiso	253	58	311	50	9km
	Total	592	253	890	100	

Source: SHWARDO, 2010 **TNSHHs-Total Number of Sample Households**

Moreover, in selecting representative urban households two-stage sampling technique has been used while three-stage sampling technique for traders in the study. Initially, the researcher contacted the Municipality, Social and Information Desk Office of the town to identify the kebele that host the main market center and large number of migrants in the town. Accordingly, one small, one general market and one cattle markets are identified. Kebele 01 hosts the main market where the lionshare of transaction between different stakeholders takes place as well as it is the hub of the town's economic activities which attract large number of people and seen as the destination of migrants. Similarly, the presence of large number of migrants in the kebele is probably attached to the establishment of new settlements and the presence of building construction which creates employment opportunity. Thus, it has been purposely chosen for the survey.

In the second stage, the urban households have been drawn from the kebele residents. About 50 sample urban households has been selected through systematic random sampling technique from Kebele 01 using dwellers association roasters, municipality and Kebele records as shown in the table 1.2 below:

Table 1.2 Distributions of Total and Sample Urban Households in the Study Site

Survey Site	Sample Kebele	Total Number of Households			Total Number of Sampled Households
		Male	Female	Total	
Sebeta Hawas	01	2864	1530	4394	50

Source: Municipality, 2010; Kebele 01, 2010

To select urban traders, in the first stage sampling frame for traders in the town has been taken from Trade and Industry Office of the town and a new frame was prepared. Since the pattern of trade is found to be similar, only a few traders from the major category were interviewed. Secondly, for simplicity the researcher divided the traders in two major groups as Grain traders and Non-Grain Traders (like Retail Manufactured Goods Traders, Chat Traders, Vegetable Traders, Charcoal Vendors and Butchers). Thirdly, equal number of the representative urban traders from each category was selected using systematic random sampling technique from the newly prepared frame. The number of traders that were interviewed is provided in table1.3 below:

Table 1.3 Numbers of Urban Traders Interviewed from the Major Trading Categories

Major Trading Categories	Number of Traders Interviewed
Grain Trade	25
Non-Grain Trade	25
Total	50

Source: Sebeta Town Trade and Industry Office, 2010

1.5.3 Types and Source of Data

This study utilized both primary and secondary data to address the research questions. The importance of collecting and considering primary and secondary as well as quantitative and qualitative data is to triangulate, complement and supplement different data generated from diverse sources which finally used to make the data and the research result reliable (Yeraswork, 2010).

The study makes use of both qualitative and quantitative data type. The former was data collected from FGDs, Key informants interview, and response from structured questionnaire on migration, flow

of agricultural produces and industrial goods, flows of input and non-farm linkages of rural households with urban areas have been gathered from the households as well as different groups of people, while the later was data on the number of livestock, farm size, production-consumption linkages of both urban and rural households.

1.5.4 Method of Primary Data Collection

In order to answer the research question and meet the specific objectives the following primary data collection mechanism has been employed. Numerous data collection techniques can be used in any scientific investigation however; the study was employed selected data collection instrument such as Structured Questionnaires, Key Informant Interviews and FGDs. Closed-ended structured questionnaires have been used to collect information that doesn't need further explanation whereas semi-structured questionnaires have been used to collect information that needs further probing. Key Informant Interviews are chosen to collect general information from Urban and Rural Government Officials, Experts as well as Elder people. Focus Group Discussion is mainly chosen as an instrument by the researcher and has been used in the study to collect informations that are hardly possible to be caught by other methods to triangulate the reliability and validity of data collected by other methods.

I. Households Survey/Structured Questionnaire

Since the study is multi-dimensional, three separate groups of structured questionnaires have been prepared independently for urban households, urban traders and hinterland farmers. The questionnaires consist of both open and closed ended questions. Prior to actual data collection process, the questionnaire has been translated into native language (Oromiffa) and their reliability has been pre-tested to take corrective measures. After correction, five enumerators were chosen based on educational status, town's and hinterland experience as well as previous data collection familiarity. It was planned that all enumerators were given training how to conduct face-to-face interview. To overcome any difficulty of understanding from the respondents' side, the interviewers read each questions, elaborate it and record the response. These allow minimizing the non-response rates and missing value as well reduced ambiguity and vagueness. While the study is handled by the enumerators, the researcher side by side under took in-depth interview with the selected households.

II. **Focus Group Discussion**

Focus Group Discussions were conducted to verify, build on and add depth to the result of household survey. The FGDs were held in selected sub-divisions of the three kebeles. A total of three FGDs were conducted, two FGDs were conducted in the hinterland with selected households and the remaining one FGD was conducted with the urban households. The selected FGDs members were identified with the help of DAs and Kebele officials parallel to their interest. Each discussion was consisting of 8-12 volunteers. It helps respondents to participate actively and to focus on important points of the research. The sessions was facilitated or guided by the researcher and two enumerators. The volunteers were both from men and women. In order to avoid dominance of males during discussion the female members were treated in separate sessions. In addition an attempt was made to keep homogeneity of members in the three groups by incorporating members of similar characteristics together in a group. The Focus Group Discussions for this study was also being tape recorded with the permission of participants and also recorded manually.

III. **Key Informant Interview**

To obtain additional in-depth information, Key Informant Interview was used to gather relevant information from rural and urban government officials. In this approach, development agents of sample rural kebeles, chair person of sample rural kebeles, key officials in Sebeta Hawas Woreda Agricultural and Rural Development Office and Town's Kebele Officials were included.

The purpose of conducting household level key informant interviews was to triangulate information obtained through household survey to give chance for them to share their experience and perceptions towards socio-economic changes of livelihood diversification in the study area. Interview with DAs were conducted to better investigate people's livelihood opportunities and challenges. The researcher himself and enumerators recorded the information obtained from key informant interview both manually and with tape recorder.

IV. **Personal Observation**

Personal Observation was also another important source of information for this study. A field observation was made on market days in the town's trading places. Few petty traders, potters, wooden implement sellers, people engaged in quarry and activities have been observed in order to have a clear picture of the nature and the level of operation of non-farm activities and also relevant photos haven been taken and included in the results and discussion part of the study. Moreover, the workshops of some craftsmen have been visited and an actual working condition was also observed.

1.5.5 Method of Secondary Data Collection

Secondary data has been collected from published and unpublished books/documents such as journals, articles, reports and publications of various levels of government bodies. Relevant electronic sites also visited.

1.5.6 Method of Data Analysis

Analysis of data has been done with the help of different techniques including both quantitative and qualitative to assess and examine the implication of RUL on livelihood diversification of households. The quantitative data was analyzed by using descriptive statistics or simple statistical tools such as ratio, percentages and mean. The results of the analysis was summarized and presented by tables, chart and bar graph. Besides, qualitative data obtained through key informant interview, FGD, personal observation and open ended questions have been analyzed and presented through narration. Various archives were also reviewed and applied to substantiate the primary data.

1.6 Significance of the Study

Currently rural-urban symbiosis is becoming a preferred development strategy or a significant thinking. The linkages that exist between the two spatial units are the means to realize rapid, continuous and sustainable development. Linkages are not universally alike rather vary from place to place. Therefore, the study can have some value both from academics and policy point of view.

First from academic point of view, assessing and examining the implication of rural-urban linkages from perspective of livelihood diversification will provide understanding about the nature of socio-economic variables that could be induced for the adoption of mutual development of rural and urban areas. Secondly, assessing locality specific issues, problems and institutional constraints will provide some inputs to the decision makers, policy makers, development practitioners, NGOs, CBOs and other stake holders who are interested in the development of the town and its hinterland with financial and technical support in the area of sustainable livelihood. Moreover, the finding can be used as a reference for the intervention in more targeted manner and it can be also important to understand and design location specific, more effective,.flexible and responsive strategies which target on all social groups at least. Furthermore, it also gives clue to strengthen rural-urban linkages in Sebeta town and its hinterlands. Finally, the inquiry will serve as a stepping stone for those researchers who want to conduct further study.

1.7 Scope and Limitation of the Study

Rural-Urban linkage is a wide concept which consists of multiple interactions. However, the scope of the study is restricted to explore the implication of rural-urban linkages on the livelihood of households in Sebeta town and its hinterland that fall within 10kms radius around the town.

However, Sebeta as one of the garden town and special zone of Finfinne area of Oromiya Region, the rural-urban marketing linkages is not limited to10kms radius. Besides, the study used only 3 (2 rural and 1 urban) kebeles. Meanwhile, the study gives more emphasis to linkages (flow of agricultural products, flow of industrial goods and agricultural inputs, the flows of people and remittance, flows of information, flows of finance and urban related non-farm activities) due to financial constraints. Moreover, some sensitive variables like income, number of livestock and other asset may not be correctly obtained and valued since some respondents were reluctant to tell the exact amount. As a result, the responses obtained are not all perfect. Moreover, retail traders were not willing to state or express their true weekly sale thus it is not included in table, however it doesnot affect the quality of the research finding.

1.8 Organization of the paper

The thesis has five main chapters. The first chapter consists of the introduction, research problem, research objective, research question and methodology. The second chapter deals with review of related literatures. Issues like the Concept of Rural-Urban Linkages, Factors Affecting Rural-Urban Linkages, Livelihood Diversification and Rural-Urban Linkages, Migration and Rural-Urban Linkages, Concepts of Livelihood Diversification, Empirical Review on Rural-urban Linkages and Livelihood Diversification in Ethiopia as well as Conceptual Framework are well discussed in the second chapter.

The third chapter presents description of the study area. Result and discussion part of the study is presented in chapter four. The last chapter the summary, conclusion and policy implications as per of the empirical finding discussed and analyzed in the fourth chapter. It recapitulates and concludes the foremost findings and forwarded feasible policy implications that would help to strengthen RULs and Livelihood diversification in the study area. Tables, map, questionnaires and checklists are included as appendixes in the part of the thesis.

Chapter Two

2. Literature Review

2.1 Theoretical Review

2.1.1 Definitions of Terms and Concepts of Rural-Urban Linkages

2.1.1.1 Urban\Rural Areas

Some terms appear in different fields of study to have different meanings. As such, it is quite important to define these terms with respect to the context and the scope of this study.

It is common to have a distinction between 'rural' and 'urban' areas at least for descriptive purpose. Different countries in the world have different criteria for these definitions/terms. Out of these criteria population density, economic activities, administrative function, infrastructural development of countries could be used for classification but the first two are the dominant criteria (UNDP, 2000). Demographic criteria and economic criteria used to define urban and rural areas vary widely between different nations and this will make generalization difficult (Tacoli, 1998). According to Tacoli urban areas are areas where non-agricultural productions such as manufacturing and services dominate whereas rural areas are regarded as places of low population densities with predominantly agricultural activities. Rural and urban areas, however, are parts of a continuous regional, national and international landscape that are interrelated.

In Mexico, 2500 inhabitants is threshold to define urban centers. Some nations use population threshold of between 200 and 1000 inhabitants to define urban centers. In India most of the rural population lives in villages with 500-5000 inhabitants, and if these were classified as 'urban' India would suddenly have a predominantly urban population rather than predominantly rural ones (Tacoli, 2003). In many sub-Saharan African countries, urban centers are defined mainly on the basis of administrative, demographic and infrastructure characteristics even majority of the population is engaged in agriculture.

In Ethiopia, population size is used as a criterion to distinguish urban areas from its rural counterparts. Accordingly, all areas having a population of 2000 and above are classified as urban centers (Tegegne, 2005).

2.1.1.2 Hinterland

In ancient times, cities emerged as a result of surplus production of food and other necessities of life in their surrounding areas. Through time, this simple and one-way relationship developed into interwoven ones in which rural areas mainly provide primary products like foods, firewood and unskilled labor and depended on the city for services like medical, educational facilities, entertainment and shopping. The intensity of the interaction between a city and villages decline rapidly with distance from the city and this is called distance decay (Ramchandran, 1989). Therefore, a hinterland or an area of influence is the adjacent area around a city from where people commute to the city to obtain certain goods and services.

2.1.1.3 The Concept of Rural-Urban Linkages

Although urban and rural areas are two distinct spatial units, they are part of the whole economic system without which development is under question. The two spatial units have their own role one each other. That is the livelihood strategies of both urban and rural residents interlink. The importance of more holistic approach to local, national and regional development is currently increasing recognition and the potential of rural-urban linkage approach to development is attracting greater advocacy.

It is now widely recognized that there exists an economic, social and environmental interdependence between urban and rural areas, and the need for balanced and mutually supportive approach to develop the two spatial units. Rural-urban interaction is a contemporary issue involving the exchange of goods and services, people, information, and money (in terms of remittance, credit and finance, etc) (Solomon and Mansberger, 2003). Moreover, people also leave rural areas because of land shortage and low productivity, poverty, war and natural disasters, and migrate to urban areas in search of employment, education and "modern way of living" (Tostensen, 2004). Rural-urban linkages are manifested in several ways: economic aspects, environmental aspects, and social relations that develop through kinship or exchange of goods and finance. These manifestations directly or indirectly influence means of livelihood of the rural and urban population. Therefore, the type of rural-urban linkages and the factor that influence the linkages are important in dealing with the concept of linkages.

The available literature on RULs reveal that there are various types of linkages identified by researchers as per of their study objective, scope and nature of relationship between the town and its hinterland. Therefore, for the sake of simplicity, the major dimensions of RULs are summarized from the works of notable researchers in the area. Mush (2005) classified RULs into two broad categories: Spatial linkages and Sectoral linkages.

A. Spatial Linkages

Spatial linkages comprise flows of agricultural product, manufactured and imported goods, people, market information, and finance (Mush, 2005). Rondineli and Rundle (1976) cited in Ndegwa (2005) have classified spatial linkages as physical linkages, economic linkages, market linkages, population movement linkages, social linkages, service delivery linkages, and political and administrative linkages. The salient features of these linkages are described as below.

i. Physical Linkages

Physical linkage is expressed through the development of infrastructure (Tegegne, 2006). Road infrastructure is the main form of infrastructure that dominates rural-urban physical linkages. Thus, a road network is an indication of connectivity and improves RULs in a country. Rondinelli and Rundle (1976) cited in Ndegwa (2005) have pointed out that transportation networks allow greater access to agricultural employment, improve communications and also allow better access to non-agricultural employment and extended areas of service delivery.

Besides road networks, Ndegwa (2005) identified telephone, postal facilities and rural electrification as the other domains of rural-urban physical linkages. Tegegen (2006) underlined that from good beginning at policy level, the current physical linkage in Ethiopia between the two spatial units is far from desirable given that substantial segment of rural areas lack any link to the urban centers. Consequently, socio-economic development in the country is not benefiting from mutual relation.

ii. Economic linkages

Barker and Pederson (1992) pointed out that the economic aspects of RULs are associated with the livelihood diversification and production systems, which include diverse types of resource flows including labor, natural resources, agricultural commodities, financial flows and industrial goods and

service flows. In such linkage, agricultural raw materials flow from rural to urban areas while industrial goods and services flow from urban areas to rural (Bezabih, 2006). Hence, selling of goods and services produced in one settlement to another reveals the trading and commercial relationships between an urban center and its hinterland as towns provide access to markets and serve as means of livelihood for the rural communities (Tostensen, 2004; cited in Bezabih, 2006).

iii. Market Linkages

The term market linkage as described by White (2005) on rural development literature clearly implies the physical connection between the producer and the ultimate consumer. It also involves financial transactions such as buying and selling of goods. Such definitions are made based on type of market intermediaries, form of financial transactions, market channels, transport and communication networks and spatial distributions. The main purpose of marketing linkages is to facilitate the flow of products between different levels of marketing system. In this aspect White (2005) argued that if the marketing system were made more efficient it would be more competitive, enhance economic growth and maximize benefit to farmers.

Most often RUMLs are discussed under economic linkages. For instance, Ndegwa (2005) described marketing linkages as economic linkages. To Ndegwa urban centers offer outlets for primary products produced in rural areas and provide non-farm employment opportunities. Hence, the establishment of linkages between resource areas and the market centers is the primary force in the commercialization of agriculture, diversification of production and expansion of spatial systems of exchange.

The simplest link between production and consumption is where farmers sell their products directly in the market located in urban areas. In most developed countries, the private sector is playing an active role to offer inputs, agro-processing and marketing services. Therefore, the linkage between urban and rural area is often provided through a network of traders and intermediaries whose costs are being paid for through the marketing margins/borders. Such linkages would, therefore, create mutual trust and dependency relationship among various functionaries in the marketing system (White, 2005).

Conventionally, the most common marketing intermediaries include petty traders, assemblers, independent collectors, commission agents, market agents, wholesalers and semi-wholesellers and retailers. Marketing channels vary based on the kind of agricultural produce. In this case the major

types of markets include: rural primary markets, assembly markets, wholesale markets, retail markets, supermarkets, retail shops, marketing groups and farm gate sales (White, 2005).

White argued that in most of the developing countries, RUML is hampered by the lack of all forms of transport facilities plus the poor roads, which discourage the use of personal transport. The trade links in the agricultural marketing system are those routes used by farmers and transporters carrying farmer's produce. In this case, the mode of transport, length and time of journey and transport cost will affect the efficiency of the marketing linkage. In rural areas, roads are the only means used to strengthen RUMLs (White, 2005), however, now most trips are made on foot and this limits the linkages.

iv. Social Linkages

Ndegwa (2005) indicated that market centers are key nodal points where numerous social linkages take place between towns and their corresponding rural hinterlands. In most African countries, economic exchange grew out of traditional social gatherings and rituals. Hence, occurrences of economic activities were intimately correlated to social dealings since traditional African markets offered an important locus of social linkages. A study conducted in Kenya indicated that, periodic market centers were important meeting places that strengthen social linkages between urban and rural communities (Ndegwa 2005). The recent research reveals that, social linkages have shown improvements due to the development of communication technologies that offer the potential to connect urban and rural areas with minimum cost (Lynch, 2005).

v. Population Movement Linkages

Short term and permanent migration of people from rural to urban areas or vice-versa is an important form of RULs (Ndegwa, 2005). Permanent migration, commuting, stepwise migration, circulatory migration, cyclical migration, and multi-dimensional and chain migration are the basic forms of population movement linkages (Ndegwa, 2005; Lynch, 2005). Through commuting and circulation, hinterland farmers can become more familiar with various work, living style and social environments that makeup the urban areas. Almost, in all cases, the prime motive for people to move is economic and the type of model used to analyze such movement is the 'push or pull' model. Furthermore, transportation facilities, distance, costs and information are other factors that determine population movement (Mantra, 2000).

vi. Political and Administrative Linkages

The available literature reveals that spatial systems are incorporated and altered through a set of political and administrative linkages that are reflected in the formal structure relationships, flows of public budget resources, administrative authority, supervision and approval of expenditure. Political linkages are vital means to secure development of resources from urban-based agencies and central government to rural areas. In this regard, a study from Kenya indicated that in the district of Kimbu, there is a strong political linkage between the urban based and rural based political interest (Ndegwa, 2005).

B. Sectoral Linkages

Sectoral linkages between urban and rural area manifest through three principal mechanisms: consumption linkages, forward production linkages and backward production linkages (Bagchwear and Stewart, 1992). These linkage are influenced and intensified by macro-level changes and local contexts including access to natural, physical, financial, social and human resources (Tacoli and Satterthwaite, 2003).

Consumption linkage result from the expenditure of farm incomes on locally produced consumer goods and services (Bagachwa and Stewart, 1992). More broadly, it refers to the flow of consumption goods and services across the rural-urban continuum based on the final demand for food items and services (Tassew, 2000). Bezabih (2006) noted that consumption linkages arise from improved livelihood systems, which manifest themselves through income growth that increases demand for basic consumer goods. The available studies suggest that magnitude of consumption linkage is relatively weaker in Africa than in Asia. Hence, poor communication due to inefficient infrastructure between towns and their hinterland impedes farmers' access to non-food items and services (Bagachwa and Stewart, 1992).

Forward production linkage refers to the supply of raw materials for processing and distribution (Helmising, 2000). Bagachwa and Stewart (1992) indicated that forward linkages occur when agricultural outputs are locally processed. It should be noted that there is an overlap between forward production linkages and consumption linkages since those agricultural products that are produced, processed and consumed locally fall into both categories. Therefore, forward linkages which consist the processing and distribution of farm outputs should be distinguished between household processing

and commercial forward linkages. While the former is mainly used for own consumption accounting the lionshare of local processing, the later on the other hand depend on the extent of farm output marketing, market location and organization, crop consumption and technological choices (Bagachwa and Stewart, 1992).

Backward production linkages occur where agriculture absorbs modern inputs produced by local industry or supply by nearby urban center (Bagachwa and Stewart, 1992). Researchers like Helmsing (2000) argued that an increase in agricultural productivity and commercialization of agriculture necessitates the use of industrial products, agricultural technologies, farm inputs and modern farming system that in turn strengthen backward linkages.

Bagachwa and Stewart (1992) indicated that the type and magnitude of backward linkages from agriculture to small industry relies on the extent of input usage and how far such inputs are produced or supplied by the nearby urban center or rural industry. They also add that smallholder farms that use locally manufactured input have better potential to generate backward linkages than large-scale farms that use modern imported tools. The available empirical finding reveals that backward linkages are relatively low in Africa compared to Asia owing to lower usage of farm inputs and inadequate local capacity to produce (Bagachwa and Stewart, 1992).

2.1.1.4 Factors Affecting Rural-Urban Linkages

The interaction between urban and rural areas in a given place is inevitable. What matter is the degree of the linkages and the type of linkages that exist in the area? While flows and linkages exist between all rural and urban areas, their scale and strength are determined by the nature of economy, social and cultural transformation at global, national and local level (Tacoli, 2004).

Tegegne (2001) on his part see the factors that affect the interaction from the rural sides. He argues that the rural economies have significant impact in shaping the linkages because they determine rural income, labor intensity, crop composition, degree of marketing of agricultural products and thus influences the nature and strength of linkages. At global level, trade and production liberalization has reshaped RULs in most regions. These affected the consumption pattern of both spatial settings because of the increased availability of imported manufactured and processed goods as the case in Nigeria and Tanzania. These imported goods are often cheaper than locally produced goods and thus it

negatively affects the local economy. Trade in export crops are also largely controlled by international traders who bypass local urban centers do not necessarily invest on the producing regions or nations (Tacoli, 2004).

Macroeconomic policy linked to reform and adjustment has an impact on rural-urban linkages at the national level. The reduction of subsidies to the agricultural inputs in these policies has affected the small scale farmers (Tacoli, 2004).

At local level RULs are influenced by geographic and demographic characteristics, farming systems and availability of roads and transport networks linking local settlements to urban centers. Rural-urban interactions are also affected by economic and political contexts; religion and gender (Gexhiene & Gugler, 1998). The linkages can be influenced by attitudes and traditions of mobility of nomads thus it restricts the use of urban services. According to Abdal Ali (1992) cited in Demeke (1998), the seasonal variation of climatic condition adversely affect RULs in pastoralist areas. As such, it results in considerable movement of livestocks and people. This condition brings about closing down of a certain business and thus the role of towns changes dramatically.

2.1.1.5 Migration and Rural-Urban Linkages

Migration is one of the most important methods of diversifying rural livelihoods. There are different types of migration (Stark, 1991 cited in Ellis, 2000). Migration means that one or more family members leave the resident household for varying periods. By doing so, they are able to make new and different contribution to its wellbeing. The major types of migration are seasonal migration, circular, permanent and international migration.

Seasonal migration is temporary migration according to agricultural seasons. It is typically associated with movement away in the slack season and return of migrants for the peak periods of labor inputs in agricultural calendar. Circular migration refers to the temporary migration that is not necessarily tied to seasonal factors in agriculture and that they may be for varying duration. Circular migration implies migrants routinely returns to the resident's household and regard that as their principal place of address. Permanent migration implies that the family members make long duration move to different location and sets up residence at destination. The contribution to rural resident household takes the form of regular or intermittent remittances. International migration suggests that family member

moves either temporarily or permanently abroad. There are many different variants of international migration corresponding to the distance travelled, the permanence of the movements, the type of work obtained in the destination country and so on. Remittance often features strongly rural income portfolios (Ellis, 1998).

As it is mentioned repeatedly, migration has been an essential factor in enhancing households' livelihoods. It is important to note that migrants are not usually the poorest groups, especially for long distances and long term migration. Better-off households are long term migrants such as students in Hanoi and industrial workers in other provinces than the poor (Thanh, 2003). This is attributed mainly to the poorest households in SSA primarily move to the other rural areas within the region to sell labor in agricultural work on seasonal basis (Okali et al, 2001). It shows that the variation in opportunities determine the migrants destination. Despite this difference, there has been an increase in long term and long distance out-migration (Ibid). He confirmed that extensive migrants' networks, developed telecommunications and good transport make migration an easier option than in the past.

The proportion of relatively educated and uneducated migrants to the town is nearly equal in Lindi, Southern Tanzania (Lerise et al, 2001). However, migrants who have limited skills and education are increasingly concentrated in low skilled and low income occupations (Satterthwaith and Tacoli, 2003). This explains that the level of education is not associated with migration, but with the type of work migrants engaged in and with the level of income they earn. In general, extensive migrants' network, developed telecommunication and good transport strengthen RULs.

2.1.1.5.1 Migration and Remittances

Those who have studied the subject report that the remitting income is widespread, especially among poor families. Fall (1998) reports that in Dakar 70% of migrants send part of their wages home to their relatives. Hence, this substantiates the importance of remittance not only in the financing consumption and agriculture innovation but also in linking migrants with home areas.

There is a general argument, however, the importance of remittance has reduced and will reduce in the future due to economic shocks and stress (Fall, 1998) and migrants concentration in low income generating urban informal sector (Moser, 1998) since last decades. What is clear is that sending remittances are constant, even if it involves small amount.

Smit (1998) also finds that the urban residents' strong linkages with home areas as the way to spread risk across space because of growing uncertainty in urban centers. They maintain links through visits during social ceremonies and sending money back (Lerise et al, 2001), ownership of land, livestocks and housing (Smit, 1998); the presence of wife and children initiation ceremonies (Lerise et al, 2001), Christmas celebration (Diyatmett et al, 2001) and funeral celebrations (Okali et al, 2001). But failure to do is considered as social crime (Lerise et al, 2001). Therefore, it makes the flow of people along with capital and information on job opportunities stronger.

2.1.2 Definitions and Concepts of Livelihood Diversification

2.1.2.1 Livelihood refers to every activity, income, process, social and institutional aspects and influences that construct the living of households or individuals. The dictionary meaning of livelihood is the way someone earns the money; people need to pay for different necessities such as food, clothing and a place to live, etc. As to Ellis (2000) livelihood defined with little modification as "livelihoods comprises the assets (natural, physical, human, financial and social), the activities and the access to these that together determine the living gained by the individual or household."

2.1.2.2 Livelihood diversification –is defined as "the process by which both urban and rural families construct a diverse portfolio activities and social support capabilities in their struggle for survival and in order to improve their standard of living" (Ellis, 1998; 2000).

2.1.2.3 Livelihood Strategies and Activities of Rural and Urban People

Livelihoods strategy denotes the range and combination of activities and choices that people make in order to achieve their livelihood goals. The livelihood goals could be seen from the view points of how people combine their generating activities, the way in which they use their assets, which assets they choose to invest in; and how they manage to preserve the existing assets and income. To this regard, the livelihood strategies include coping strategies (short term responses to shock) and adaptive strategies designed to improve livelihood in the long term. Livelihood is sustainable when the result processing of assets protects people against shocks and stress (Ellis, 2000). These have their effects on important assets and livelihood strategies of people.

The study of livelihood strategies in both rural and urban areas as well as their implication on rural and urban linkages is limited. Few studies provide some information about this RUL as part of local and regional economic development. The study made by Haan and Uffoed (2001) reveal that rural-urban interactions are shaped to great extent by people's livelihood strategies by looking at the networks of Maize, Yam and Cattle trade in Bennin.

Using information from West Africa, they concluded that the drought were the main causes for change in the livelihood strategies and the expansion of rural-urban linkages. Some of the strategies undertaken in response to drought in 1997 and 1980s were NFAs in the village mainly petty trade and commuting the work in town and remittances from migrant relatives (Ibid). Hence, rural-urban linkages are intensified.

Economic shock and stress in SSA in recent years also contributed to the expansion of rural-urban linkages. The structural reduction price on the world market has changed small holder's production to subsistence because of intense competition from food producers outside Africa (Volbeda, 2001). Moreover, SAPs removed subsidies of inputs. These forced the rural people to depend on NFAs, including migration. In the towns, retrenchment of public sector workers increased urban to rural movement and decreasing financial support to home areas (Smit, 1998). These facilitate the movement of goods, services, people and finance in both directions.

In addition, rapid population growth and the resulting scarcity of land along with low returns from farming in Tanzania forced the people either to diversify their sources of income or migrate to rural and urban areas (Lersie et al, 2001). These coping strategies clearly show the interactions between rural and urban areas.

Haan and Ufford (2002) argue that continued economic stability, environmental uncertainty and high population growth as driving forces behind the gradual change of livelihoods from coping to adaptive strategies. In other words, these increase farmers and urban residents' tendency to involve in other sources of income or to support a lower quality of life; such livelihoods should be considered to better understand the nature of RULs.

2.1.2.4 The Contribution of Local Market in Livelihood Strategies of Households

Local market commonly brings in to being settlements and urban localities, and they are important sources of demand for products in rural areas. Rural people purchase goods in local market towns. For example, a study on 15 Ethiopian markets shows rural households undertakes a significant proportion of their economic transaction in local market towns. These localities are the sites for about half of the purchase of inputs used in agriculture production from a quarter to three quarter of sales of crops and livestocks. They are the primary locations of sales of artisan products, particularly by women. More than half of households' purchases of consumable (batteries, matches, fuels, etc) and various types of foods occur in these market towns (Decron and Hoddinott, 2005).

In Wolenkomi and its hinterland in West Shewa Zone 72% of teff producers reported that they sell it in the Welenkomi markets, while the town is the place where nearly all farmers sell other agricultural products. Livestocks is also another important item, which links villages and nearby towns in the area. Welenkomi town is the major market of livestocks. For instance, out of the reported total 240 livestocks purchased, 160 (66.6%) were bought from Welenkomi town (Mohammed, 2006).

In general, local markets act as focal points in rural development and also play an important role in livelihoods strategies of rural population. However, physical, infrastructure, especially road, undoubtly play a significant role in the contribution of local markets for rural households. Dercon and Hoddinott (2005) indicate the more rural households remote they are from local market town, the less likely they are to purchase inputs or sell a variety of products.

Marketing directs agricultural produce from rural to urban areas, and also channels mostly goods from urban to rural areas. In most Sub-Saharan Africa countries, small towns play important roles as local market for low income households. Farmers sell their different agricultural produces, while urban households also purchase food through marketing system. However, access to market is influenced by numerous factors such as farming system, access to natural resources and labor, access to road and market infrastructures, local urban demand, etc (Lerise et al 2001).

Several studies in Africa assure that poor physical infrastructure has far reaching consequences for producers' prices and at the end production activity patterns. For example, the town Lindi in SouthernTanzaia has a limited market for local produces, partly due to the state of road within its region, making transport cost prohibitive (unaffordable) for small farmers (Lerise et al, 2001). On the

other hand, due to the national and regional urban networks Himo in Northern Tanzania is a vibrant/exciting market for local producers. Most of the farming is small scale and Himo acts as collection center of farmers.

Similarly, physical access to market places (i.e. road and transport networks) is obviously crucial, market information can dramatically transform small farmers' practices and help them adapting to demand, at the same time maximizing their use of resources. In South India, government-supported farmers' markets have shown to have a dramatic impact on those farmers with sufficient assets enabling them to respond to urban consumer demand (Rengasamy et al., 2002). In many rural areas, small traders play an important role in connecting producers to markets, especially where small and diversified production flows are not sufficiently profitable to attract large-scale trading organizations. They also often play an important role in providing credit to both producers and small-scale urban retailers, but their limited financial liquidity makes them vulnerable to market losses, a problem compounded by poor physical infrastructure and lack of storage and processing facilities (GRAD, 2001). Much of the research focuses on larger traders, but a focus on poverty indicates that small traders are often far more important for smallholders. Moreover, petty trade is one of the most frequent non-farm activities in which rural people engage, and as such deserves more attention.

2.1.2.5 Livelihood Assets and Livelihoods Diversity

There is increasing evidence that rural people engage in many different types of income generating and livelihood activities (Rearden, 2001). It is also recognized that their ability to engage in (often more profitable) non-agricultural activities are often very dependent on their access to assets (Rearden, 1997; Dercon and Krishnan, 1996). These authors show that different types of activities require different combination of financial, human, social, physical and natural assets.

Rural households add new activities to their livelihood portfolios if such enterprises increase their net incomes. This however, is subject to the constraints of household's assets endowments and assets strategies, which reflect seasonality, copping, risk and various types of market imperfections (Ellis, 2000). Thus, households will add new activities as it is feasible based on their assets endowments. The focus is on diverse household assets as determinants of rural livelihood diversification (Ellis, 2000). This allows the assessment of how asset inequality among households influences households'

livelihood diversity (Pertz, 2005). To the extent that a given asset leads to greater or lesser diversity; inequality in that type of assets can be said to be reflected in differential households' livelihoods diversity. Thus, assets diversity is crucial for livelihoods diversification (Pertz, 2005).

2.1.2.6 Debates on Livelihood Diversification

In the available literature, there are competing schools of thoughts regarding the importance and need of livelihood diversification. Scholars like Lipton (1997), Mc Intire et al (1992) and Berry (1989) as cited in Degefa (2005) argued that diversification weakens specialization, it forces shift of labor from one sector to the other, and diverts resource specially from agriculture to other non-agricultural activities and by so doing reduces the performance of the agricultural sector (Degefa, 2005). Supporting this, Hussen and Nelson (1998) reported that diversification may lead to unsustainable rural livelihoods due to depletion of the environment or human resource or continued external support predicaments in the household and individual households.

On the contrary, scholars like Shipton (1990); Decorn and Krishnnan (1996) as cited in Degefa (2005), Bryceson (2002), Reardon (1997); and Elias (1998), (Barrett et al, (2001) argue on the importance and need of rural livelihood diversification to alleviate rural poverty and food insecurity. However, empirical research conducted by Bryceson (1997) on Sub-Saharan Africa; Yared (2002) on the North Shewa and Degefa (2005) on Erenssa and Garbi communities have shown the need and the importance of diversification on household survival and secured livelihood. In the same vein, Dejanvry, Sadoult (2001) as cited in Beyene (2008) studied the role of off-farm activities in rural households in Mexico and the result shows that participation in off-farm activities helps to reduce poverty and contributes to greater equality in the distribution of income.

2.1.2.7. Types of Diversification

For policy purpose it is useful to distinguish income source between different categories and sub categories. A basic division is between natural resource based and income resource. Natural resource based activities include collection or gathering, food cultivation, non-food cultivation (e.g. export crop), livestock keeping, pastoralism and non-farm activities that depend on natural resources such as brick making, weaving, and so on. Non-natural resource based activities or income based activities include rural trade (marketing inputs and outputs), other rural services(e.g. vehicle repair), rural

manufactures, remittances (urban and international) and other transfers such as pension driving from the past formal employment.

Activities and Income

Livelihood and income are closely related because the composition and level of individual or household income at a given point in time is the most direct and measurable outcomes of the livelihood process. Income comprises both cash and in-kind contribution to the material welfare of the individual or the household members are engaged. The cash earnings components of income include crop and livestock sales, wage, rents, and remittances. The consumption of income refers to the consumption of own farm produce, payments in-kind (e.g. food), transfer or exchange of consumption item that occur between households within rural communities or between urban and rural households (Ellis, 2000).

A basic classification of households' income is to distinguish farm, off-farm and non-farm income sources. There is no hard and fast rule to classify the income sources. However, income classifications are adapted to suit the methods and purpose of analysis. According to Ellis (1998 & 2000) the various categories of income sources or types of diversification are defined on conceptual aspects.

Farm Income-refers to income generated from own account farming, whether on own occupied land or land accessed through cash or share tenancy. Farm income broadly classified, includes livestock as well as the cash income obtained from output sold (Ellis, 2000).

Off-farm Income- refers to income from wage or exchange labor on other farms (within agriculture). It include labor payments in kind such as harvest share systems that remain prevalent in many parts of the developing world. It may also include income obtained from local environmental resources such as fire wood, charcoal, house building materials and wild plants (Ellis, 2000).

Non-Farm Income- refers to non-agricultural income sources which include non-farm rural wage or salary employment; non-farm rural self employment sometimes called business incomes; rural income obtained from leasing land or property; urban to rural remittances from within the national boundaries; other urban transfers to rural households for example pension payments to retires; international remittances arising from cross boarder and overseas migration (Elias, 2000).

2.1.2.8 Urban Agriculture as Livelihood of Urban Poor and Rural-Urban Linkages

According to (Mougeot, 2000), Urban Agriculture (UA) is defined as the production of food and non-food items through cultivation of plants, tree crop (Cacao, Palm oil etc), aquaculture and animal husbandry within urban and peri urban-areas. Urban agriculture also involves processing and distribution of a diversity of foods and non-food products, using large amounts of human and material resources, products and services found in and around those areas.

Although rural agriculture has a major role to meet the increasing demand of food due to rapid population growth, urban agriculture has become recognizable partner in meeting this demand. The advantages provided by urban agriculture over rural agriculture include proximity to the major demand centers, low transportation cost between farm-gate and retail market and reduction in post-harvest losses due to reduced time between harvest and sales (Gyiele *et al,* 2002). Gyiele *et al,* (2002) further stated that, in the urban and peri urban areas low cost organic waste and wastewater are easily accessible in large amounts which enable crop production activities all the year round. Urban agriculture contributes substantially to food security of many cities, both as an important component of urban food system and as a means for vulnerable groups in addressing their food insecurity. Moreover, other benefits arising from urban agriculture include creation of employment especially for poor women and disadvantaged groups, reduced poverty, increased community solidarity/cohesion, enhanced business activities, and improved environment (UNDP, 1996).

According to Smit *et al* (1996), an estimated 800 million people are engaged in UA worldwide and of which, 200 million is considered to be market producers, employing 150 million people. Urban Agriculture is proven to be a means of livelihood and source of food for many urban dwellers, particularly low-income households in developing countries. Urban farming was carried out by all income groups, although those from the very low income groups tended to use public land while other groups had access to their own backyard gardens. Hide and Kimani (2001) in their study of informal irrigation in the peri-urban zones of Nairobi found where 63% of a randomly selected sample, were women. A similar study by Poynter (1999) as cited in Azeb (2005) in Anloga and Aboaba areas of Kumasi revealed that, 68% of livestock keepers were male.

Regarding urban agriculture in Addis Ababa, the main agricultural activities are crop, vegetables and livestock PSPC (2003) as cited in Azeb (2006) and to some extent honey production. In relation to

livestock production 5167 dairy farm exist in the city, within which majority are small holders between 1-4 dairy cows, covering 80% of the milk supply to the city (Ibid). Similarly some urban people in the study area are observed practicing urban and peri-urban types of agriculture particularly in producing cabbage, carrot, vegetables and onion as well as animal products such as egg and milk as livelihood diversification along streams and idle public land as well as in their small backyards for consumption or sale in urban market.

2.1.2.9 Importance of Livelihood Diversification

In many rural areas, agriculture alone cannot provide sufficient livelihood opportunities for the majority of rural population. Rural off-farm and/or non-farm employment can play a potentially significant role in reducing poverty; and numerous studies indicate the importance of non-farm enterprise studies which shows that the typical households in Africa have more than one member employed in non-farm enterprises. Islam (1997) as cited in Gordon and Criag (2001), reports that the share of non-farm sector in rural employment in developing countries varies from 20% to 50%. Again Rearden (1997) finds out the rural non-farm income shares in Africa ranging from 22% to 93%, regarding its trend, Newman and Canagrajah (1999) as cited in Gorden and Ciag (2001), also indicate that the rural non-farm sector is now thought to be more dynamic and important than previously believed.

Diversification reduces the risk of livelihood failure by spreading it across more than one income sources. Diversification is a primary means by which many individuals and households reduces risk (Webb et al, 2001). It also helps to overcome the uneven use of assets caused by seasonality, to reduce vulnerability, to generate financial resources in the absence of credit market failures and uncertainties (Ellis and Alison, 2004). Diversification can be also seen as a key strategy to cope with change in agricultural sector which implying in addition of further income-generating activities to the existing one.

2.1.2.10 Causes and Motivation of Livelihood Diversification

According to the available literatures, there are different reasons that force households to engage in livelihood diversification. Generally scholars classified these reasons in to two categories. According to Davis (1996) they are named as "survival" and "choice" diversification. Again Hart (1994) on his

part grouped into "survival and "accumulation", whereas Bigston (1996) labeled into "push" and "pull" factors as cited in Ellis (2005).

From the perspective of push factors, diversification is driven by limited risk bearing capacity in the presence of incomplete or weak financial system that create strong incentives to select a portfolio of activities in order to stabilize income flows and consumption constraints in labor and markets as well as climatic uncertainty. From the point of pull factors, local agencies of growth such as commercial agriculture or proximity to urban areas create opportunities for income diversification and income expenditure linkage activities (Barret etal, 2001). The push factors include reducing risk, coping within inefficiency, seasonality, compensating for failures in credit markets whereas the pull factors including gradual transition to new activities, building on complementarities.

The literature of determinants of livelihood diversification reported the motives of diversification as (1) seasonality, (2) risk, (3) copping behaviors, (4) labor markets, (5) credit markets, and (6) asset strategies (Beyene, 2008). Similarly, according to Ellis (2000) motivation for livelihood diversification can be distinguished in kind as reflecting "necessity" or "choice". Supporting this idea, (Hart, 1994), said there is distinction between diversification for necessity and diversification by choice. Households may diversify out of necessity due to unexpected crises such as loss of land tenure, environmental degradation or climatic events like drought. By contrast, households may choose to diversify on their own initiatives investing in new enterprises to achieve a specific goal. Diversification as household strategy reflects some combination of these two possible motivations for diversification (Ellis, 2000).

The circumstance and the reason for diversifying income sources vary from house hold to household in different times and places (Ellis, 1998). Diversification may occur either as deliberate household strategy (Stark, 1991 cited in Ellis, 2000) or as involuntary response to crisis (Davis, 1996). The causes and consequences of diversification are different by location, assets, income level, opportunity, institution and social relations. As a result, diversification is different under different circumstances (Ellis, 2000). The goal of livelihood diversification likely varies among households, and can be as a straight forward as raising income or it may involve risk minimization and income stabilization or other goals (Barret, 2001; Pertz, 2005).

2.1.2.2.11 Factors Affecting Rural Livelihood Diversification

The livelihood literature focuses on the role of individual or household assets as determinants of poverty and livelihood outcomes. According to Scones (1998) and Ellis (2000), the assets are grouped into five categories: natural capital, physical capital, human capital, financial capital and social capital. However, Gordon and Criag (2001) add political capital as the sixth component of determinant of livelihood diversification. The ability to peruse different livelihood strategies is influenced by both tangible and intangible assets people possess (Scones, 1998). These assets are termed as "capitals" since goods and services for livelihoods are derived from them.

2.1.2.11.1 Physical capital

Physical assets comprise capital that is created by economic production process such as farm implements, irrigation canals, roads etc (Ellis, 2000). Important class of physical assets that facilitates rural livelihood diversification is infrastructural assets such as roads, rural electrification, water supply, telecommunication etc. Access to electricity, road, health, education and safe water are significant in increasing the profitability of both farm and non-farm activities. Davis (2003) suggests that rural roads that allow reliable and regular motor vehicles access serve both the farm and the rural non-farm economy.

2.1.2.11.2 Financial Capital

Financial capital is another key challenge for diversifying economic activities in rural areas. Findings for credits indicate that the influence of credit on diversification is mixed. For instance, Escobars (2001) finds out that access to credits plays a key role in self employment activities both in agriculture and non-farm activities. This implies that access to credit is also a key determinant of self employment and other diversification strategies. Lack of credit and the general lack of financial resources in farming community obviously hinder their engagement on non-farming activities (Ibid).

2.1.2.11.3 Social Capital

The third major factor that affects rural livelihood diversification is social capital. Social capital comprises the social resources (e.g. network, group membership, trust relationships, access to wide institutions of the society) up on which people draw in search of livelihood (Ellis, 2000). Lanjauw

(1999) as cited in Gordon and Criag (2001) pointed out that: "... other characteristics (as side from education), such as race, gender or caste, also play an important role in determining the probability of employment ...."

2.1.2.11.4 Human Capital

Human capital refers to the labor available to the household and other qualities embedded in it, i.e. education, skills and health. Human capital has been identified as one of the important variables with considerable impact on livelihood diversification. Reardon (1997) stated that education and skill can be important determinants of livelihood diversification. The higher the level of education, the greater will be the incentive to allocate resources to self-employment and wage employment on non-farm activities. On the other hand, its absence may hamper their involvement in local self-employed, non-farm sector and migration activities (Reardon, 1997).

2.1.2.11.5 Natural Capital

Natural capital comprises the natural resources such as water, land, livestock and common property resources (forest) that are so central to rural livelihoods. Gordon and Criag (2001) pointed out: "these resources provide foundation for farming and also for much of the rural non- and/or off-farm economy".

2.2 Empirical Review of Rural-Urban Linkages and Livelihood Diversification in Ethiopia

2.2.1 Rural-Urban Linkages in Ethiopia

Some studies have specifically tried to deal with the significance of rural-urban linkages and Non-farm activities in Ethiopia (Tegegne, 1995; Mulatu and Teferi, 1996; Mulatu, 2001; Tasew, 2002; Yeheys, 2004; Demissie and Workneh, 2004; Tegegne, 2005; Wendye, 2005; Gete, 2006; Bezabih, 2006; Assefa, 2006; MWUD, 2006; Birhanu, 2007; Tegegne, 2008). At the risk of oversimplification, their work could be summarized as follows.

Agriculture is the main stay of most people (84%) in the country (Tegegne, 2008). Despite this fact, the sector is not well developed and integrated to the urban centers. Consequently, it needs the support and development of other sectors for its own proper development to meet urban market demands.

Therefore, development of non-agricultural sectors including urbanization is important for the progress of rural economy (Assefa, 2006). Hence, it is evident that without well developed urban system and rural economy that is linked to national and international markets, symbiotic rural-urban development is unthinkable.

In Ethiopia, the field of development has been shared between urban and rural issues. Prosperity/underdevelopment of the two spatial units is the direct outcome of development strategies adopted by the country. These strategies have failed to integrate the two spatial units for mutual development in a meaningful way, since they have been either rural or urban biased (Assefa, 2006). A review of development strategies of previous regimes in Ethiopia viewed rural areas as the key for national development. The imperial regime has drafted three successive five Years plans between 1957 and 1974. However, none of these planes explicitly considered the issue of RULs and they all have failed to recognize the inherent interdependence between urban and rural area by focusing on mutual linkages (Assefa, 2006).

Later, the socialist ideology replaced the imperial regime (Tegene, 2008) and adopted a centrally planned economic system, which undermined the role of market to create interaction between urban and rural areas (Assefa, 2006). The Derg period was characterized by slow urbanization, strict control of migration, industrialization by nationalization and weak RULs. Overall, the socialist policy did not offer a favorable condition to small scale and informal sector as compared to large industries that were concentrated in major cities. Due to their primary location and character; these large industries were concentrated in major cities. Due to their primary location and character, these large industries were able to create only few local linkages that underscored the role of small towns and their hinterland for development (Tegegne, 2005).

In the post Derg period, Agricultural Development Led Industrialization (ADLI) had been officially affirmed as key development strategy of the country. The strategy was adopted on the premise that increases in agricultural production and inter-sectoral linkages would fuel industrialization (Tegegne, 2005). Since ADLI anticipates/expect that urbanization to be the derivatives of the rural sector, it was highly criticized by researchers like Assefa (2006) as it neglects urban development and RULs. On this ground, Assefa also argued that the current development paradigm is not fundamentally different from the previous regimes when it comes to RULs.

The argument for and against ADLI is endless with no consensus on its appropriateness and effectiveness. Likewise, a review of the available literature reveals that ADLI draws somewhat a strong support with few intense criticisms. Supporters argued on the premise that rising income in the agricultural sector would offer a huge market for non-agricultural sectors enchaining both forward and backward linkages between the urban and rural areas (FDRE, 2003). Despite such arguments in favor of ADLI, critics argue that urbanization should be a prerequisite to foster a symbiotic rural-urban development (Birhanu, 2003). Another strategy in which the government gave its primacy to rural people was the Sustainable Development and Poverty Reduction Strategy (SDPRP). Although the logical arguments included in SDPRP are sensible, it has failed to achieve its objectives due to threats posed by limited domestic market for farm outputs, weak RULs and the slow urbanization (Assefa, 2006).

Though the national economic policy envisages brining about Agricultural-Led Industrialization Development, there was a constraint in creating linkages between urban and rural areas (MFI, 2005). Recently, however, the Ethiopian government designed plan for Accelerated and Sustainable Development to End poverty (PASDEP) since 2005, as the most consolidated policy framework in the country's history. In terms of RUL, the strategy states, "RULs need to be strengthened to maximize the poverty impacts and to take full advantage of the synergy" (MWUD, 2006).

Gete, (2006) assessed the need for strengthening RULs in Ethiopian in the context of current development efforts. The study reveals that except the newly drafted plan (PASDEP) the previous development strategies were rather urban or rural biased. The plan aims to enhance RULs by promoting deeper linkages between agriculture and industry and by supporting the development of small urban centers. The availability of well function markets and marketing service, strengthened non-farm activities between town and their hinterland, improved rural access roads, improved telecommunication, spread of general education and technical-vocational training in peri-urban areas are set as preconditions to achieve PASEDP's overall objectives in general and to strengthen rural-urban linkages in particular (Assefa, 2006).

Compared to East African countries like Tanzania and Kenya, RUL studies in Ethiopian are limited (Tegegne, 1999). Even the studies ones are mainly concentrated in and around Addis Ababa (Assefa,

2006). Backer (1992) conducted the first consolidated RUL study in the country. He studied the role of the Guraghe people who have developed a special expertise in trading and business affairs to enhance RUMLs. The study disclosed that the wisdom of Guraghe, have played a great role to strengthen RUMLs in the country owing to the close links maintained between the urban based Guraghe and their rural areas of origin (Backer, 1992). Backer (1986) cited in Tegegne (2002) assessed the rural-urban gap in Ethiopia and found out that towns are serving mainly as regional market centers. Nevertheless, the study circumvents/evade and does not give much more emphasis to RULs though small urban centers were focus of the study (Tegegne, 2002).

Mesfin, (1995) conducted a comparative study on ten market towns to assess their role in strengthening rural-urban economy in the former Jibat ena Mecha Awraja. His finding reveals a weak RUL owing to inadequate socio-economic and physical infrastructure to intensify the interaction. Tegegne and Tilahun (1996) studied the impact of agricultural performance on the development of Itaya and Huruta towns and concluded that apart from trade linkage other forms of linkages were weak or non-existent. Tegegne, (1999) conduced a comparative study on two towns (Limu and Robe) and their hinterlands. The study found out that except consumption linkages all other linkages are non-existent. Besides, the virtuous circle model of RULs gets a poor fit. Instead, he identified a truncated linkage that fits well the study areas. Similarly, Goitom (2005) in assessing the RUMLs in Mekelle town and its surrounding reported that except consumption linkages, other forms of linkages are found to be weak.

Different researchers often quote RUL as one means of livelihood diversification and poverty reduction (Gete, 2006; Birhanu, 2007). Bezabih (2006) on his part assessed implication of RULs for livelihood diversification in Kefa Zone. He identified factors that lead to positive and negative interaction between Bonga town and its hinterland. Exchange of commodities, supply of agricultural and forest products and the presence of well established social relationships are among the positive driving forces. On the contrary, unlimited expansion of Bonga town, natural resource degradation, poverty, lack of enabling environment, market imperfection and lack of processing plants were among the factors that lead to negative RUL in the study area (Bezabih, 2006).

Tegegne, (2006) studied the status, challenges and opportunities of RULs in Ethiopia. As per of his finding, Ethiopia has under developed RULs which can be manifested by the weak spatial and inter-

sectoral linkages due to low agricultural productivity, shortage of input supply and lack of rural financing and communication networks. The most important opportunity/prospect identified by Tegegne, to enhance RUL in the contrary in the current policy environment set to address various socio-economic dimensions.

Besides these good prospects, RUL have been faced with numerous challenges that range from some policies to the functioning of the socio economic environment. Rural land tenure policy, inadequate marketing facility, poor road net work, inaccessibility, limited flow of finance, traditional agriculture, lack of small and medium enterprises, absence of agro processing industries are the major threats that affect RUMLs in Ethiopia (Tegegne, 2006). Strengthening marketing facilities, promoting decentralized urbanization, fostering linkages between agriculture and industry, intensify physical connection, avoiding threats to rural-urban migration are strategies suggested by Tegegne to combat the aforementioned challenges.

2.2.2 Livelihood Diversification in Ethiopia

Empirical studies show that about 30% to 50% rural household income in Sub-Saharan Africa is typically derived from non-rural income (Sahn, 1994); Reardon, 1997 cited in Ellis, 1998). In some region for example in Southern Africa, it reaches up to 80% to 90%. In Asia, where many landless families wholly depend on non-farm income as a source of survival, the average proportion is around 60%. Rural population growth, farm fragmentation and declining agricultural productivity are the major underlying reasons for the rural livelihood diversification (Ellis, 1998).

A survey carried out in most countries over the last decade suggest that the share of household income from non-farm sources account for 40% to 50% of average rural household income in Sub-Saharan Africa and Latin America and 30% to 40% in South Asia with the majority of this coming from local rural sources rather than through urban migration (Start, 2001).

In rural Ethiopia where farming is the main source of livelihood, households tend to diversify their income source due to both pull and push factors. Accordingly, rural households are usually engaged in multiple activities both within and non-farm sectors. Some households might depend exclusively on crop farming for their livelihood while others on mixed farming and still others might try to exploit opportunities in densely populated areas (Demissie and Workneh, 2004).

Rural livelihood diversification generally occurs of an increased importance of off-farm wage labor in household livelihood portfolio or through the development of new forms of on-farm production. In both cases, diversification ranges from a temporary change of household livelihood portfolio which is occasional diversification, to deliberate attempt to optimize household capacity to take advantages of ever changing opportunities and cope with unexpected constraints which is strategic diversification (Warren, 2002).

Deterioration of agro-ecological environment, isolation of rural communities from the rest of the economy especially markets, population increase, lack of productive assets such as health, skills, land and capital have serious impact on the livelihoods of rural people since the majority involve in agriculture. They have to look for other ways of complementing their farm income such as selling their labors to others better-off farmers and non-farm activities such as petty trade, hand crafts and daily laborer (Ibid).

Non-agricultural economic activity plays a crucial role in providing additional income to rural households. It enhances households' economic viability and food security by fulfilling critical cash and food deficit when agricultural production falls short and also enabling households to avoid grain sales (Yared, 1999). Rural households engage in a variety of non-agricultural activities including involvement in food for work schemes, wood and charcoal sales, grain trading, petty trading, migration, liquor sales and sales of handicrafts (Degefa, 2005; Yared, 2001 and 2003). Livelihood strategies enabled households to establish different levels of food security at large (Degefa, 2005; Weldeselassie, 2001).

It is not only poor people diversify their income sources to meet their food and income to meet their food and income needs but also the rich perform diverse portfolio to accumulate wealth (Murry, 2001).

Currently, livelihoods largely relay on non-farm activities such as local wage labor employment and migration. The importance of these agricultural activities in the livelihoods of rural people in developing countries has been young fast. The share of non-farm income in the total earnings of the rural population is about 42% in Africa, 40% in Latin America and 32% in Asia. The corresponding figure for Ethiopia is 36% (Reardon, 1997 cited in Degefa, 2005). This increasing trend in proportion

of people who are making their livelihood from non-farm activities and the shift from agriculture to non-agricultural ventures is defined as de-agrarization (Bryceson, 1996 cited in Degefa, 2005). Diverse livelihood activities including crop production, livestock rearing and multiple non-agricultural activities are undertaken by the rural people in Ethiopia .Most rural households in Ethiopia have diverse means of survival (Ibid).

Studies conducted on destination in northern highland of Amhara region pin point that access to and ownership of productive asset strategies such as agricultural intensification and extensification, rural non-farm diversification and migration in combination are the best ways to reduce poverty and food security (Devereux et al, 2003).

The study done by Tegegne (1995) indicates that involvement in non-agricultural activities positively influences farm productivity. He noted that farmers with non-farm income in Damotgale and Kachabira Woredas were prompted to cultivate more land, utilize fertilizers and engage in cash crop production. He argues that rural development policies should focus on a broader local development strategy that integrates the farm and non-farm products.

The study done by Mulatu and Teferi (1996) on Gera Mider, Ankober, Debre Birehan districts in Northern Shewa found out 59·5% of the total cash income of farming households were from non-farm and off-farm activities. At the same time they noted that these activities were low return activities used as survival strategies by households faced with declining land size and agricultural productivity.

An Assessment made by Ministry of Labor and Social Affair (1997) shows that rural Non-and off-farm activities in Ethiopia are characterized by low capital requirements, low-quality, and low productivity jobs. About 21% of the rural populations in Afar, Amhara, Tigray and SSNP state were reported to have supplemented agricultural production with non-and off-farm income·
Mulatu (2001) underscored the importance of market information for labor and agricultural products. He points out that training in entrepreneurship and management, technology development and dissemination among crafts people, the need for cooperative-supported activities and expansion of social and physical infrastructure as essential to maximize the benefits from non-and off-farm activities.

Tasew (2002) argues in favor of farm and non-farm linkages. His finding in Enderta and Adigudom districts shows that farming households derives 35% of their total annual income from off-farm wage labor and 8% from non-farm activities. He further notes that income diversification in to off-farm activities can increase agricultural output per unit because, apart from providing additional income that enables them to purchase farm inputs, farmers can acquire managerial skills and experience that help them minimize soil mining and maximize production using better farming practice. However, it is not clear as to how and to what extent this can be facilitated because farmers have been practicing off-farm activities including public work programs for years and it is doubtful whether farm productivity has come about as a result.

Yeheys' (2004) and Wendye's (2005) works are similar to one another, and not different in their essence. They present locally specific quantitative justifications to settle on similar policy recommendations. The whole essence is that access to education, credit, natural resources, family size and policy issues affect involvements in non-farm or off-farm activities.

In almost all of these findings there is an element of argument that testifies to the failure of the agricultural sector in providing sustainable employment and livelihood and that the rural non-farm and off-farm activities lacked in policy and institutional support. There is an increasing recognition of that climatic change, poor soil fertility and population increase serve as the underpinning factors for the livelihoods diversification of rural households. It is also suggested that non-farm activities can provide employment opportunities and production, consumption, and investment linkages with the agricultural sector (Tegegne, 1995; Tasew, 2002).

Tegegne (1995) give more emphasis on the production linkages between the farm and non-farm activities. More specifically, he recommends the expansion of education and the development the livestocks center as a means to enhance rural growth linkages. His argument was supported by Mulatu and Teferi's (1996) work, which basically recognized the need for farm and non-farm linkages for bringing about effective development. However, Mulatu and Teferi arrived at a conclusion that off-farm and non-farm activities in North Shewa were mainly survival strategies in an area of declining productivity and recommended the need for reallocation of labor and land toward live stocks production and forestry, if farm-non-farm linkages be achieved. Moreover, they also underlined that skill training service would also be important to improve the potential contribution of the non-farm sector.

2.3 Conceptual Framework

In order to ensure rural-urban linkages and their implication on livelihood diversification, the conceptual framework has been developed. The framework has adopted by employing studies of Okali et al (2001) for South Eastern Nigeria and Xaba and Assoliates (2005) for South Africa. The framework is informed by the proposition that rural and urban areas are interdependent localities, characterized by activities that link people, ideas, goods, services and money, all aimed at meeting human needs although in some cases unwanted effects have been seen in the livelihoods of households. In other words, the frame work focuses on rural-urban linkages and their positive and/or undesirable effects have been seen in the livelihoods of the rural and urban areas.

The spatial interactions between rural and urban areas are reflected by the flow of people, goods, money, information, etc, and also activities like trading and other non-farm activities straddle the two localities. These interactions are also affected by different factors, such as political, economic, socio-cultural, and physical environments. Indeed, geographical distribution of resources more affects interaction as well as livelihoods of households both in urban and rural areas. Although the linkage exists between rural and urban areas; their scale and strength are determined by global and national level socio-economic as well as political conditions, land and/or household and individual level interactions are important for dynamics of households' livelihood strategies. For majority of the world's poorest residents, local rural-urban linkages, investment patterns and population movements are probably for more important than the touted global links, foreign direct investment and international migration (Satterthwaite, 2000). Rural-urban linkages are more important to achieve balanced economic growth and also improve the livelihoods of households. For example, isolated rural settlement that cannot tap local urban market will not benefit from the expanding global markets.

Rural-urban interaction involves attention to change in livelihood strategies. These influence access to a number of assets which include natural resources such as land and water for farming purpose; labor and human capital (education, skills, health) important for both farm and non-farm activities; financial capital, including credit; and infrastructure including roads, transport and markets (Tacoli, 2002). Although transportation in which households and individuals make a living are perhaps the most striking aspects of rural-urban linkages and, in many cases involve multiple occupations ranging from farming and services to processing and manufacturing diversification. However, the framework attempts to look in to the effects/implication of rural-urban interactions or changes in the households

require longitudinal research methodology and/or analysis of reliable secondary data. Therefore, time limitation, shortage of money and nowhere to be found of reliable series data restrict the scope to identify and examine the changes in the households' livelihood strategies (i.e. change on economic, physical, natural, cultural, and political environment households exist in). However, the study tries to show the role and unwelcome effects of the linkages through the feasible methodologies. For example, migration affects the income and plays an important role as a source of information about urban areas for rural households. On the other hand, it has also an adverse effect of labor shortage on family farming.

The framework attempts to use physical, demographic, and socio-economic condition in the rural villages and urban areas as base of analysis, because these factors affect the links of the two spatial units as well as livelihood strategies of rural and urban households. Most of the environmental factors affect communities and in some cases particular households. Erosion may be serving in a certain localities with the result that some farmers suffer more than others. Loss of soil fertility, coupled with population increase has resulted in a greater pressure up on the land and lower productivity. Hence, the farmers may be forced to either non-farm activities or migrate to urban areas for survival/"environmental degradation, population growth, land subdivision make it difficult for large number of farmers in many regions to relay only on agriculture" (Tacoli, 1998).Where there is a collapse under combined weight of landlessness, degradation, fragmentation , drought etc widespread urban movement needs to be part of the strategies whereby people should be encouraged to find alternative means of livelihoods. Distance from the urban center, in this case, physical infrastructure particularly efficient rural roads connecting from rural to urban areas is necessary beneficial in reinforcing local interactions. Of course, economic factors play a decisive role for access for market than spatial proximity. That means access to land, capital and labor may be far more important in determining the extent in which farmers are able to benefit from urban market (Tacoli, 1998).

To sum up, the model attempts to reveal rural- urban interactions and their implications on the livelihoods strategies of households. As such, different physical, socio-economic and demographic factors responsible for linkages and on the other hand influenced by the linkages of the two spatial units would be critically analyzed using this model.

Chapter Three

3. Description of the Study Area

This chapter describes the location, physical, human as well as socio-economic conditions of the study area. As such, it presents a concise picture of the general background of the study area.

3.1 Location of the Study Area

Sebeta town, the administrative center of Sebeta Hawas Woreda (district), is found in special zone of Finfinne surroundings in Oromiya Regional State at a distance of 24km away from Addis Ababa to Southwest direction of the country along the main road on the way to Jimma. Astronomically, it is situated at 8° 55'38" N - 8°59'58"N and 38° 37'11"E - 38°39'33"E. The town has common boundaries with Addis Ababa in North and North East, Furi Villages in South East, Dima Atebela and Gedenba Villages in the South, Haro Jilla in the Northwest, Mogle Mountain and Koche Wegido Village in the West (SHWARDO, 2011).

3.2 Topography, Drainage and Climate

Sebeta has slightly north-south sloping topography, bounded in north by chain of hills and mountains including Mogle and Wachacha and to the north east by Furi. In the north hilly part of the town, Meta Abo Brewery and Suba Forest (Park) are found. These places play a substantial role in balancing the ecology of the area because various types of endogenous trees are found in these areas.

According to the Regional Urban Planning Institute (2008), the town is found at an elevation of 2,350 meter above sea level with an estimated total area of 99 sq km in the current topographic map of the town. The current area of the town has exceeded the area of the town before five years ago which was 10sq km. This clearly shows that the town is expanding rapidly as a result large portion of the surrounding farm land has been transformed in to the urban land/function. The major streams that drain the area are Atebela, Dima, Sebeta, Boneya, Akaki, Bole, Magno rivers and seasonal streams like Meta Abo and Mariam Spring. Those streams used for irrigation and disposal of waste generated by Tannery and plastic factories without safely treated.

The town's climate is classified as the 'balda dare' moderate temperature climate. The climate of the town is almost the same as Addis Ababa and globally it is part of tropical humid climatic region which is characterized by high rain fall and warm temperate zone. The annual rainfall distribution is about 1000-2000mm per year with annual average temperature of 12.7°C to 24.4°C. The areal distribution of vegetation around the town includes eucalyptus trees on the mountain, home stead and shrubs as well as bushes are worthmentioning (STID, 2011).

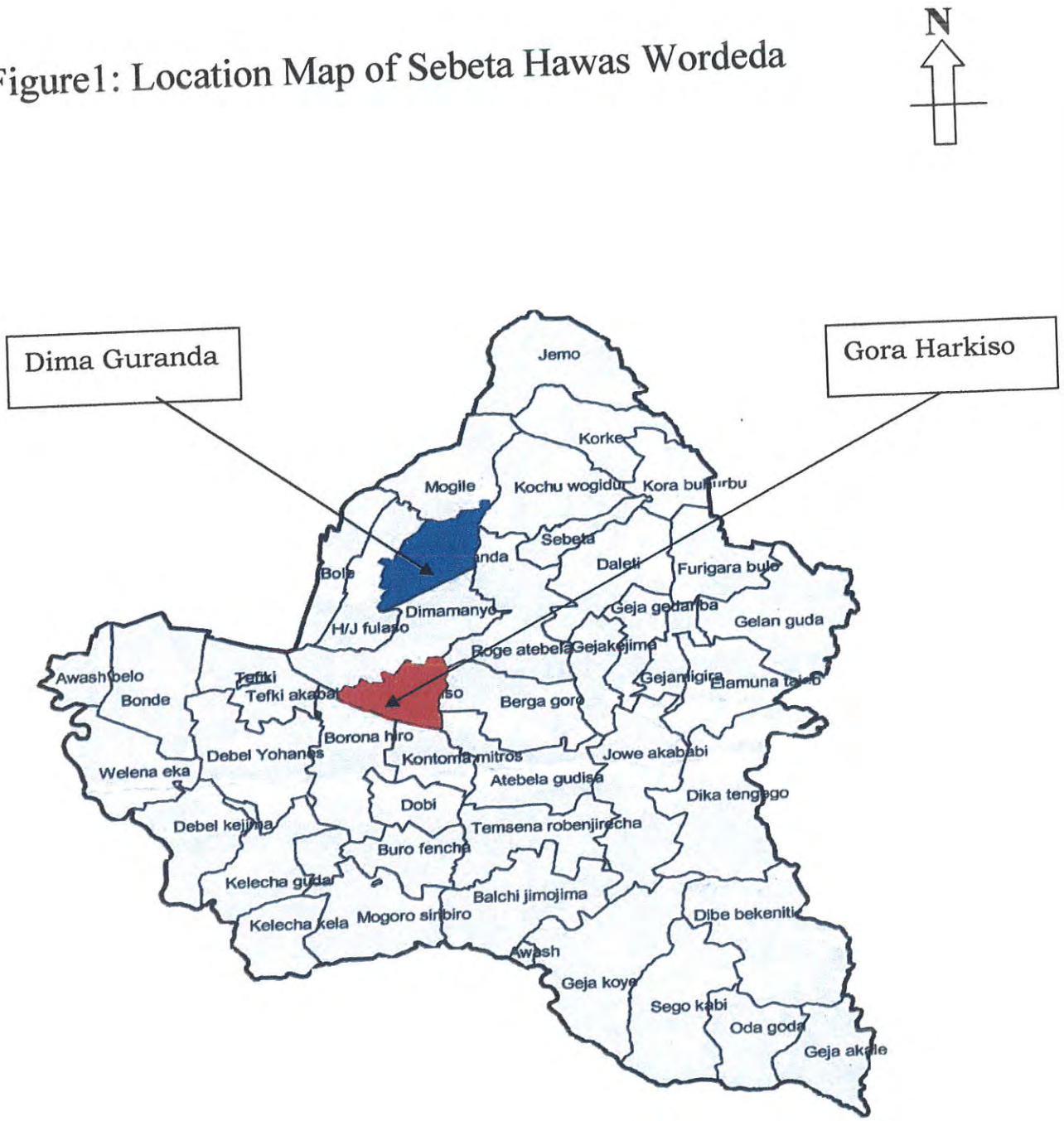
3.3 Foundation

There is an oral tradition for the name given to the town; it was named by the local leader of Jimma called Aba Jifar. At that time, when the king came to visit the emperor Menikik of Ethiopia with his accompanies when he reached the area, he said to his accompanies in Afan Oromiffa language "Sabbata Keessan Jabeeffadhaa" meaning we are reaching Addis Ababa tie your belt or be strong. From this time onward the dwellers of the town named the area as Sebeta.

The municipality of the town was established in 1938 and the master plan was prepared for the first time in 1964 and revised in 1986. Currently, in 2008 new master plan has been prepared by Oromiya Urban Planning Institute (OUPI). The proximity of the town to Addis Ababa and highway passes through it makes the town convenient for residence, urban agriculture and different types of investment. In 2003, in accordance with urban local governance proclamation No. 65/2003 of Oromiya Regional State, Sebeta was classified as the third grade town. Starting from May 2006, the town enhanced to the first grade-A and it is one of the high public land leased hold implementing towns in the region.

The town's proximity to Addis Ababa, the economic policy of the country, the existence of large number of private investment as well as being the town leasehold in the region are directly or indirectly contributing for the fast growth and the existence different economic activities. Moreover, these situations indicate migration of the people both from the rural area and urban centers of the country which result in an episodic growth of the population. Currently, Sebeta town administration is organized in to 5 kebeles in which two of them newly incorporated from the hinterlands (See the Master Plan).

Figure1: Location Map of Sebeta Hawas Wordeda



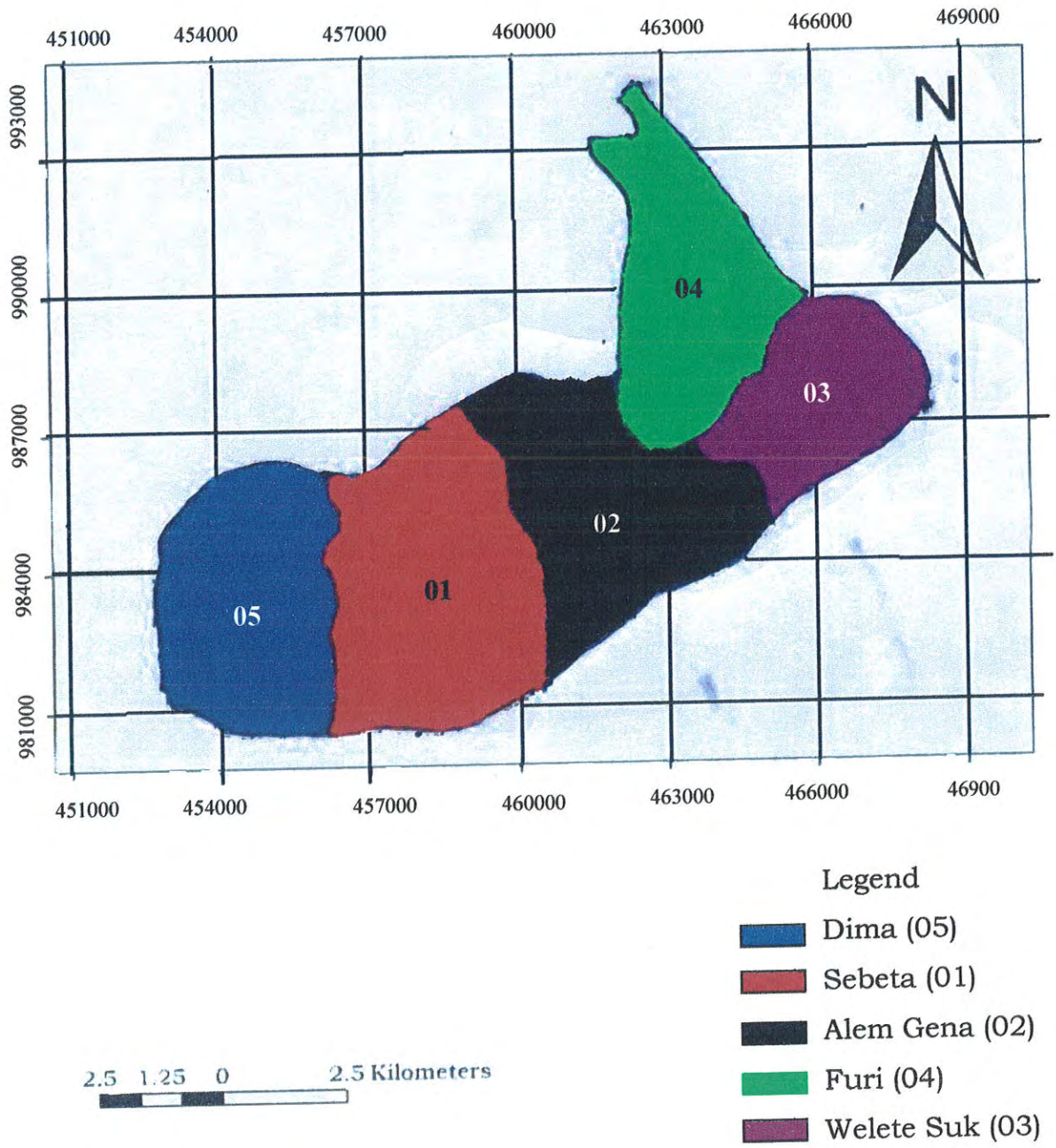
Scal 1:350,000

Key: The Rural Kebeles

- Dima Guranda
- Gora Harkiso

Source: Land Administration of SHARDO, 2011

Figure 2: Structural Plan of Sebeta Town by Kebele



Note: Sebeta (01) is Sampled (Study) Kebele

Source: Sebeta Town Land Administration Office, 2011

3.4 Economic Aspect of the Town

The type of economic activities of Sebeta town that generates employment opportunities to the active population of the town in includes manufacturing, wholesale, retail trade, transport, communication; quarrying and construction are the largest division in which the economically active population of the town is engaged. Moreover, urban agriculture both within and around the boundary of the town are paramount contribution for a significant number of population.

The town is characterized by high concentration of industrial development like other towns in the region located at the boundary of finfinne (Addis Ababa). There are more than 106 small and medium scale manufacturing in the town; in which two of them are Tannery factories, one Brewery (Meta Abo), 20 Plastic, 19 food and Beverages, 6 Furniture, 5 Baggage industries and 53 other different types of industries are located in the town (Trade and Industry Office of the Town, 2011). There are also 8 agro-industries of which about 1% only rely on locally produced raw material use (Mama's milk processing, Mars Flour factory and Tannery), which use partially imported materials from abroad. In addition, there are 12 Real Estate Developers and 14 Flower Farm in the town.

The trade activities of the town, because of its proximity to the primate city, the town acts as an intermediate for rural hinterlands and the surrounding small urban centers. As the data obtained from the Trade and Industry Office of the town shows that, there are 3 wholesales, 414 retails and 175 Service rendering related trade activities established in the town such as Groceries, Butchery, 'Teji-bet', Juice Houses, Clinics, Pharmacy, Animal Drug Vendors, Tea Rooms, Restaurants and Recreational Centers and others.

Currently, five financial institutions serve the town (i.e. four Banks and two Credit and Saving Association). The banks are commercial Bank of Ethiopia, Dashen Bank, CBB and Abyssinia Bank.

3.5 Population Characteristics of the Town

According to (CSA, 2007) the population size of the town was 56,131 (27, 862 male and 28,269 female) and 133,746 (68,908 male and 64, 838 female) of the Woreda i.e. 41 rural kebeles respectively. Besides the natural growth by virtue of its proximity to Addis Ababa city, high

promotion of investment opportunities and convenient for residential uses are pull factors while high demands for house land in Addis Ababa and low provision of housing land as push factor, the population of the town increases from time to time at alarming rate since 2004. As such, the town entertains large number of migrant population both from rural and urban areas. According to (CSA, 2007) the growth rate of population was estimated to be 4.1% and 2.5% of urban and rural respectively. This large number of population ensures high market for rural products. The population compositions of the town based on ethnicity, the majorities are Oromo while Amhara, Guraghe, Gamo and others dwellers are also living in the town.

3.6 Infrastructure and Municipal Services of the town

i. Social Services

The town currently endowed with17 KG, 23(1-4) Grade, 1(9-10) first cycle secondary education, 1 Preparatory school which Private and Government owned each. The spatial distribution of health service like education which are private and government owned existed in the town includes 17 clinics, 1 health center, 11 drug Vendors and 1 Drug store. The health professionals in the town served both the town and rural hinterlands. These institutions provide reproductive service, sanitary and used as a referral of health posts of rural areas. The drug vendors act as a source of medical facility and drugs for the nearby rural areas. The town administration has been prepared to construct a hospital in the town to improve the health services of the residents.

The cultural and recreational facilities in the town are three stadiums and one on going center, one public library which is administered by municipality of the town. Besides, the Meta Abo Berwery and the Suba Parks provides recreational service for dwellers of the town, the surrounding rural kebeles and even the people of Addis Ababa.

ii. Transportation and Infrastructure

The town has three directional asphalted high way roads, out of which, from Sebeta to Butajara is165km. Sebeta to Jima is 311km and Sebeta to Addia Ababa is 24km and also the town has few surfaced internal roads that radiated from the town towards Suba forest/park and Furi Radio Station. The feeder local roads are made of "coble stone" to make the town's picture attractive and suitable for residential use.

The mode of transport used in town is buses (No.26 and 62) which serve the population of the town radiate from Addis Ababa Legehar and Merkato respectively while the town also gets sufficient mini-buses, taxi and Bajaj transport service. Besides, some Public Transport Association like Gissila, Kokeb, Keste Demena, Awraris which are situated in the town beamed to further Tefki, Tulubolo, Welisso, Welkite and other that beamed in the direction from Alem Gena to Butajira, Awash Kuntere, Boneya, Jewe and Lemen. There are also traditional means of transport that is horse-driven carts used by the people in some inaccessible sub-kebeles/gots and peri-urban areas.

iii. **Infrastructure of the Town (Electricity, Telecommunication and Water)**

Electricity: - According to the information from Electric Supply Office of the town, Sebeta has been benefited from hydro electric power since 1938E.C. The town supplied with 49,900 kilo watt electric power. The current supply of power to the town is sufficient to fulfill the electric demand of the residents/households, business/commercial activities and other economic sectors. The small trader which provide mill grains that serve both rural and urban dwellers, factories and industries use power for processing of their inputs.

Water: - At present time the town residents have got adequate access of safe water. The remaining satisfies their needs from sprigs sourced from nearby hinterlands (rural) rivers and deep hole. According to the manager of Liquid and Water Office of the town, the water supply since 1996 – 2002EC indicated that 483,037 m3 – 839,657 m3 respectively. The water which is sourced from rural areas that serve the town clearly shows the inter dependence of the two spatial areas even with natural resource.

Communication: - Sebeta has access to mobile and telephone services for the residents of the town and its surrounding customers. It plays a significant role in connecting people by providing information and even providing educational programs through radio, which could widely reach in to rural kebeles. The information about different socio-economic activities in the town and rural areas helps the dwellers to enhance their production and service provision.

3.7 Description of the Hinterlands

Hinterland is an area of influence or continuous area around a town from where people frequently commute to the town to obtain certain goods and services. In the study area, an area of 10km radius from Sebeta town is adopted as hinterland. The town is engulfed by Sebeta Hawas Woreda almost in direction except, in the Noth and North East with Addis Ababa. The hinterland is the main geographic unit that it has immediate interface with the town. Among 41 rural kebeles in the woreda, eleven of them (Roge Atebela, Koche, Dima Guranda, Dima Magno, Daleti, Haro Jilla, Mogle, Korke, Furi, Gora Harkiso and Bole) are found in the hinterland within 10km radius, of which Dima Guranda and Gora Harkiso were selected as a sampled kebeles for study.

In the rural areas people engaged in mixed farming system in which both animal husbandry and farming grains are the major economic activities. In general, the rain fed agricultural (farming) activities are the major practice and small irrigation newly appeared in scattered areas.

The rural farming grain crops that mainly serve for household consumptions and raw materials for some industries such as Teff, Maize, Lentile, Wheat, Barely, Beans, Peace, Chick Peace and Vetch. Moreover, Vegetables like Potato, Cabbage, Beet Root, Carrot, Tomato and others are also produced. Furthermore, animals reared that can be used for farming activities, dairy products as well as animals which serve as transportation.

The rural areas mostly use sebeta town to sale their products and in turn buy basic needs and agricultural inputs as well as they have got services like Postal, Telephone, Education and Health services from the town. Similarly, the town households need agricultural produces for consumptions and raw materials for their industry for further processing.

Chapter Four

4. Results and Discussions

4.1 Demographic Characteristics of Sample Households

This section describes the demographic characteristics of sampled households both the rural and urban areas. Among the major demographic variables: sex, age, marital status, level of educational, religion, ethnicity and family size are summarized from the field survey data to offer bird's eye-view to readers on the general characteristics of the study population.

4.1.1 Demographic Characteristics of Sample Rural Households

In order to undertake an assessment of rural-urban linkages and their implication on livelihood diversification in the study area, 100 households were selected from the two kebeles of Dima Guranda and Gora Harkiso. Out of the total respondents 84% of households are male while the rest (16% of households) are female headed households.

With regard to the age structure of the respondents as shown in (Annex 1), about 6% of the respondents belong to the age group of 20-30 while about 38% of them belong to the age groups of 31-40 years. The age groups 41-50 stands second (28%) while about 24% belongs to 51-60 years and only 4% of the respondents are found to be above the age of 60 years. This clearly indicates that about 96% of the respondents are adult population and in the active productive age groups. This implies that most of the respondents persue different livelihood activities either in their locality or through cyclic migration.

Concerning religion, 96% of them are followers of Orthodox Christianity and 4% are Protestants. Other religions such as Muslim and Catholicism were not reported at all. Regarding ethnicity, 88% of the respondents are of Oromo tribe while the remaining 12% is divided equally between Amharas and Guraghes.

Family size in the study site plays a crucial role in livelihood diversification. It determines the availability of labor to peruse different activities on the farm as well as non-farm. A large family size is likely to contribute positively to livelihood diversification by increasing farm labor availability, non-farm activity engagement and migration. Family size was taken as the number of dwellers at the time of the survey which constituted of household head, spouse, children and any other dependents staying on a permanent basis. As far as the family size is concerned the mean family size for the sample households was found to be 6.4 members. Of the total respondents, 14% of the respondents have a family size ranging 1-4 while 58% of them have a family size ranging from 5-8 and 22% of them from 9-12 persons. The rest 6% of farmers have above 12 but highest family size is 13 and it was reported in Dima Guranda rural kebele in the Woreda. The large number of family size could be an input to compute over the available livelihood resources i.e. land owned by the household heads and the labor to pursue different livelihood activities (see Annex 2).

4.1.2 Demographic Characteristics of Sample Urban Households

Demographic characteristics of sample urban households reveal that out of the total respondents about 80% are male, while the rest 20% are female headed households. The age structure of the respondents discloses that majority (84%) are below 60 years within the active work. More specifically 26 %, 40%, and 18% were in the age category of between 20-30 years, 31-40 years and 41-50 years respectively. The rest 16% were found in the age category above 60 years. About 74% of the respondents are married while 14% are widowed. The unmarried and the divorced have equal percentages (6% each).

Regarding education, 8% were illiterate while the rest 6%, 18%, 32% and 36% were attended informal education, primary, secondary and above secondary education respectively. Concerning, religious denomination 46% of them are followers of Orthodox Christianity and 38% are Muslim. Other religions such as Protestantism and Catholicism were reported by12% and 10% of urban households respectively. With regard to ethnicity, 42% of the respondents were Oromo while 18%, 22%, 14%, and 4% of them were Amhara, Guraghe, Tigri/Worji and Gamo respectively.

As indicated in the (Annex 3), about 18% of the respondents have a family size of 1-3. Households with a family size of 4-6 account for 42% of the sample households while the rest 30% and 10% of sampled urban households have a family size of 7-9 and above 9 respectively. In terms of length of residence, about half (50%) of the sample urban households lived in the kebele for more than 15 years while the rest 8%, 12% and 30% stayed in the kebele from 1-5, 6-10 and 11-15 years respectively. The majority (84%) of sampled households indicated that they are not born in Sebeta. Besides, about 44% of sampled households who are not born in the town are migrants from places other than the hinterland (such as Jima, Ambo, Bale, Welkitė, Addis Ababa, and Gojjam). It is only 40% of them who migrated from the hinterland. This clearly shows that, there is a significant flow of labor to the town even from the hinterland (see Annex 4).

4.2. The Economic Structure of the Rural Kebeles and their Marketing Linkages with Sebeta Town

Under this section, the general economic structure of the hinterlands such as land holding and ownership, agricultural productions as well as basic problems are discussed in line with RUMLs and their implication on livelihood diversification.

4.2.1 Land Holding and Ownership System in the Hinterland

Land is the most vital natural asset for a society that is highly dependent on agriculture. In the rural areas of Sebeta Hawas Woreda access to land is the most important issue to secure household livelihood. Moreover, in the study area, access to land is also the precondition to access other livelihood resources such as formal credit, Iquib and other social networks.

As shown in (Annex 5), out of the total sample households, 94% own land and the rest, 6% are landless. The average land size for the sample households in the study areas is 2ha. However, this average drops to 1.8 ha when the landless are taken into account. At kebele level, the average land holding being 1.9ha.and 1.7 hactare for Dima Guranda and Gora Harkiso respectively. The data gathered on the land ownership system reveals that, 36% of landowners cultivate land below 1 ha. This implies that land is not adequate to lead their life through farming alone. This seems to have a negative effect on the amount of grains marketed, thereby weakening agricultural produce flow.

However, the majority of landowners cultivate more than 1 hactare of land. In addition, about 26% of the sampled rural population owned more than 3 ha, which indicates unequal distribution of land.

As personal field observation clearly shows that households with large farm plots did not diversify in to small informal activities, rather they are trying to accumulate their farm income in order to enter in to self employed enterprise (investment). In contrast, households with small agricultural land are forced to diversify in to different small livelihood activities for their survival. As such unequal distribution of land is one of the factors that limit rural-urban linkages. Unlike households with small agricultural land, some villagers who have large farm plot produce surplus and sell the bulk of their production, thereby strengthening rural-urban linkages.

As far as the patterns of land ownership is concerned, in Ethiopia there is constitutional provision regarding land ownership and use which states that "the right to ownership of land as well as all natural resources is exclusively vested in the hands of state and its people and hence land is common property and shall not be subject to sale or to other means of exchange" (FDRE, 1995). However, there are various socio-economic institutions which facilitate farmers' access to land in the study area.

According to the key informants from SHARDO and the participants of the FGDs, land has not been redistributed for the last three decades after the agrarian reform of 1975. As a result, newly married couples have access to land mainly through inheritance from their parents when they engaged in marriage. The other socio-economic arrangement to secure access to land in Sebeta Hawas Woreda is share cropping arrangement even though it is minimal. Through this arrangement landless farmers or farmers with inadequate plot of land could obtain a parcel of land by making rental contract with farmers who own adequate land but cannot cultivate due to various reasons; it may be due to age, health problem, and labor scarcity and so on). This arrangement requires the availability of labor, draught power and finance of the household's.

Regarding mode of access to land, the data gathered clearly depicts that, about 78% of the sampled respondents cultivated their own land (which was acquired either through distribution of land by rural leaders (39%) or inheritance (32%) or gift (7%)), whereas 6% of the households cultivated shared land (yegara). However, 16% of the total sample households' access through rent-in (contractual)

arrangements. From FGDs and key informants interview it was also found that, the most beneficiaries of this arrangement (contract) is the better-off and households with adequate laborforce (see Annex 5).

The information from FGDs and Key informants confirmed that the physical decline of farm size was due to continuous redistribution of parents to their children whereas decline in quality is due to overgrazing and over cultivation. This in turn resulted with decline in productivity and hence the farmers became poor and food insecure. This condition explains the need for alternative livelihood activities (diversifying activities in villages or nearby towns, or migrate) to secure livelihood and to reduce vulnerability. Even if the aforementioned land-related problems encourage rural-urban linkages in terms of the flow of people, they weaken them in terms of the flow of agricultural produce from rural to urban areas and the potential of farmers to purchase industrial goods from urban areas. Thus, land shortages can have both positive and negative effects on rural-urban linkages.

Land renting is common phenomenon in most rural Ethiopia. To assess this fact, sample households were asked whether they rented-in/rented-out land. The result reveals that only 16% rented-out land to rural people in the last 12 months. Besides, the amount of rented-out land is very small. Out of 16 respondents who rented-out land, only a single farmer rented-out 3hectares of land. The rest ten and five have rented-out less than or equal to 1hectare and 1.1-2 hectares of land respectively. Shortage of oxen and labor are the main reasons mentioned to rent-out land by 62.5% and 25% of the respondents respectively. The rest12.5% has mentioned reasons like lack of inputs as well as age and health related problem as a reason to rent-out land.

On the other hand, out of 100 sample households, 32% have rented-in land in the last 12 months. Shortage of land is the main reason to rent-in land as mentioned by more than half of the respondents (56.3%) while the rest 43.7% of the respondents cited to improve/increase their revenue (income) as a reason. The amount of rented-in land in the last three years shows that, most (97%) rented-in land that is below one hectare while one farmer has rented-in three hectares of land. Generally, four farmers in the hinterland have rented-out land to the urban people revealing the presence of land rent marketing linkages between Sebeta town and its hinterland even though it is insignificant.

More than half (60%) of the respondents indicated that they feel insecure to use their land for the future development. On the other hand, the rest 40% of the respondents indicated that they do not have any problem to use their land for future development. In this regard, future urban expansion as the main reason for insecurity is cited by two-third (66.7%) of the respondents. The rest 28.3% and 5% of them cited expansion of horticulture investment and other reasons (i.e. shortage of agricultural inputs and decreasing soil fertility) as potential causes of insecurity respectively.

4.2.2 Farming System and Problem of Agriculture in the Hinterlands

Rain-fed agriculture is common feature of rural economy in Ethiopia. Farmers in the hinterlands were asked about their sources of water for agricultural production. The data gathered shows that about 78% of the farmers depend on rain-fed agriculture while 22% of them use other sources (such as irrigation and water harvest) for farming. It is only 18(81.8%) of the sampled households/farmers used irrigation as the main source of water while the rest 4(18.2%) of the respondents used water harvest. Land developed through irrigation/water harvest is very small. In this regard, the data gathered show that 90.9% of the respondents used less than 1 hectare of land for irrigation/water harvest. The rest 9.1% of them have used one up two hectare/s through irrigation. Among farmers who use irrigation/water harvest, 16 (72.7%) of them produced fruits and vegetables the rest 6(27.3%) of them produced seedlings. In both rural kebeles, vegetables are produced for sale. Hence, the use of irrigation has good prospect to strengthen RUMLs.

In an attempt to identify the first five serious agricultural problems in the hinterland, ten assumed variables were identified and farmers were asked to rank the first five problems in an ascending order as per of their severity.

The writer's analysis of the likely variables as perceived by sampled farmers in rank order identified shortage of capital as the first main problem that affect agricultural production and productivity in the hinterland followed by shortage of labor force, shortage of land, shortage of oxen and crop pests and diseases respectively. More surprisingly among the ten variables , shortage of inputs and extension service which are main farm implements to increase production and productivity are ranked as the six major problems followed by lack of market services and access to transportation facilities and tenure security respectively. This result is different from the finding of (see Tegegn, 1999). Besides, variables like lack of market service, extension services and transport problems are not the major problems since

they are ranked first and second by none of the respondents. Surprisingly tenure insecurity is not a main problem of the sampled farmers (see table 4.1). Therefore, shortage of capital, labor and land that affect agricultural production are the threat to pursue positive RUMLs.

Table 4.1 Constraints of Agricultural Production as Perceived by Sampled farmers

		Rank Frequency					Sum of The first Five ranks	Rank Order
No	Constraints/Variables/	First	Second	Third	Fourth	Fifth		
1	Shortage of land	40	12	14	18	4	88	3
2	Shortage of oxen	6	16	26	22	12	82	4
3	Shortage labor force	14	18	20	20	18	90	2
4	Shortage of inputs	2	14	6	4	2	28	6
5	Lack of market service	-	-	-	4	4	8	8
6	Shortage of capital	26	28	18	14	8	94	1
7	Tenure insecurity	-	-	-	-	-	-	10
8	Lack of extension service	-	-	8	4	16	28	6
9	Transport problem	-	-	2	4	2	8	8
10	Crop pests and diseases	14	12	6	10	12	54	5

Source: Own Survey, March 2011

Despite the above problem, 26% of the respondents indicated that their agricultural production has increased in the last three years while 42% of the respondents noted that their agricultural production has decreased in the last three years. The rest, 32% of sample households indicated that their agricultural production remained stagnant showing no change in the last three years. Use of modern inputs and improved seeds are identified as the main catalyst to increase agricultural production by 61.5% and 30.8% of the respondents respectively while the rest 7.7% are reported due to the use of irrigation/water harvest. On the other hand, decreasing soil fertility, absence of adequate rain, and shortage of labor force are identified as factors for diminishing pattern of agricultural production and productivity in the last three years by 47.6%, 33.3% and 19.1% of sample households respectively. The sampled farmers were asked about the negative effects of the decline of production on the family

and they responded as about 90% think that the reduction in agricultural production has resulted in engagement of farmers in non-farm activities while the remaining 10% claim it resulted in out migration. Selling land is not specified by any of the sampled rural farmers.

4.2.3 Crop Production and Marketing

Crop production is the primary agricultural activity that engaged most of the farmers in the hinterland. Varieties of rain-fed crops are widely grown during Meher season. The crops produced are mainly food crops that can be categorized as cereals and pulse in their order of importance in terms of local consumption, marketing, size of land allotted and volume of production. There is production of cash crop i.e. Chat to some extent in the hinterland.

The data collected from sampled farmers on the type of crops cultivated and amount of land allotted in the last twelve months for cereals reveals that almost all (96%) of the respondents cultivated Teff followed by Wheat (92%), Vetch (50%), Bean (34%) , lentil (14%), Sorghum (10%), Maize (4%), Chick Pea (4%) and Barely (2%) respectively. In addition to cereals, cash crop (i.e. chat) is produced by 28% of the sampled respondents in the study area. The cash crop would give better income for those farmers who grown it better than food grain. As indicated by the respondents in (table 4.2), about 824 qiurt or timad (206 hectares) of land was allotted for cereal and chat production in the last twelve months. Out of the total cultivated land , Teff covered 371timad (45%) followed by Wheat 270 timad (32.8%), Vetch 56 timads (6.8%|), Bean 42 timad (5.1), Chat 26 timad (3.2%), Lentil 22 timad (2.7%), Sorghum 14 timad (1.7%), Maize 14 timad (1.7%), Barely 5 timad and Chick pea 4 timad respectively (see table 4.8).

Table 4.2: Land Allotted for Crop Production in Quirti/Timad in the Last 12 Months

No	Crops	Amount of Land Allotted for each Crop in Timad						NCF	TLA
		1-3	4-6	7-9	10-12	13-15	>15		
1	Teff	20(20)	22(22)	14(14)	28(28)	4(4)	8(8)	4(4)	371
2	Wheat	18(18)	34(34)	6(6)	12(12)	6(6)	16(16)	8(8)	270
3	Vetch	24(24)	18(18)	4(4)	4(4)	-	-	50(50)	56
4	Bean	12(12)	14(14)	8(8)	-	-	-	64(64)	42
5	Lentil	8(8)	6(6)	-	-	-	-	86(86)	22
6	Sorghum	4(4)	4(4)	2(2)	-	-	-	90(90)	14
7	Maize	2(2)	2(2)	-	-	-	-	96(96)	14
8	Chick Pea	4(4)	-	-	-	-	-	96(96)	4
9	Barely	-	2(2)	-	-	-	-	98(98)	5
10	Chat*	26(26)	2(2)	-	-	-	-	72(72)	26

Source:OwnSurvey,March,2011 *Cashcrop **NCF**=Non-CultivatingFarmers

Figure in Parenthesis are Percentages **TLA** = Total Land Allotted

Cereals production in the hinterland is not market oriented. In this regard, farmers were asked whether they produce cereals mainly for sale. The result reveals that 46% of sampled farmers produce crops mainly for sale. On the other hand, the rest (54%) never produce crops for sale. As indicated by 84.8% and 10.9% of sampled farmers, the subsistence nature of agriculture and high cost of production are the principal factors that hindere them not to produce cereals for sale respectively. Besides, low demand of the crops by the existing agro-processing industries that largely dependent on imported crops are cited as the reasons for production by 4.4% of the respondents (see Table 4.3). To hinterland farmers', lack of access to market related facilities are not major factor since it is stated as an impendent by none of the sampled respondents.

Table 4.3.Extent of Cereals Production for Sale and Related Reasons

	Response Type	Dima Guranda		Gora Harkiso		Total	
		Frequency	Percent	Frequency	Percent	Frequency	Percent
Did you produced Commercial crops For sale?	Yes	16.	32	30	60	46	46
	No	34	68	20	40	54	54
	Total	50	100	50	100	100	100
Reason not producing Cereals mainly for Sale?	High Cost	2	12.5	2	12.5	4	10.9
	Subsistence Agriculture	13	81.25	27	90	40	84.7
	Others	1	6.25	1	3.3	2	4.4
	Total	16	100	30	100	46	100

Source: Own Survey, March 2011

The kebele level analysis in terms of cereals mainly produced for sale reveals that 60% of the farmers from Gora Harkiso produced cereals mainly for sale compared to 32% of farmers from Dima Guranda. On the other hand, more (68%) farmers from Dima Guranda produced cereals principally for consumption as compared to 40% of farmers in Gora Harkiso. It is therefore, worth to mention that farmers from Gora Harkiso have a strong market linkages with Sebeta than farmers from Dima Guranda. This is probably due to large farm land in Dima Guranda covered with chat production.

Marketing is an important livelihood strategy of the rural people. It allows farmers to sell their agricultural produce and to purchase goods for consumption and production. The town is the major trading place for cereals and chat produced in the hinterland. In line with this, sampled households indicated that Lentile, vetch, maize, chick pea and sorghum are wholly sold in Sebeta. Similarly, out of the total sampled farmers who sale cereals, 91%, 85.5% and 83.3% are reported to market their teff, wheat, and barley respectively. As such, the majority of the sampled hoseholds sell their products in Sebeta town. The rest 9% of teff, 14.5 of wheat and 16.7% of barley respectively are sold in central market (Addis Ababa). However, 100% and17% of chat and barely are the two crops exceptionally sold at the farm gate by the farmers respectively. In terms of variety, all crops produced in the hinterland are brought to the market and thus in terms of amount, it is somehow satisfying the town's needs, showing nearly good RUMLs.

Urban dwellers are found to be the principal customers almost all cereals brought to the market from the hinterland. The data (Table 4.4) reveals that the overwhelming majority sell their products in Sebeta town. Some farmers even sold their products at Addis baba market which shows the existing interaction even with the capital city. On the other hand, urban traders are not the principal customers of the cereals brought to the market since only 22.5%, 37.5%, and 25% of farmers sold their produce to the urban traders who own Small Scale Enterprises especially wheat, maize and sorghum as raw materials respectively. Moreover, 100% of the cash crop (chat) produced was sold at the farm gate for those traders who came from Sebeta town and the capital city (Addis Ababa). The data gathered clearly shows that, hinterland farmers have strong marketing interaction with urban dwellers than urban traders except in chat marketing and few grains (see table 4.4).

Generally, regarding the role of crop marketing, a number of sampled hinterland farmers brought their agricultural produces in the town to sale either to the urban dwellers or traders who have small scale enterprises such as Grain milling, Mars and Abahay Flour factories although it is limited. As such, they obtained significant cash/income for livelihood out of their produces depending on the amount and quality of the products which clearly shows the benefit out of crop marketing as a result of RUMLs between the two spatial units. Hence, the cash obtained fom it can be used for different purposes by the farmers in the community under study.

Table 4.4 Marketed Crops, Market Place and Customer

Marketed Crop										
Market place	Teff	Wheat	Lentil	Vetch	Bean	Maize	Barely	Chick P	Sorghum	Chat
Sebeta Town	60(91)	53(85.5	40(100	26(100	20(100	8(100	5(83.3	6(100)	4(100)	-
Local Market	-	-	-	-	-	-	-	-	-	-
Farm Gate	-	-	-	-	-	-	1(16.7	-	-	24(100
Addis Ababa	6(9)	9(14.5)	-	-	-	-	-	-	-	-
Customer										
Urban dwellers	60(91)	48(77.4	37(92.5	26(100	20(100	5(62.5	5(83.3	6(100)	3(75)	-
Urban traders	6(9)	14(22.5	3(7.5)	-	-	3(37.5	1(16.7	-	1(25)	24(100
Farmers	-	-	-	-	-	-	-	-	-	-

Source: Own Survey, March 2011 Figures in the parenthesis are percentages

4.2.4 Fruits and Vegetables Production and Marketing Linkages with Sebeta Town

Under normal circumstances, hinterlands are expected to supply fresh fruits and vegetables while urban centers are expected to accommodate peri-urban products and supply industrial out puts. The reporting farmers indicated that, 16% of them have produced fruits and vegetables in the last two years. The remaing, more (84%) of the respondents had never produced fruits and vegetables in the last two years. In terms of kebele level, 10(20%) of vegetables and fruits producers are from Gora Harkiso while 6(12%) are from Dima Guranda. Out of those farmers who produced fruits and vegetables, about 56.3% of the farmers identified shortage of land while the rest 25% and 18.8% of stated shortage of modern inputs and water respectively as principal factors that hardly allow them to produce fruits and vegetables (see table 4.5). It is only 37.5% of producers brought half of their product to the market. To this end, fruits and vegetables marketing are weak in the study area which would influence RUMLs.

In terms of market place, reporting farmers reveal that all fruits and vegetables are marketed in Sebeta town. Like cereals urban dwellers are found to be the principal customers for fruits and vegetables followed by traders. The data reveal that, 84.2% and 15.8% of the sampled households have sold their fruits and vegetables to the urban dwellers and traders respectively. There is no single respondent who indicated that the local farmers are their customers. This clearly reveals that, hinterland farmers have strong marketing interaction through the sale of fruits and vegetables with urban dwellers than the urban traders.

Table 4.5 Production of Fruits and Vegetables as well as Constraints of Production

Did you produced Fruits & vegetables Last year?	**Dima Guranda**		**Gora Harkiso**		**Total**	
	Frequency	Percent	Frequency	Percent	Frequency	Percent
Yes	6	12	10	20	16	16
No	44	88	40	80	84	84
Reasons not to produce?						
Shortage of water	2	33.3	1	10	3	18.8
Shortage of land	3	50	6	60	9	56.3
Shortage of inputs	1	16.7	3	30	4	25

Source: Own Survey, March 2011

4.2.5 Livestock Ownership, Livestock Products and Marketing Linkages

Next to land, livestock are the principal indicator of wealth, prestige, source of draft power, transportation, and nutrition for hinterland farmers. About 92% of sampled households indicated that they posses different types of livestock. In terms of kebele level, 94% of farmers from Dima Guranda and 90% of farmers from Gora Harkiso owned different types of livestock's. It is only 8% of sampled farmers do not own livestock, of which, 37.5% them are from Dima Guranda while 62.5% of them are from Gora Harkiso. In case of livesock type, hinterland farmers own more oxen than other livestock followed by cows and donkey but horses are the least owned livestock. As the (table 4.12) indicate that, all of farmers in the hinterland have owned a pair of oxen and above which may indicates shortage of oxen is not a problem of agriculture. The data collected from sampled households on livestock ownership reveals that the average number of oxen, cows, bulls, calves, heifers, sheep, horse and donkeys is 2.56, 1.46, 0.74, 1.12, 0.6, 1.72, 0.1 and 1.64 respectively (see table 4.7).

Table 4.6: Livestock Type and Ownership by Hinterland Farmers in the Last 12 Months

Number Livestock Owned	Oxen	Cows	Bulls	Calves	Heifers	Sheep	Horses	Donkeys
One	-	30(30)	38(38)	38(38)	36(36)	-	10(10)	40(40)
Two	52(52)	44(44)	14(14)	14(14)	12(12)	2(2)	2(2)	34(34)
Three	8(8)	4(4)	-	-	-	-	-	8(8)
Four	26(26)	4(4)		2(2)	-	6(6)	-	4(4)
Five	2(2)	-	-	-	-	12(12)	-	-
>Five	4(4)	-	-	-	-	12(12)	-	-
None	8(8)	18(18)	48(48)	46(46)	52(52)	68(68)	88(88)	14(14)
Total	100	100	100	100	100	100	100	100

Source: Own Survey, March 2011 Figure in the pernthesis is percentages

Table (4.7) bellow reveals that 92% of sampled households owned 727.08 TLU in the last 12 months. It also reveals that the average farmer owns more than 7 livestock. About 44.6% of the farmers brought livestock to the market such as Sheep, Oxen, cow, calves and bulls in the last 12 months respectively. This clearly shows that livestock resources in the hinterland are not only used for

domestic purposes. However, as compared to the number owned, livestock used for sale are minimal (15%). Here, sheep are found to be the most liquid livestock accounting 54.5% of the total livestock brought for sale followed by oxen by 21% creating good RUMLs.

Out of the total sampled households, 8% indicated that they never buy and sale any kind of livestock in the last 12 months. While the rest, 92% reported either they bought or sold livestock in the last 12 months. Sebeta town is the major market place to buy and sale livestock for 70% of the hinterland farmers while about 25% and 5% of farmers indicated that they have been buying and selling livestock from other place outside the woreda that is Teji and Addis Ababa respectively, indicating the hinterland farmer's marketing linkages with other small towns and the national capital.

Table 4.7 Livestock Owned, Sold and Bought by Hinterland Farmers in the last 12 Months

	Types of Livestock								Total
	Oxen	Cows	Bulls	Heifers	Calves	Sheep	Horse	Donkey	
TNLO	256(92)	146(82)	74(5)	112(76)	60(48)	172(66)	14(12)	164(86)	998
TLU*	256	146	74	112	6	17.2	9.38	106.5	727.08
ANLO	2.56	1.46	0.74	1.12	0.6	1.72	0.1	1.64	7.38
TNLS	33	20	6	2	8	84	-	1	154
TNLB	16	11	-	-	2	20	6	49	104

Source: Own Survey, March 2011

TNLO- Total Number of Livestock Owned

TLU- Tropical Livestock Unit

ANLO- Average Numbder of Livestock Owned

TNLS- Total Number of Livestock Sold

TNLB- Total Number of Livestock Bought

****The standard conversion factor used to convert in tropical livestock units are 0.1 for goats and sheep, 0.65 for donkey, and 0.67 for mule and horses and 1 for cattle (Jhonke, 1982 cited in Muluadam, 2009)***.

Out of the total sampled households, 55.4% indicated that they never bought and sold any kind of livestock in the last 12 months. While the rest 44.6% reported either bought or sold livestock in thr last 12 months. Sebeta town is the major market place to buy and sale livestock for 70.7% of hinterland farmers while 7.3% of them at farm gate. The rest 12.1% of them used the two market alternatives. Besides, about 9.8% of farmers from other market in the woreda such as Tefki and Teji, indicating hinterland farmers marketing linkages with other small town within the woreda.

The participation of hinterland farmers are not only limited to livestock market. Farmers are also actors in the livestock product market. As the result, 48% ascertained that they sale livestok products. Sebeta is the principal market for livestock from the hinterland, since more (93.8%) of the farmers sell their product in the town. It is only three (6.2%) of the respondents from Dima Guranda who were found to supply dairy product to the Mama dairy processing found in the town. The analysis on the income earned from the sale of livestock products reveals that about (6.2%) of the respondents earned greater than 2000 birr per month. On the other hand, about 12.5% of the respondent earned between 1001-1500birr while 20.8% of them of the farmers earned between 500-1000 birr per month. The rest more (60.4%) of the sampled farmers earned less than 500 birr per household per momth. Thus, the income earned from the sale of the livestock products can be used for different purpose by the households.

4.3 Patterns of RUMLs in Sebeta and its Hinterland

As discussed well in the second chapter, the nature and type of linkages varies from one spatial unit to another as per of the existing socio-economic, political and cultural conditions. One of the main objectives of this study is to identify the Pattern (type and magnitude) RUMLs in the study area. To this end. the available spatial and sectoral RUMLs between Sebeta and its hinterlands are explained under this section.

4.3.1 Backward Production and Marketing Linkages in Sebeta Town and Its Hinterlands

Back ward production linkages occur when agriculture absorbs from inputs produced by local industries or supplied by the nearby urban centers. In turn, small towns are expected to improve farmers' access to farm inputs and service. The magnitude to which hinterland farmers use farm inputs and services, whether nearby towns are centers of such services to the farmers reveal the impact of the urban centers on the hinterland farmers. Above all, it shows the nature of backward linkages the hinterland may have with the nearby town. Such mutually reinforcing pattern of linkages between an urban center and its hinterlands will result in the virtuous circle of rural-urban development.

4.3.1.1 Agricultural Input Sources and Service Usage

In the hinterland, almost all (94%) of sampled farmers use agricultural inputs. In terms of kebele, about 92% of farmers in Dima Guranda and 96% of farmers Gora Harkiso are reported to use the same kind of the farm inputs. The predominant type of input used in terms of participation and amount in

both Dima Guranda and Gora Harkiso is chemical fertilizer. About, 94% of the sampled farmers reported to use chemical fertilizers. In the hinterland, it is common practice to use both organic and chemical fertilizers together. Out of the 94 farmers who use agricultural inputs, 68% use both chemical and organic fertilizers while the rest 27.7% and 4.3% use only chemical and organic fertilizers respectively. Though hinterland farmers are highly encouraged to use organic fertilizers, yet 32(32%) of sampled farmers have not adopted it. Out of these, half of (53.1%) the farmers do not use organic fertilizers because they used it as a means of income generating activity by selling it as cow dung (kubet) for urban households. About 21.9% of the sampled indicated that they use the dung as domestic fuel while 25% do not have the resource it self due to lack of cattle.

Figure 4.3: Sampled Household Selling Kube/Dung in Sebeta's General Market

Source: Own Field Photo March, 2011

The data collected on the amount of farm inputs reveals that the hinterland farmers from Dima Guranda and Gora Harkiso have used 116 quintal (11, 600 kg) of chemical fertilizer in the last 12 months. It is therefore, possible to deduce that the average farmer in the hinterland uses 1.2 quintals of chemical fertilizers. In terms of cost, more (60.4%) of the farmers have spent more than 1500 birr to purchase chemical fertilizers. The rest 2.1%, 4%, 18.8%, 2.1% and 12.6% of farmers have used

between 301-500 birr, 501-700 birr, 701-900 birr, 901-1100 birr and 1301-1500 birr respectively. In a simple term, farmers are incurred 187, 032 birr to purchase fertilizers in the last 12 months.
The second most widely used farm inputs widely used in the hinterland is herbicides/weed controls. Herbicide is adopted by most (93.8%) farmers. The average farmer in both Kebeles used 1.3 liter herbicides with 56.50 ETB average expenditure. A comparison with in the two kebeles on herbicide users reveals that, it is a little bit more practiced in Dima Guranda than Gora Harkiso with 51.1% and 48.9% users respectively. In terms of amount, selected seeds are the third principal inputs purchased by hinterland farmers next to fertilizers, with 42 quintals (4,200kg). With respect to participation, 45.8% of farmers have purchased selected seeds in the last Meher season. Like herbicides, more purchase of improved seeds is reported from Dima Guranda than Gora Harkiso, with 54.5% and 45.5% sampled farmers' participants respectively.

In terms of amount, pesticide is the least with only 24 liter pesticides are purchased in the last 12 months by 25.5% of farmers. Similarly, in terms of cost the average farmer incurred 50 ETB for 1iter of improved seed. Pesticides are the least marketed farm inputs in terms of farmers' participation and cost incurred (see Annex 7). However, equal numbers of participants are reported in utilization of pesticides both in Dima Guranda and Gora Harkiso, with 50% of each sampled household participants.

The analysis on the suppliers and place of purchase of farm inputs is the central point to identify the type and nature of back ward linkage in the study area. All modern farm inputs such as fertilizers, improved seeds, herbicides and pestcides are supplied by cooperatives union established in each of the respective rural kebeles or peasant association. This clearly shows agricultural inputs supply is monopolized by cooperative unions to provide quality services to the farmers with the requied quantity.

It is surprising to learn from the findings that the hinterlands PAs are not linked with their immediate urban center (Sebeta) in the supply and use of fertilizers, improved seeds, herbicides and pesticides. It is important to note that Awash Melka Farmers Union which is the newly established institution located in the heart land of Sebeta town contributed a lot in distribution of farm implements to the primary cooperative unions found in each of the rural kebeles in the woreda depending on the reqired

demand. In simple term, this reveals that the prevalence of weak back ward RUMLs between Sebeta and its hinterland.

As indicated in the (Annex 7), non-users of farm inputs were also asked to identify the pertinent factors that hindered them from participation. The study identified high cost as a principal obstacle that hinders farmers' participation on fertilizers and improved seeds with 100% and 82% respectively. On the other hand, most non-users herbicides (70%) and pesticides (88.5%) them decide on not to purchase such inputs since they are locally available (use of traditional system). From such finding, it is therefore straightforward to deduce two argumentative facts. Positively, it saved farmers from the cost that they would have incurred, and shows farmers' creativity as well as their reliance on traditional knowledge. On the other hand, the more farmers are dependent on locally available farm inputs, the lesser would become the expected backward RUMLs between Sebeta and its hinterland.

To assess the overall trend of inputs usage in the hinterland, sampled farmers are asked to describe the magnitude they have perceived in the last three years. As per of the result, 54.2% of sampled farmers reported an increased usage while the rest 45.8% of farmers asserted that their input usage remain the same without showing change in the last three years. Surprisingly, none of the respondents indicated that input usage has been decreased.

4.3.1.2 Veterinary and Extension Service Usage

Veterinary and extension services are the other important ingredients for better agricultural production and productivity in the hinterland. Often, the government offers such service; however, urban centers like Sebeta have a considerable contribution to farmers' access in terms of quality, quantity, price and speed of delivery.

Most (90%) of farmers indicated that they have access to extension services. SHARDO are the principal and the only sources of extension services for all (100%) users. Three (75%) of non-extension users identified shortage of extension workers as the principal limitation to access the service. Besides, high cost is cited as other set of hindrance by singl farmer. In both Dima Guranda and Gora Harkiso extension workers are playing an indispensable role to promote agricultural production and productivity by introducing farmers with new technologies and farming systems. There are three agricultural extension workers (plant science, animal science and natural resource

conservation professionals) and one health extension worker (veterinarian) in each rural kebele. In terms of place where extension workers dwell, all (100%) of farmers indicated that they commute from Sebeta to Dima Guranda and Gora Harkiso which indicates another form of linkage between the town and its hinterland.

As it is vividly described in section 4.2.5 of this paper, livestock is the principal indicator of wealth, prestige as well as means of production and transportation for hinterland farmers next to land. Aware of this fact, hinterland farmers are dedicated to take care of livestock. Among sampled farmers who own livestock, 88% have access to veterinary service. With respect to place of purchase, about 74% of veterinary service users have got the service from their respective rural kebele while 26% of them from Sebeta town. Government, with 61.4% service coverage is the sole provider of veterinary service to hinterland farmers. Besides, 27.3% of veterinary users indicated the government together with the private sectors is the source of the service. Overall, the role of private sectors in veterinary service provision is limited to 11.3%. Shortage of veterinarian and high cost of the services are identified by 18.2% and 9.1% of non-veterinary service users as the principal limitation to access the service respectively. About 72.7% of them do not get the service since they don not own cattle. The fact that most veterinary services are offered in respective rural kebele, asserts the prevalence of weak back ward RUMLs etween Sebeta and its hinterland.

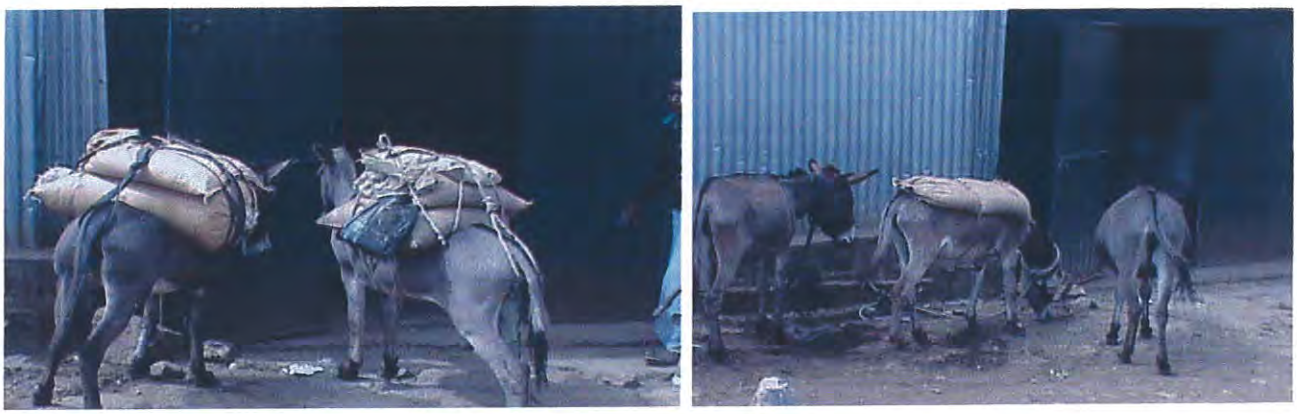
4.3.2 Forward Production and Marketing Linkages in Sebeta and Its Hinterland

Forward production linkages refer to the supply of raw materials obtained through local processing agricultural out puts for customers, processors and other users of agricultural. Under normal circumstance, a growing and surplus producing agriculture will stimulate establishment of agro-processing industries in the nearest urban center (Helmising, 2000).

Grain mills are among the few Small Scale Enterprise functioning and serving hinterland farmers. In line with this the study reveals that all (100%) of sampled farmers from Dima Guranda have got grain mill service from Sebeta. About, 78% of the farmers in Gora Harkiso have got their grain mill service from Sebeta town while the rest 10% of farmers have got grain mill service within their peasant association. Besides, the remaining 12% of the farmers identified both spatial units as center of grain

mill service. Thus, the owners of grain mills have got benefit from service provision as a result of the existing interaction between the two spatial units.

Figure 4.4: Own Field Photo Showing Rural household travel to Sebeta for Grain Mill



Source: Own Fieled Photos, March 2011

In the current development arena, establishment of MSEs attracted the attention of local economic planners. Likewise the sector has given more emphasis in Sebeta too. However, in an interview with the head of micro and small scale enterprise found out that most investment choices are not yet capable to promote forward production linkage between the two spatial units. As to the head, with the exception Mama Dairy, Mars and Abahoya Flour Agro based industries have formed little input marketing linkages with the hinterland farmers the rest did not created formal linkages. Therefore, like back wark linkage forward production marketing linkage between Sebeta and its hinterland still remains weak.

4.3.3 Consumption and Marketing Linkages of the Hinterland Farmers with Sebeta Town

Consumption linkages result from the expenditure of farm income on locally produced consumer goods and service (Bagachawa and Stewart, 1992). In line with this, the premise made in this study is that the hinterland farmers create demand for urban goods and services, while Sebeta is expected to meet the demand. To assess the extent and nature of the interface, pertinent data are collected on farmers' expenditure on durable/non-durable goods; construction materials and place of purchase are presented with plausible explanations.

As indicated in the (Annex 8), sampled farmers from both kebeles have purchased non-durable goods with varying scale. Soap/Omo, Salt, Match/Battery, Kerosene and Coffee are the principal non-durable goods purchased by more than 95% of the respondents. On the other hand, hinterland farmers have shown relatively less demand to cloth, medication, recreation and shoes. Overall, 55, 943 ETB have been expended by the hinterland farmers to purchase non-durable goods per month. Sampled farmers from Dima Guranda are found to purchase more consumption goods than households from Gora Harkiso. More specifically, 16% of farmers from Dima Guranda have purchased all sort of non-durable goods as compared to 4% of sampled farmers from Gora Harkiso.

Unlike Gora Harkiso where some consumption goods are purchased within the PA, Farmers from Dima Guranda have purchased all their non-durable goods from Sebeta. Therefore, it possible to conclude that farmers within the first five kilometer of radius in the hinterland have better access to urban services than farmers within the next 6-10 km of radius from Sebeta.

As compared to consumption goods, farmers' are not found more keen to purchase durable goods. Consequently, small numbers of farmers are reported to purchase durable goods than the non-durable goods since durable goods depreciate gradually. Relatively, sampled farmers from Dima Guranda are found to purchase more durable goods than households from Gora Harkiso. More specifically 48% of the farmers from Dima Guranda have purchased all sorts of durable goods as compared to 25% of sampled farmers from Gora Harkiso. Besides, unlike Gora Harkiso where some durable goods like furniture (bed) are purchased within the PA, farmers from Dima Guranda have purchased all their durable goods from Sebeta. Households Furniture is the most principal durable items purchased by 72% and 36% of sampled farmers from Dima Guranda and Gora Harkiso respectively. In terms of cost, hinterland farmers have incurred 104,633 ETB to purchase durable goods. In general, unlike forward and back ward linkage hinterland farmers have a strong consumption linkage with Sebeta (see Tegegne, 1999; Megersa, 2007).

4.3.4 Consumption and Marketing Linkages of Urban Households

In the study, the purchase of farm output by urban dwellers is assumed as one of the ways through which urban households are linked to their rural counterparts. Hence, the market is the main channel that facilitates the transaction. The study reveals that the food crops bought by many urban households

in terms of participation are Teff (90%), Lentil (84%), wheat (76%), pea (72%), bean (54%), vetch (52%) and maize (38%).

The data collected on the amount of cereals bought and cost incurred reveals that the average household purchased 50.2kg, 24.3kg, 19.2kg, 18.1kg, 16.7kg and 15.7kg of teff, wheat, pea, vetch, maize and bean incur 602birr, 218birr, 499birr, 362birr, 133birr and 376 birr respectively. Farmers are the principal suppliers of consumption goods for the majority (67.3 %) of urban households while the share of urban traders and whole sellers remained minimal supplying 27.5% and 5.1% respectively. Thus, all farm outputs are sold to urban dwellers in Sebeta town (see Annex 9).

Table 4.8: Consumption of Food Items Purchased by Urban Households per Month

Food Iten	**RHH**	**Amount (Kg)**	**Av.Cost (birr)**	**Suppliers**			**Market Place**		
				Farmers	Traders	Whole sellers	Sebeta Town	Farm Gate	Rural Market
Teff	45(90)	50.2	602.4	37(82.2)	6(13.3)	2(4.4)	45(100)	-	-
Wheat	38(76)	24.3	218.7	33(86.8)	4(10.5)	1(2.6)	38(100)	-	-
Maize	19(38)	16.7	133.6	14(73.7)	3(15.8)	2(10.5)	19(100)	-	-
Pea	36(72)	19.2	499.2	31(86.1)	5(13.9)	-	36(100)	-	-
Bean	27(54)	15.7	376.8	15(55.5)	7(25.9)	5(18.5)	27(100)	-	-
Vetch	26(52)	18.1	362	17(65.4)	9(34.6)	-	26(100)	-	-
Lentil	42(84)	2.8	44.8	9(21.4)	33(78.6)	-	42(100)	-	-

Source: Own Survey March 2011 Figure in the parenthesis is percentages

As depicted in the (Annex 9) the purchase of fruits and vegetables, animal products, charcoal and fuel wood by urban households in Sebeta is another form marketing linkage. In Sebeta, the main fruits and vegetables bought by many urban households in terms of participation are onion (90%), tomato (82%), potato (74%), pepper (62%), carrot (60%), cabbage (56%) and root beet (48%). On the other hand, orange and banana are fruits not frequently purchased by the urban households. The data collected on the amount of fruits and vegetables bought and cost incurred per month reveals that the average household purchased 5kg and incured 39 birr for all fruits and vegetables. Farmers and urban traders are the main suppliers of fruits and vegetables to the urban dwellers with 16.8% and 83.2%

respectively. Majority (92.1%) of fruits and vegetables are purchased by urban dwellers from Sebeta, while the rest (7.9%) are purchased from Addis Ababa.

Figure 4.5: Field Photo Showing Vegetable Marketing in Sebeta Town

Source: Own Field Photos, March 2011

Like any other rural parts of the country, in Sebeta, Charcoal and fuel wood are the principal sources of energy used for cooking. For this reason, about 76% and 70% of sampled urban households indicated that they often purchased charcoal and fuel wood and cost incurred per month reveals that the average household is required to incur 125 birr per qintal (sack) for charcoal and 30birr per 'esir' (for a bundle of fire wood). Farmers are chief supplies of charcoals and fuel wood for 82.5% of urban dwellers while Sebeta is the principal market place where all (100%) of the charcoal and fuel wood are purchased.

The demand of urban households for the milk and milk products is minimal and the hinterland farmers are not linked with urban dwellers through the supply of dairy products. Instead, urban traders are the main suppliers of milk and milk products for those few urban households' who reported to purchase the items.

Figure 4.6: Own Field Photo Showing Selling of Charcoal and fire wood in Sebeta Town

Source: Own Field Photo, 2011

In general, from the above discussion it is possible to deduce that urban households are linked to farmers through the purchase of farm out puts for consumption. Besides, Sebeta is the principal market place from where most urban dwellers have purchased farm outputs. In this regard, more than two-third (68%) of urban households indicated that they never visited the hinterland for market purpose while the rest 32% of them went to the rural kebeles for trade purpose. As such, the hinterland farmers are not the only or principal suppliers of consumption goods, since 36% of sampled urban households indicated that production from the hinterland never satisfy urban people's demand in Sebeta. In its place, about 69.4% of the respondents indicated that the excess demand could be meeting from Grain Mills in the town whiles the rest 30.6% of them from the city of Addis Ababa indicates marketing linkage with the national capital.

Whatever may be the source (in/out of the hinterland), 67% of the sampled households indicated that the amount of marketed farm outputs in the last three years has increased. Urban households in Sebeta are not linked with the hinterland farmers merely through the purchase of consumption goods; to a certain extent, urban households also offer some service to the hinterland farmers. More specifically, about 24 (48%) of urban households indicated that they provide service for the hinterland farmers. Of which sale of food items, industrial goods and furniture are the common service offered to the hinterland farmers by 29.2%, 54.2% and 16.7% of urban households respectively. Unlike forward and backward production linkages, Sebeta and its hinterland exhibit relatively strong consumption linkages.

4.4 Farmer's Travel to Sebeta Town and Purpose of Travel

Towns and their hinterland areas often exert a mutual relationship. Among others things, the extent of such linkages can be depicted by analyzing farmers travel to the nearby urban centers in terms of travel frequency, mode of transport, actors in the travel and the very purpose of travel. The common functions offered by Sebeta to its hinterland include marketing, education, health service, administration, employment and serves as center of information.

The study reveals that all sampled farmers from Dima Guranda and Gora Harkiso visited Sebeta for market purpose with diverse travel frequencies. None of the reporting farmers had a daily market visit to the town while most farmers (60%) marched for it once in a week followed by three times per week (40%). Majority of farmers indicated that they often went to Sebeta on foot regardless of the purpose

and frequency. Unlike Gora Harkiso a sizable numbers of farmers from Dima Guranda use vehicle due to their access to the main high way that run from Addis Ababa to Jima through Sebeta. Regarding actors, Women/wives are the principal actresses in the family who frequently visited the town for market purpose. Surprisingly, the use of animal backs as a mode of transportation is low in the hinterland, but some farmers from Dima Guranda use animals to transport goods and people (see Annex 10).

Figure 4.7: Sampled Farmers Travel to Sebeta Town to Sell Fire Wood, Straw and Grass

Source:Own Field Photos, March 2011

Apart from market information, it is clear that the type and nature of market service offered by urban centers to its hinterland can play a vital role to strengthen the existing RUMLs. To assess what is really going on in the study area; farmers were given the chance to evaluate the market service offered from Sebeta. As per their evaluation most (73%) of sampled farmers indicated that it is good while a quarter (25%) of them labeled it as a poor. Only 2% of sampled farmers indicated that they are highly satisfied by the service offered from Sebeta town.

Almost all activities (but education entirely dominated by children), husbands are in the forefront in terms of travel frequency to Sebeta. In general, hinterland farmers have better market linkages with Sebeta as center of employment and information. Therefore, to pursue a mutual development between Sebeta and its hinterland, the prevailing marketing linkage should be strengthened by curbing problems related to market and marketing system.

Figure 4.8: Own Field Photo Showing Farmers Children Travel to Primary School in Sebeta

Source:Own Survey, March 2011

4.5 Rural-Urban Linkages and Livelihood Diversification

4.5.1 Urban Related Non-Farm Activities and their Implication in Livelihood of Rural Household

4.5.1.1 Urban Related Non-Farm Activities

Rural livelihood diversification is the major source of household income required for secured living. Diversification is multiple income sources. Diverse portiflio of strategies and activities are a source of income. The main components of livelihood strategies and activities up on which people of the study kebeles depend on for their survival are farming, non-farm and migration. In this part non-farm activities that people of the sampled rural kebeles perform are descriped as follows.

Urban areas are important of sources of occupation and activities for hinterland population. Besides agricultural production, rural non-farm activities are sources of extra money for hinterland farmers. Hence, Sebeta town is expected to serve as a source of raw-materials, place of work and above all as market center for non-farm products. The empirical finding (Annex 13) of this study reveals that non-farm sector is promising with more than half (57%) of sampled farmers taking part in one or two non-farm activities. This is due to uncertainty on crop and livestock production as well as inadequacy of returns from agriculture. In terms of kebele, more farmers are reported to participate from Dima Guranda (64%) than from Gora Harkiso (50%).

Many households in the study area engaged in undertaking diverse activities in seeking additional income source other than agriculture. Regarding non-farm activities carried out by sampled households, participation in daily laborer ranks first which was reported by 20% of sampled households. Sebeta town as a center of large number of small scale industries, the presence of a number of real estate development and flower plantations create employment opportunity for the rural households. As such, many household commute daily to work on the construction, textile factories, Alcoholic factories, flower plantations and others during the day time and go back to their respective localities during the night time. Transporters (transport service provision) and Local Beer (Tela/Katicala) Selling ranks second which is reported by equal percentages (10.5% each) of the sampled households while stone quarrying, grain trading and petty trading activities are repeatedly stated by equal percentages (8.8% of each) of the participants from both PAs. The rest few participants are reported that households are diversifying their livelihood by participating in activities like Handcraft, Brokering in the livestock market and as a watchman. Hence, due to number of problem farmers obliged to find other alternatives to feed their families.

Regarding place of work, half of the non-farm activities are carried out in Sebeta. On the other hand, the respective rural kebeles serve as few/partial market center for raw materials purchase and selling outputs. This clearly depicts the existence of linkage between the town and its hinterlands through non-farm activities. In the family, about (47.4%) of non-farm participants are husband followed by children 33.3%. Since, women's roles are limited to manage the family; their involvement on non-farm activities is less than the two groups but not negligible.

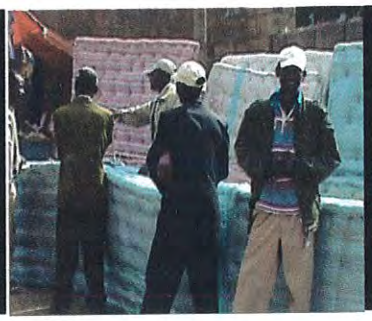
(Figre 4.9 Here the writer attached own photo showing NFAs performed by few sampled rural households in the study site, March 2011) as follows:

Stone Querryingtown in the town



-Bajaj transport Horse-driven carts






-Fetching water on contract base - Selling Wooden product -Durable goods selling (household furiture)



Handcrafting and selling its Products, Shoe Repairing a Priest-farmer on his Working Place

Source: Own Field Photos, March 2011

4.5.1.2 Implications of Non-Farm Activities

4.5.1.2.1 Undesirable Effects of Non-Farm Activities

As can be seen from (Annex 13), large numbers of households travel to urban areas several days in a week for engaging in non-farm activities, particularly laborers. Although non-farm is important sources of income for rural households, particularly poor households in the study kebeles, it has undesirable effects on agricultural production. According to the FGD discussants, if farmers ignore day to day supervision of their farmland, it will leads to soil erosion whenever there is high rail fall. On the other hand, if farmers are dedicated on non-farm activities, maximum productivity from crop

cannot be obtained. They also mentioned that few number of households left their land fallow or letting their farm lands without cultivation which in turn affect production and productivity in agriculture.

4.5.1.2.2 The Role of Non-Farm Activities for Livelihood of Rural Households

According to FGD discussants, reliance on non-farm source to supplement agriculture is more in poor households than better-off. As it is clearly shown in (Annex 13), about 49.1%, 31.6% and 19.3% of non-farm participants reported that the decrease in agricultural productivity, shortage of land and lack of credit for purchasing farm implements are the major factors which have forced the poor to involve in non-farm occupation respectively. Regarding purpose, Annex 13 shows that the income obtained from non-farm activities used for purchasing consumable goods, purchase of farm implements and for educational and medical fee by 35.1%, 24.6% and17.5% of participants respectively in the study kebeles. The rest 8.8% and 7% used for construction of house and pay tax respectively. Thus, the income obtained from non-farm is used even to support agricultural production through the purchase of inputs in the study kebeles.

Money earned from non-farm activity supplements the hinterland farmers with extra income. For instance, the empirical finding shows that 33.3% of non-farm participants earned less than or equal to 500 birr per household per month particularly those who engaged in activities like local beer selling, fire wood vending, charcoal marketing, handcraft, selling of straw and grass, guard and religious teaching. About 36.8% of participant obtained between 501-1000birr per household per month particularly those who engaged in activities such as tea room, shoe repairing, daily laborer and petty trading. It is about 21.1% of them earned between 1001-1500 birr per household per month particularly those who engaged in transport service and stone quaryying while 8.8% of them obtained income greater than 2000birr per household per month those who engaged in grain trading. Hence, nearly one-third (29.9) of non-farm participant earn more than 1001 birr per household per month. Here, it is important to note that the stated amount of income vary from time to time depending on the prevailing situation. It is obvious that non-farm activities are expected to harness RUMLs; thus the practical finding of this study has identified a strong linkage between Sebeta and its hinterland. This finding is quite different from Tegegne's (1999). Hence, strengthening non- farm activities between

the town and its hinterland is vital to exploit the opportnity from RULs and Promote Local Economic Development.

4.5.2 Urban Livelihoods and Rural-urban Linkages

In Sebeta town, 72% of sampled urban households earn an income from a combination of activities. Households involved in urban agriculture and rural farming activities have access to finance with which to rent land, buy inputs and hire labor. Annex 14 indicates that, about 35%, 11.1% and 4.8% of sampled urban households reported that agriculture as their only means of livelihood, primary and supplementary income source respectively. Next to agriculture, about 28.6% and 11.1% of urban households they engaged in government employment as their only means and primary source of income respectively. Service provision and industrial goods (cloth & shoe) selling are also another source of income for urban households in the town which reported by equal percentages (16.7% each) as their primary income source and it is only 9.5% of them involved in provision of service as supplementary source. Here, all industrial goods are produced outside the region and entirely purchased from Addis Ababa by traders and sold for households in the town.

Urban agriculture and house renting are also another source of income for sampled urban households which are mentioned by equal percentages (8.3% each) as their primary income source while 19% and 14.2% of them as supplementary occupational diversification respectively (see Annex 14). This suggests that the town acts as a marketing centre for agricultural produces, industrial goods as well as service provision. The rest sampled urban households were involved in activities like petty trading, local beer selling, grain mill etc as primary and secondary income source or occupational diversification even though reported by small number of households.

Regarding customers, about 30.5% of urban households who participated in combination of activities reported that their customers are only urban dwellers living in the town for the primary activities and the rest 69.5% of them stated both rural and urban dwellers together as their principal customers. Similarly, 28.6% of them stated only urban dwellers living in the town as their customers while the remaining 71.4% of them indicated both rural and urban dwellers together as their main customers for the supplementary activities. The auhter's attached own field photos which show few of the sampled urban households' participation in supplementary activities in the study area like the NFAs performed by rural households as a testimony to create mental picture as follows:

Figure 4.10: Own Field Photo Showing Participation in Urban Agriculture like Poultry & Cattle rearing (dairy)

Source: Own Field Photo, March 2011

4.5.2.1 Rural Farming/Investment by Urban Households and Rural-urban Linkages

Now a day's people have began to diversify their livelihood by participating in different investment opportunities to ensure food security and reduce vulnerability. To this regard, urban households in Sebeta were asked whether they invested in rural areas or not and the survey data shows that about 24% of the sampled urban households who have access to capital undertake rural investment as their primary or supplementary activity while the rest 76% of them do not participate in rural investment. About 50% of sampled urban households who participated in rural investment have got access to land through renting. More than half (58.3%) of the participants have rented 1 hectare of land either for crop production or livestock farming. Majority (66.7%) of them rented from rural farmers while the rest 33.3% were rented from the urban dweller who own land. Thus, there is land marketing linkage between urban and rural households in the study area. When we see rural farming, it is about half (50%) of the participants were involved only in dairy farming while 33.3% and 16.7% are involved in both and only crop production respectively. In terms of labor use, about 41.7% of the investors hired rural labor force for rural farming; this once again implies labor engament in off-farm activities as a laborer created by urban household due to interaction between the two spatial units. Hence, both rural and urban households benefited out of the investment process (see Annex 15).

The increase in rural farming may be associated with economic reform that has allowed people to engage in several activities and with a land policy that permits them to rent in and rent out land. Those involved in rural farming are commuters at peak agricultural season. Moreover, about 41.7% participants stated that they involved on rural farming because it is the only livelihood while the rest 58.3% of them involved to increase household income (to improve quality of life in their household).

The writer also asked the sampled urban households about the level of their household income to check change of way of life and thus nearly half (54%) and 46% of indicated increased and remain unchanged respectively in the last three years. Hence, rural-urban linkages have a significant impact on the livelihood of urban households in the study area by creating investment and job opportunity.

With regard to constraints, there are a number of impeding factors that affect the different activities performed by the urban households. To this regard, 33.3% participants of town dwellers identified shortages of finance/capital as a principal constraint to their livelihood diversification, including rural and urban agriculture. Shortage of suitable working place is indicated by 27.8% of the participants as a second constraint that limit their diversification of livelihoods. Here, the impact of inappropriate tax (high tax) by the concerned bodies also is indicated by 16.7% of the participants as a constraint. This suggests that the regulatory policy system to some extent discourages the expansion of livelihood diversification and hence limiting them from participation. The rest have little impact on diversification of livelihoods in the study site (see Table 4.9).

Table 4.9 Constraints in Participation on Combination of Activities by Sampled Urban Households

Constraints	Reporting Households	Percent
Poor road net-work	2	5.6
Shortage of working Place	10	27.8
Fluctuation of Price	3	8.3
High cost of transport price	3	8.3
High tax	6	16.7
Lack of Capital	12	33.3
Total	36	100

Source: Own Survey, March 2011

4.6 The nature of Market and Marketing Service in Sebeta Town and its Hinterland

It is imminent that urban people and their counter parts/rural farmers are not identical in all circumstances to identify level of market service and pertinent challenges that hamper marketing linkages due to varying socio-economic and cultural backgrounds. Therefore, for the sake of simplicity and comparison purpose, market services and the likely marketing linkages challenges are discussed separately as perceived by both rural and urban households.

4.6.1 The Nature of Market Place in Sebeta Town

In Sebeta, market interaction is one among the few economic activities on which severe RUL can be observed. In the town, there is one small daily market, literally called Gullit, General Market and Cattle market. The general market, located in the heart of the town (kebele 01) serves both as a daily and weekly market place where the lion share of transaction between different stakeholders can take place.

The general market is a place where both agricultural and industrial products are sold at the same time. It is a permanent market center that served as the focal point of interaction between Sebeta, mainly the hinterland, other small towns in the wereda, as well as the city of Addis Ababa. According to Trade and Industry Office of the town, the total area of the market is around 2 hectares. Hence the area and number of people served by both markets are unbalanced. Participants of FGD indicated that the market is too crowded to offer the appropriate market service to both urban and rural participants. They also expressed their suspicion/concern that unless other alternative market areas are added, the problem will negatively affect the existing RUMLs. To this regard, the researcher will present photos taken during field observation as a testimony to what extent the town's general market centers as focal point is overcrowded to provide market service to different stakeholders as follows:

Figure 4.11: The Overcrowded Condition of Market Center in Sebeta Town at Different Corners

Source: Own Survey, March 2011

The livestock market in the town operates under very good situation particularly in the dry season when there is no rain. It is fenced with wood and corrugated iron sheet, particularly the livestock market has two compartments (the one which is used for cattle like Ox, Cow, Bull, Heifer and Calves) has office for tax collectors and the other adjacent side/open land used for cattle marketing like Sheep

and Goats as well as equine; however, it has no office for tax collectors. In general, the market situation in Sebeta is not suitable to promote positive RUMLs between Sebeta and its hinterland due to various challenges discussed in the next sections.

Figure 4.12: Own Field Photo Showing Tax Collection

Note that tax collector (a woman) seats at the door of private residence with her coleague

Figure: 4.13 Own Field Photo Showing the over Crowded Condition of Sebeta Livestock Market

Source: Own Survey, March 2011

Figure 4.14: Customers from Addis Ababa to Sebeta Livestock Market at the eve of Easter Holiday

Source: Own Field Photo, April 2011

4.6.2 Challenges of Rural-Urban Linkages as Perceived by Hinterland Farmers

Farmer's access to basic market and market related information, mainly on the demand and price of farm product, is vital to strengthen the RUMLs, while lack of information these elements handicapped the linkages. The study in this case, tells that 92% of the farmers received updated information on the

demand and price of their farm out puts. In terms of kebele, 100% of sampled farmers from Dima Guranda have access to market information while 84% reported from Gora Harkiso. Hence farmers within the first 5 km have more access to market and market related information than farmers in the next 6-10 km radius.

The source of information is another area of interest that determines the reliability of market information. Out of the total sampled households with access to market information, 32% of them reported that extension workers are the principal sources followed by self assessment with 25%. Twenty one percent (21%) of sampled farmer's labeled personal communication with other farmers as a significant source of information. The role of relatives from Sebeta town remains minimal with 6% while 16% of them mentioned others (traders and brokers in the town). Surprisingly, none of the reporting farmer stated radio as a source of information. Therefore, it is possible to conclude that the availability of communication facilities is not sufficient condition to guarantee farmer's access to information on demand and price of agricultural outputs in the study area.

Apart from market information, it is imminent that the type and nature of market service offered by urban centers to its hinterland can play a vital role to strengthen the existing RUMLs. To assess what is really going on in the study area; farmers were given the chance to evaluate the market service offered from Sebeta. As per their evaluation, 69.6% of sampled farmers indicated that is good while 2.3% labeled it as a poor. Only 4.8% of sampled farmers indicated that they are highly satisfied by the service offered from Sebeta town. The rest, 15.2% and 11.9% of sampled farmers labeled that market service as very good and satisfactory respectively. As per this finding it is possible to conclude that majority (87%) of farmers in the hinterland received a market service that is categorized as good and and better than average.

Availability of small rural market centers in the respective hinterland exerts a positive influence on the RUMLs either by reducing farmer's travel frequency or by serving as collecting centers of farm outputs otherwise that would have been delivered to the relatively bigger urban center and Addis Ababa. In line with this, to see the comparative advantages farmers going to Sebeta town for market purpose than rural market place, all the sampled farmers (100%) assured there is no rural market in their locality; as such they are forced/chosen to transact both industrial and agricultural outputs only in

Sebeta with the absence of any alternatives. This clearly depicts that there is strong RULs between Sebeta town and hinterlands as far as marketing is concerned, due to lack of alternative.

In market area, the rural households purchase different commodities, and the urban households buy resources from the rural households. Resources from the rural hinterlands are used by urban households mainly for consumption and to a lesser extent used as an input in urban enterprises. The agricultural outputs that are brought to urban residents are taxed by the municipality of the town. These taxes of market outputs are the major sources of the internal revenue of the town. This clearly depicts the presence of economic linkages in the form of flow of finance from rural hinterlands to the urban area in the community under study. As such, market service fees (keret) have a paramount significance to improve the overall marketing system by increasing municipal revenue and in turn improve the market service offered to hinterland farmers. In line with this, all (100%) of sampled farmers indicated that they found to pay market service fee for all sorts of outputs (grains, livestocks, fruits and vegetables) that they sale in the town's general market.

Availability and quality of infrastructures such as road and communication service have paramount significance to harness the RUMLs. In the study area, the two kebeles have entirely different level of access to these services due to their location. In these regard, most (64%) of the farmers from Dima Guranda indicated that their PA and Sebeta town are connected by Gravel road followed by mud road (28%) while the rest 8% have access to Asphalted road. On the contrary, farmers from Gora Harkiso have no access to any kind of asphalted road. To ensure this, most (64%) of sampled farmers from Gora Harkiso indicated that their PA is connected to the town by mud road, while 36% Gravel road which has an uneasy impact on RUMLs. The majority (80%) of farmers from Dima Guranda indicated that a continuous effort have been made to enhance the road network while the effort remain less (32%) in Gora Harkiso.

The type and nature of road net work also determines the time taken to reach to the nearest urban center. The majority (60% from Dima Guranda and 38% from Gora Harkiso) of farmers indicated that they spent only one hour while (27%) of the sampled farmers from Dima Guranda and 54% of the sampled farmers from Gora Harkiso spent two hours and above to go to Sebeta town on foot for market and other purposes. The rest 26% and 8% of sampled farmers spent 30 minutes from Dima Guranda and Gora Harkiso respectively.

All Farmers (100%) from Dima Guranda had access to any sort of telephone service. However, about (72%) of the sampled farmers from Gora Harkiso indicated that they have access to mobile services. Thus, access to a well-developed transport and telephone services has a significant impact to promote RUMLs.

Access to finance, credit service and financial institutions by the hinterland farmers represent important RUMLs. Nearly two-third (62%) of sampled farmers indicated that they save money. But, only 32.3% use banks in Sebeta while more than half (58%) of farmers reported that mostly use traditional saving like Iqib, home based squared wooden boxes or carry it in their pocket. The role of credit unions as centers of saving is limited since it serves only 9.7% of sampled farmers. Insignificant number of sampled farmers reported that they have borrowed money for market purpose in the last twelve months while the majority (88%) assured that they never borrowed money for market purpose in the last twelve months. Micro-finance institutions are the principal sources of credit for 66.7% of sampled farmers who borrowed money for market purposes followed by relatives (25%). The rest 8.3% are borrowed from other source i.e. urban traders. None of the farmer mentioned using bank for borrowing money, this may be due to the high rate of interest for loan compared with micro-finance institutions and lack of colatoral asset.

RUMLs in Ethiopia have been faced with numerous bottlenecks related to socio-economic, cultural and political factors. In an attempt to identify the critical challenge of RUMLs in the study area, hinterland farmers were asked to mention the major challenges. As per the request, sampled farmers reported that there are various challenges that affect the smooth operation of RUML in the study area. About 27% of sampled farmers identified shortage of adequate transportation service as the main challenge that affect RUML followed by the subsistance nature of agriculture (18%). Poor road net-work, price fluctuations and poor market facilities are indicated by the farmers as constraints by 16%, 11% and 9% respectively. Besides, constraints like shortage of land and high cost of farm inputs are stated with equal percentages (6% for each), lack of credit service (4%) and other problems 3% (such as low consumption of agricultural output by the existing agro-based industries, brokers influence on price of goods and inappropriate tax payment) are stated but with little negative impacts on RUMLs in the study area.

Table 4.10 Constraint of RUML in Sebeta as Perceived by Sampled Farmers

Constraints	Dima Guranda		Gora Harkiso		Total	
	No.	Percent	No.	Percent	No.	Percent
Shortage of land	3	6	3	6	6	6
Poor road net-work	7	14	9	18	16	16
Shortage of adequate transportation Services	12	24	15	30	27	27
Subsistence nature of agriculture	8	16	10	20	18	18
Lack of market facilities	5	10	4	8	9	9
Price fluctuation	6	12	5	10	11	11
High cost of farm inputs	4	8	2	4	6	6
Lack of credit service	3	6	1	2	4	4
Others	2	4	1	2	3	3
Total	50	100	50	100	100	100

Source: Own Survey, March 2011

It is amazing to note that shortage of land is not a serious challenge of sampled farmers that affect RUMLs. The result obtained from discussants of FGD from both rural kebeles is found to be consistent with this finding.

4.6.3 Challenges of Rural-Urban Marketing Linkages as perceived by Urban Households

The virtuous circle model of RUML presupposes the presence of tough and circular linkage between an urban center and hinterland (Tacoli, 2006). This assumption does hold true in the study area since nearly two-third (64%) of sampled urban households indicated that production from the hinterland satisfy the demand of urbanites in Sebeta while the remaining 36% of them satisfy their needs from outside of the hinterland. Of which about 50%, 33.3% and 16.7% of the respondents indicated that the excess demand could be met from Addis Ababa, other small towns within the woreda and Supper markets in the town.

To assess how far market services offered in the town are suitable to urban dwellers; sampled households were given the chance to evaluate it. As per their assessment about (26%) of sampled

households indicated it is unsuitable (poor) while 48% and 22% labeled it as good and very good respectively. Only 4% of sampled households indicated that it is highly suitable. The result obtained from personal observation substantiate the finding too. The main market center does not have enough space to serve both the rural and urban marketers. As a result, they are forced to transact their goods and services in health hazard areas; near garbage and sewerage. It also makes impossible to keep the quality of marketable goods and services due to the dirty nature of market places that has negative impact on the price offered from buyers. Therefore, the situations are too serious that needs immediate attention from the municipality as fast as possible.

To identify the critical impediments of RUMLs in the study area, the same question that is raised for hinterland farmers again. As per the request, all sampled urban households reported that there are various challenges that affect the smooth operation of RUML in the study area. As far as the challenges of RUMLs in the study area is concerned, 30% of sample urban households identified shortage of transportation service as the first main challenge that affect RUML followed by Subsistence agriculture (18%). The rest 16%, 14%, 12% and 10% of the sampled urban households' perceived poor road net work, price fluctuation, lack of suitable market facilities and others (like lack of information, lack of credit, lack sanitation in the market place and language barrier) respectively as the challenges of the existing marketing linkages. The result obtained from the discussants of FGD from the urban households found to be exactly consistent with the findings of rural sampled farmers (Table 4.11).

Table 4.11 Constraint of RUML in Sebeta as Perceived by Sampled Urban Households

Challenges	**Number**	**Percent**
Transportation Service	15	30
Subsistence agriculture	9	18
Poor road- net work	8	16
Price fluctuation	7	14
Lack of suitable market facilities	6	12
Others	5	10
Total	50	100

Source: Own Survey, March 2011

From the preceding discussion, it is amazing to observe similarities between hinterland farmers and their counterparts to recognize and identify market services and pertinent challenges that hamper RUMLs. For both hinterland farmers and urban households shortage of adequate transportation service is critical challenge to affect the existing linkages. As Such, this information is a vital input for local governments, policy makers and economic planners to act together in designing a program that integrates both urban and rural interests to foster mutual development.

4.7 Migration and its Implication in the Study Area

4.7.1 Migration of Rural Households and Rural-urban Linkages

Migration has been identified as one of the copping mechanism and diversification way by different scholars. It may be cyclical or permanent change of place of origin and directed by pull or push factors (Ellis, 2000). To this regard, migration is one way in which households of the study kebeles diversify their livelihoods. As such, (table 4.12) reveals that about 60% of the reporting farmers/rural households have at least one migrant member who was involved in migration. Of which the majority (60.3%) are female while 39.5% are male migrants who move to the nearby village as well as distant urban areas. As to the key informants report and personal observation clearly indicate that, the community under the study is highly mobile since the area is near to the national capital Addis Ababa where there is access to job opportunity and other social services as well as the presence of a number of factories and construction sites (real estate) in the town. Thus, the area has high levels of out-migration, this affects the rural households in many ways than one (see Table 4.12).

Out-migration of the village is age differential, about 89.6% of all migrants from the village in the study site are between age 20-40years. This indicates that those who move from the village are full-fledged and active force that can earn money for their families. It is only 4.6% of migrants are under age 20years who are engaged in varieties of urban activities including housemaids and waitress/waiter while the rest 5.8% of the migrants are above 40years.

Table 4.12 Out-migrants Status of Rural Households, Sex and Age (in percent)

Households	**Dima Guranda**		**Gora Harkiso**		**Total**	
	No.	Percent	No.	Percent	No.	Percent
With migrant member	36	72	24	48	60	60
With no migrant member	14	28	26	52	40	40
Total	50	100	50	100	100	100
Migrant Members of Rural Households by Age and Sex						
	Sex					
Age	**Male**	**Female**	**Male**	**Female**	**Male**	**Female**
Less than 20 years	-(-)	4(8.7)	-(-)	(-)	-(-)	4(4.6)
20-30 years	9(19.6)	22(47.8)	10(25)	17(42.5	19(22.2)	39(45.3)
31-40 years	7(15.2)	2(4.3)	6(15)	4(10)	13(15.2)	6(6.9)
Above 40 years	2(4.3)	-	-	3(7.5)	2(2.3)	3(3.5)
Total	18(39.1)	28(60.8)	16(40)	24(60)	34(39.7)	52(60.3)

Source: Own Survey, March 2011 Figures in brackets show reporting farmers in percent

Short distance migration has been an important type which is experienced by many households in the study kebeles. Surprisingly (Annex 17) reveals that Sebeta town, probably because of the presence great job opportunities that the town offers, is the first where large number (41%) of people migrate in from the village followed by Addis Ababa (22.1%) and 9.3% of them to small towns within the Woreda. Long distance migration is another type of migration; about 5.8% migrants moved to other urban centers such as Jima and Ambo out sides the woreda. A significant number of women and/or girls also migrate to the Middle East such as Dubai, Qatar and Kuwait to be employed as house maid while 8% are moved to USA. Thus, international migration is also considerable in the study kebeles since around 21% of migrants were left from home land to abroad (both Middle East and USA). Above all, it highlights the strong link between two spatial units at the local level (see Annex 17).

The major destination of rural migrants is urban centers especially Sebeta and Addis Ababa, where the women go to work as housemaids or in public wage employment and as daily laborers in the construction industry, textile factories, mineral water, alcoholic and other agro-processing industries which may vary according to educational status and gender. In contrast, those who are educated are

more likely to be engaged in the formal public sector. To this end, about 45.3% of the migrants engaged as daily laborer followed by housemaids (12.8%) in the destination areas. The rest 11.6%, 10.5%, 9.3, 4.7 and 5.8 are reported that they engaged as public employee, in education, watchman, waitress/waiter and unknown respectively in the destination urban centers. Thus, in the study areas young men with low educational status are employed in daily labor, waiter and watchman, while women work as housemaids, waitress and daily laborer to generate income. This in turn shows, there is strong labor linkage between the two spatial units under the study (see Annex 17).

According to the FGD group discussants, many households experience short term or temporary migration to different urban centers to maximize income opportunity. In this case while they leave their home villages to look for job in other places, they do not permanently leave their home village or their land. The duration for the migration at destination might be one year. This type of migration has also be become an important means of risk management for many of the respondents in the village where there is failure of agricultural productivity, shortage of farm land, death of cattle and whenever they requiring pay debt caused by heavy taxation, they migrate to the other destinations and return to their family with cash.

4.7.1.1 Major Causes/Reasons of Migration

It is clearly expressed by different scholars that people migrate from their permanent residential area for a short or a long period of time due to push or pull factors. Interview with the key informants and focus group discussion reveal that, it is likely that the urban centers around the study area can have sufficient job opportunities for rural labor during the slack season. It also indicates that some people are commuting on a daily basis to the town and Addis Ababa to exploit the opportunities available in the areas. The survey result indicates that the peasants of Dima Guranda are more attracted in migration than Gora Harkiso. As table 4.13 clearly shows that, the reason for migration measured by the perception of rural households who experienced it is attributed to 60% for better job opportunity, education and health services followed

by 36% due to limited/shortage of local full time employment opportunities. The rest 14% and 10% of them related to high population pressure in the family and shortage of land, especially young women who are excluded from access to land respectively. In general, economic reason is the most important driving force for migration in the study kebeles.

Table 4.13 Reasons for Out-migration of Rural Households

Reasons for Out-migration	Dima Guranda		Gora Harkiso		Total	
	No	Percent	No	Percent	No	Percent
High Population Pressure in the family	4	11.1	3	12.5	7	11.7
Shortage of land	3	8.3	2	8.3	5	8.3
Better Job, education and Health	21	58.3	9	37.5	30	50
Shortage of full time job opportunity	8	22.2	10	41.7	18	30
Total	36	100	24	100	60	100

Source: Own Survey, March 2011

4.7.1.2 Migration Implications

4.7.1.2.1 Effects of Migration

Migration is one way in which people diversify their livelihoods. As such, the empirical data clearly depicts that migration increase the income of 36.7% of the household (family) in the study kebeles. Although migration of family members increase households income of home village, 10% of households reported that they came across shortage of family labor. As (Table4.12) indicate that 39.7% of migrants are men and 89.6% are aged 20-40years. Therefore, labor shortage at the family farm comes in the view of few households stated above. Others (6.6%) women respondents also feel loneliness, because their husbands and their children are living in urban areas although they return in religious ceremonies and some other social affairs. It also appears to be one of the driving forces of diversification. About 21.7% of the farmers reported labor migration also develops information opportunity for rural households; former migrants bring back information about labor opportunities and therefore encourage other people to migrate. Migrants help their neighbor hoods to find work and share on knowledge about the condition of work and payment. They also send or bring food products and consumable goods back to the villages when they returned to their villages at all times of religious ceremonies. This has the effect on consumption pattern in the villages which is reported by 21.7% of the households as equal as that of a source of information. Therefore, it is possible to conclude migration has both positive and negative consequences on the community under study even though the positive effects overweight the negative ones. Hence, labor migration strengthens the flow of money/remittance and information between Sebeta and its hinterland.

4.7.1.2.1.1 Remittance and Social Network

Remittances are important non-farm income sources of the study kebeles. Rural-urban and Urban – rural transfer (transfer from civil servants, skilled workers and relatives) remittance from non-literate laborers living abroad and gifts was significant.

It is common that migrants support their kin and relatives in the study areas (Annex 18) shows still 70% of the households with migrants' members receive remittance in cash or in kind from migrants. This shows that sending remittance is understood by migrants as a moral obligation. However, due to economic status of migrants, the amount of money that is remitted to the rural households is different from households to households. FGD discussants argue that well to do migrants send to 4000 to 5000birr in a year, while those migrants who involved in the informal activities such as waitress/waiter, housemaid, watchman, daily laborer, petty trading etc remit from 300 to 500birr to the rural relatives. Most migrants also return their rural homes (families) at least ones in a year due to different circumstance. They often come with cash and in kinds (food staff, households' furniture/utensils). In a rare case if migrants encounter difficulty to be present in person on these religious ceremonies, they send money and different gifts to their families. They also respond to any crisis that face their parents or close family members those who are members of the family and living in the village and also help with whatever they can afford.

Although remittance is crucial for households' income, it is declined in the last three years. The responses for this are the increasing employment insecurity, high cost of living and effects of high rental value of business centers and trade regulation on the business activities in urban areas. However social links between migrants and kin are remained strong. As (Annex 18) shows 21.7% and13.3% of households reporting migrants visit their home village during any of the religious and traditional ceremonies respectively. The rest 5% and 3.3% migrants also visit their kin and relatives during funeral and weeding ceremonies respectively. Therefore, remittance strengthens rural-urban linkages between Sebeta and its hinterland.

4.7.1.2.1.2 Migration as a Source of Information

Migration is an important source of information for potential migrants in the villages. The survey data indicate that about 31.7% of migrants obtain information about jobs or opportunity of the living at destination from former migrants, relatives and friends living in the urban areas. About 25% of the

reporting household's sources of information are nearby towns/urban centers such as Sebeta and Addis Ababa. About 18.3% of farmers reported letters and telephone from migrant relatives and friends are also important sources of information for migrants.

Urban migrants have played a decisive role for potential migrants to have information how the later can settle in destination concerning accommodation and employment. According to the FGD discussants People of home village obtain information about job of destination during migrants return to their village. Religious, funeral and weeding ceremonies are important occasions when urban relatives return to the villages and share information of urban areas for rural households. Formal source of information are almost non-existence or they have been negligible as a source of information for the villagers' since it is reported by 3.3% and thus, migrants mainly rely on migrant's relatives and friends who visit their home villages and town.

Thus, migrant networks perform a significant function in providing information about job opportunities and helping new migrants to secure accommodation and employment as part of linkages.

Table 4.14 Sources of Information for Migration in the Study Sites (in Percent).

Migrants' sources of information	No	Percent
Relatives and friends at urban area (migrant)	19	31.7
Letter & Telephone from Migrant Relatives & Friends	11	18.3
Formal Source (Radio & TV)	2	3.3
Extension Workers	10	16.7
From nearby town	15	25
Physical presence	3	5

Source: Own survey, March 2011.

About 70% of sampled farmers received remittances in the form of money and kind (Table 4.29). Remittances also flow from rural relatives to students in urban areas in the form of foodstuffs and money. However, low level of migrant education and the resulting low income, the increasing costs of living in town, especially in Addis Ababa, and involving in the less-paid and overcrowded informal sector have led to reductions in the quantities of remittances and gifts sent to villages relatives in the past three years (Table 4.29). Despite the decline in remittances, social links between migrants and their villages exist. Visits to the villages during weeding and for funeral ceremonies are particularly important in maintaining links across distance. Through social networks, migrant relatives and friends

also provide information about job opportunities and accommodation for new migrants. Hence, social networks facilitate the provision of remittances and strengthen linkages.

4.7.1.2.2 Role of Migration in the Households' Livelihood in the Study Area

Regarding the role of remittance, households use cash sent from the migrants for different purposes: 30.9% of the sampled farmers used for daily expense, 21.4% of them used for expansion of the existing farm, 16.7% of the farmers reported using it for cattle purchase and 14.3% of them used to cover cost of health treatment and educational service. The rest 11.9% and 4.8% of sampled farmers used it to carry out petty trade and pay tax respectively. In general, large portion of remittance are spent by few better off to undertake investment (38.1%) that is expansion of the existing farm and cattle purchase together followed by subsistence/daily consumption. As such remittance is a good source of income for farmers in study kebeles to diversify their livelihoods due to the existing strong linkages.

4.7.2 Migration Status of Urban Households

Small towns are believed to serve as attraction points for the surrounding people. As can be seen from the (Annex 19) nearly half (47.6%) of the sampled urban households migrated to the town from the surrounding rural kebeles while the rest 38.1% and 14.3% of them migrated to the town from outside of the woreda (such as Jima, Ambo, Bale, Welkite, Addis Ababa, and Gojjam) and within the Woreda (Awash, Teji and Tefki) respectively. In terms of length of residence, most migrants are long terms migrants who have stayed in the same place for many years. The average length of residence is about 13 years.

In terms of remittance, about 42% of the sampled urban households stated that they received remittance from their rural families while the remaining 58% of them have not received any kinds of remittance. Regarding the kinds of remittance, 100% of them indicated that they received both food crops and livestock from their rural relatives in the last three years. Thus, remittance is used as a means of livelihood for significant number of urban households in Sebeta town. Similarly, 60% of the sampled urban households mentioned that they send remittance too. This clearly shows that the existence of strong linkage in terms of flow of finance/money between Sebeta and its hinterlands in particular as well as within and outside of the region in general.

4.8 The Role of Urban Traders to Promote RUMLs in Sebeta Town and Its Hinterland

Different types of small-scale trading activities are carried in the town. Urban traders are the primary actor who can play a significant role to promote and strengthen RUMLs between Sebeta and its hinterland. Therefore, to what extent traders are linked to hinterland farmers has vital driving force to make the study inclusive? Traders are found to participate in various trading activities as per their interest and capital. For simple simplicity, the writer grouped them in two major trading categories as grain and non-grain traders (like Retail, Chat, Charcoal, Butcher, Fruits and Vegetables). To this end, fifty (50) urban traders were included as part of the sample survey and the following discussion high light the main feature of these types of trades by identifying those factors, which are relevant for rural-urban linkages and livelihood diversification. The main feature of each trader from the trading category is listed below.

4.8.1 Grain Traders

Twenty five retail grain traders were interviewed from Sebeta town. The analysis on the source of startup capital in the town reveals it ranges from 8,000 birr to 80,000birr with an average capital about 20,160birr. As far as source of capital is concerned, personal asset (saving) is the principal source for 40% grain traders while micro-finance institutions and relatives are source of initial capital for 32% and 20% of them respectively. More surprisingly, the role of banks as source of capital to begin the trading activity has remained minimal servicing 8% of respondents. The average weekly sale of grain traders in the town was 3,428birr in the week of the study.

Traders are mediators to purchase and sale various types of goods and services from suppliers to the customers. In Sebeta, nearly two-third (64%) of traders purchased grain from the hinterland farmers while the rest 36% of them purchased from small towns within the woreda like Awash Melka kuntere, Adadi, Tefki and Lemon. This clearly shows that the town's trade linkage is not limited only within 10km radius rather it further goes up to 30kms within the woreda.

In terms of ownership, all of the respondents indicated that they have sole proprietorship over their business. Urban dwellers in the town are the foremost consumers who purchased 56% of food grain while 44% of town's traders are also linked to people mainly from the city of Addis Ababa. It is obvious that a certain level of interface exists between urban traders and hinterland farmers through transacting goods and services. However the level of linkages varies from place to place. In this

regard, the data collected to assess the level of interface disclose that most (80%) of the grain traders responded as very goods and above while the rest 20% of them have medium marketing linkages. It is only 32% of the grain traders hired people as a laborer. Nearly three-fourth (75%) of people is drawn from the towns as opposed to from rural areas. The rest 68% of grain traders have not hired labor, they are rather mainly managed by the family.

Regarding rural investment, it is only 3(12%) sampled grain traders were involved in livestock farming while the rest 88% of them were not participated in any kinds of rural farming. In terms of remittance, more than half (56%) of sampled grain traders remitted to the rural families while the rest 44% of them did not send remittance in the last three years.

In general, grain traders in Sebeta are linked to farmers through the purchase of agricultural output. However, due to shortage of capital, land and farm inputs agriculture in the hinterland remains subsistence which in turn handicapped the expected RUMLs between the traders and farmers.

Figure 4.15: The Sampled Grain Traders in Sebeta Town

Source: Own Field Photo, March 2011

4.8.2 Non-Grain Traders

i. Retail Industrial Goods Traders

Retail traders in the town operate privately and sell durable and non-durable goods. The average capital for start up for the retail is about 95,000birr where as all the traders did not truly wanted to specify the right amount of weekly sale at the time of study. Banks and personal saving (self) are the two important sources of capital for the business. The customers of the business are town dwellers and farmers that come from the surrounding areas. In terms of level of linkages all industrial goods traders asserted that good and very good in marketing of durable and non-durable goods with the surroundings

farmers. The business owners hired laborers both from rural and urban areas. All the goods sold by the retail traders are purchased from Addis Ababa showing strong marketing linkages even with national capital in terms of industrial goods purchase. Regarding money transfer, all business owners send remittance to their rural relatives. None of the sampled business owners are participated on rural faming.

ii. Chat Traders

Chat is a stimulant leaf which is used by the local people in the study area. Hence, there are town's traders who are involved in the business of chat selling. This is the small business with very small average initial capital about 3,300 birr and small weekly sales on average 830birr. Relatives and personal asset are the main source of income for the beginning of the business. The main customers of the chat traders in the town are urban dwellers. The source of the chat is the surrounding rural kebeles which shows very good level of interface between the two spatial units in the study area. In Sebeta, none of the chat traders hired laborers rather it is managed by the owners themselves. None of the chat traders are involved in any kind of rural investment however chat traders send remittance to the rural relatives in the last three years at different circumstances.

Figure 4.16: Sampled Chat Traders in Sebeta Town

Source: Own Field Photo, March 2011

iii. Fruits and Vegetables Traders

This business is privately owned. The average initial income was 10,600birr. The average weekly sale during the study week was 3,980birr. Personal asset is the main source of capital. Sources of the fruits and vegetables are mainly from Addis Ababa but one of them from the hinterland farmers. Traders in the town sell their items to the town's dwellers.Three of the sampled traders run their business by the family except two of them hired laborers from the rural areas. Regarding of level of interface, there is

weak fruits and vegetable marketing between the traders and the rural kebeles. Most (three) of the traders send remittance to the rural relatives in the last three years. It is only a single trader involved in rural farming in production of onion and tomato.

Figure 4.17: Sampled Fruits and Vegetable Traders in Sebeta Town

Source: Own Field Photo, March 2011

iv. Charcoal Marketing

Charcoal marketing is privately owned. This is a small business with very small average initial capital about 5,600 birr and weekly sales on average 1,755birr. Personal asset is the main source of income for the beginning of the business. The main customers are urban dwellers in the town. The source of the charcoal is the surrounding rural kebeles which shows very good level of interface between the two spatial units in the study area. Moreover, one of the sampled traders purchased charcoal from outside of the rural kebeles. In Sebeta, charcoal marketing is managed by the family. None of the traders are involved in any of rural investment however few (two) sampled traders send remittance to the rural relatives in the last three years.

Figure 19: Sampled Charcoal Trader in Sebeta Town

v. Butchery

Butchery in the town operates privately and sells red meat (mutton). Relatively it is high on the average initial capital (about 43,000birr). The average weekly sale was 31,000birr during the study week. Banks and personal asset are important sources of capital for the business. The customers of this business are town's dwellers and people who came from the city of Addis Ababa. In terms of level of interface traders asserted that they have very good marketing linkages with hinterland through purchasing of cattle's. The business owners hired laborers both from rural and urban areas. Regarding money transfer, all business owners send remittance to their rural relatives. Two of the sampled butcher men (owners) participate on livestock ranching/livestock fattening in the rural kebeles.

Figure 18: Sampled Butchery in Sebeta Town

Source: Field Photo, March 2011

The preceding discussion on urban traders revealed that trade is a small scale activity which involves limited labor forces and the amounts of capital used in most of the business are also very limited. Moreover, majority of urban traders send remittance to their rural families' though few of urban traders involved in rural investment. Hence, trades in the towns are not important sources of employment for the surrounding people. However, they create the different types of trade link between the hinterland and the town as well as even with the national capital Addis Ababa. In general, urban traders in Sebeta are linked to farmers through the supply and purchase of various goods and services.

Chapter Five

Summary, Recommendations and Policy Implications

5.1 Summary

The concept of RUL is multidimensional; however, there were very limited studies in rural-urban linkages and its implication on livelihood diversification of households in Ethiopia. The study was conducted with the broad/main objective of understanding to assess RULs and its implication of livelihood diversification of households in Sebeta town and its hinterland within 10 km radius. The study was conducted based on mixed approach and employed both qualitative and qualitative methods of data collection and analysis. In order to attain the specific objectives, primary data were gathered from a total of 200 sample households (100 rural, 50 urban and 50 urban traders) were selected through multi-stage stratified random sampling from the study site during the months of March and April 2011. Data was gathered through structured household questionnaire that was supplemented by Key Informants, FGDs and Direct Personal Observation.

Based on the survey data, people's livelihood activities in the study area were scanned through the lens or the proposition that 'rural and urban areas are interdependent localities.' The results have shown that: Farming remains a major occupation for most of rural people in the study area although some of them derive their incomes from a combination of farming and non-farm activities. There were also high levels of out-migration among the young generations. On the other hand, trade and service provision are the main activities in town. Some traders and other urban service providers also engage in urban and rural agriculture.

Out of the total sample households, 94% of them own their land while the rest, 6% are landless. The average farm size for the sampled households is 1.98 hectare. The finding also discloses that most (94%) of farmers have faced with various agricultural problems. Among the major constraints of on-farm diversification, shortage of capital is ranked first and followed by shortage of labor and scarcity of land. Land-related problems have implications for rural-urban linkages by reducing the amount of surplus to be marketed and lowering agricultural production flow from rural to urban areas. However, such problems forced people to diversify in to small activities for survival such as involving in non-

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The concept of RUL is multidimensional; however, there were very limited studies in rural-urban linkages and its implication on livelihood diversification of households in Ethiopia. The study was conducted with the broad/main objective of understanding to assess RULs and its implication of livelihood diversification of households in Sebeta town and its hinterland within 10 km radius. The study was conducted based on mixed approach and employed both qualitative and qualitative methods of data collection and analysis. In order to attain the specific objectives, primary data were gathered from a total of 200 sample households (100 rural, 50 urban and 50 urban traders) were selected through multi-stage stratified random sampling from the study site during the months of March and April 2011. Data was gathered through structured household questionnaire that was supplemented by Key Informants, FGDs and Direct Personal Observation.

Based on the survey data, people's livelihood activities in the study area were scanned through the lens or the proposition that 'rural and urban areas are interdependent localities.' The results have shown that: Farming remains a major occupation for most of rural people in the study area although some of them derive their incomes from a combination of farming and non-farm activities. There were also high levels of out-migration among the young generations. On the other hand, trade and service provision are the main activities in town. Some traders and other urban service providers also engage in urban and rural agriculture.

Out of the total sample households, 94% of them own their land while the rest, 6% are landless. The average farm size for the sampled households is 1.98 hectare. The finding also discloses that most (94%) of farmers have faced with various agricultural problems. Among the major constraints of on-farm diversification, shortage of capital is ranked first and followed by shortage of labor and scarcity of land. Land-related problems have implications for rural-urban linkages by reducing the amount of surplus to be marketed and lowering agricultural production flow from rural to urban areas. However, such problems forced people to diversify in to small activities for survival such as involving in non-

farm activities or migrate out, hence leading to rural to urban flows of people. The above stated problems also limit rural-urban linkages in that they reduce the farmers' potential to purchase industrial goods from urban areas.

In the pursuits of their livelihoods strategies households depend on a variety of key resources such as land, livestock, labor, finance, social support and networks. Owing to their differential in access to these livelihoods assets, variability in livelihood strategies among different households is apparent. Rural households in Sebeta Hawas Woreda peruse different livelihood strategies such as on-farm, non-farm activities as well as migration based on their asset and capability status. The primary economic activity in the hinterland is farming. The principal crops cultivated are cereals specifically teff followed by wheat and pulses. Chat is also grown by more than a quarter (28%) of farmers in the study site.

Crop production, livestock rearing, sales of animals and dairy products such as eggs, milk, butter as well as fruits and vegetables are the key farm income source of the rural people in the community under study. But agricultural production and productivity in the hinterland is low. Hence, most crops produced in the hinterland are used for consumption. About 36% of the farmers produce cereals for sales. So cereal production in the hinterland is not market oriented owing to the subsistence nature of agriculture and high cost of production as well as low demand by the agro-processing industries. However, teff is the dominant type of cereals crops both in terms of production and land allocation followed by wheat. The empirical findings show that more (60%) of farmers from Dima Guranda produces cereals for sale compared to (32%) of farmers from Gora Harkiso indicating that farmers within the first 5 km have better market linkage with Sebeta than farmers in the next 6-10 km.

Sebeta town is the major market place for cereals produced in the hinterland. The study discloses that hinterland farmers the principal suppliers of farm outputs, since nearly two-third (64%) of sampled urban households indicated that production from the hinterland satisfy urban peoples' demand. As such, hinterland farmers have relatively better marketing interaction with urban dwellers through the sale of cereals than urban traders do. The study also discloses that 38% of sampled farmers have produced fruits and vegetables in the last two years. About (34%) of farmers brought their products to the market. All fruits and vegetables are marketed in Sebeta town and 84.2% of urban households have

purchased fruits and vegetables from hinterland farmers. Moreover, Sebeta town is the major market place to buy and sale livestock for 70% of the sampled farmers. However, the income earned from the sale of livestock products is less satisfactory because about 68% of the farmers earned less than 1000birr per household per annum and it is only 4% of farmers earned more than 3001 birr per hosehold per annum.

Marketing as a livelihood strategy of the rural people allows farmers to sell their agricultural products. It also allows farmers to purchase production goods required for agricultural growth with the aim of improving the returns from agriculture. In case of input and extension services linkage, most (96%) of the sampled farmers use agricultural input in study site. About 54.2% of sampled farmers indicated that the amount of input used in the last three years has increased. The only supplier of fertilizers selected seeds, herbicides and pesticides are the service cooperatives/unions in each respective kebeles which indicates weak backward marketing linkages. Moreover, the study has identified a weak forward RUML resulted due to the little marketing linkages between the rural sector and agro-processing industries. Forward production marketing linkage between Sebeta and its hinterland is almost non-existent (except little formal linkages created with dairy, Marse and Abahoya flour factories found in the town). It is only a strong linkage in grain mills process between the two spatial units.

Regarding extension and veterinary service provision by the town, most (90%) of farmers indicated that they have access to extension services. SHARDO are the principal and the only sources of extension services for all (100%) of users. Government is the sole provider of veterinary service to hinterland farmers. The role of private sectors in veterinary service provision is limited. The fact that most veterinary services are offered in their respective rural kebele, asserts the prevalence of weak backward RUMLs in the study site.

The empirical finding shows that farmers within the first 5 km (Dima Guranda) are found to purchase more consumable good from Gora Harkiso. Unlike Gora Harkiso where some consumption goods are purchased within the PA, Farmers from Dima Guranda have purchased all their non-durable goods from Sebeta. Therefore, it is possible to conclude that farmers from Dima Guranda have better access to urban services than farmers from Gora Harkiso. The same is true in terms of purchase of durable

goods even though relatively small. In general, unlike back and forward linkages hinterland farmers have relatively strong consumption linkage with Sebeta.

All sampled farmers from Dima Guranda and Gora Harkiso visited Sebeta for market purpose with diverse travel frequencies. None of the reporting farmers from the hinterland had a daily market visit to the town. Majority of farmers indicated that they often went to Sebeta on foot regardless of the purpose and frequency. Unlike Gora Harkiso a sizable numbers of farmers from Dima Guranda use vehicles. Thus, hinterland farmers have better linkages with Sebeta as center of employment and information.

In Sebeta Hawas Woreda rural households engaged in diverse portfolio of livelihoods activities due to pull or push factors, though farming activity takes its lionshare. The empirical finding reveals that rural non-farm sector is quite promising with 57% of sampled farmers taking part in the activity as their source of income. Although NFAs an important source of income, it has adverse effect on crop production. Productivity decreases if no regular protection of farm land from erosion. The time lost on engagement of non-farm activities by farmers will lead to lack of regular supervision on their farmland this in turn decreases the return from farming. On the otherhand, the money earned from non-farm activities supplements hinterland farmers with extra income. The cash obtained from NFAs is used largely for the purpose of purchasing consumable goods, purchase of farm inputs, fee for eduation and medical treatment. This indicates that NFAs supports even agricultural production through the purchase of farm inputs in the study site. As far as the constraints of non-farm livelihood diversification is concerned, lack of initial capital/finance, lack of skill training, working and marketing place and poor infrastructure (road) are identified by the participants as the main constraints that limit their involvement.

In the surveyed town, about 72% of sampled urban households earn an income from a combination of activities. The level of diversification into urban agriculture is not negligible since urban dwellers and traders commute with their finance and skill to produce crops and dairy farming (rural agriculture) on their and/or rented land in rural areas as a result there is a transformation knowledge and flow of finance which in turn strengthen RUL in the study site. High taxation, lack of credit, poor road connections and the high cost of transportation are some of the problems town dwellers face when

undertaking their main activities, leading to reduced profits and subsequently limiting rural-urban linkages.

The empirical finding reveals that 92% of the farmers have received updated information on the demand and price of their farm outputs. In terms of kebele, 100% of sampled farmers from Dima Guranda have access to market information while 84% was reported from Gora Harkiso. Hence, farmers from Dima Guranda have more access to market and market related information than farmers in Gora Harkiso. Therefore, it is possible to conclude that the availability of communication facilities are sufficient condition to guarantee farmers' access to information on demand and price of agricultural outputs in the study area.

Producers require capital to expand their livelihoods and to enhance linkages. Poor access to finance is another constraint to farming and to non-farm activities in rural areas as well as trade, service and urban agriculture in the town. The financial linkage is very weak. This is because only 12% of the respondents borrowed from different institution. The main sources of loans for the rural farmers are microfinance. Villagers also acquire limited amounts of money from traders as well as from the credit and saving institution in the town. Banks are, however, not accessible to the poor due to high interest rates charged and lack of credit partners.

The study shows that more than one-fourth (27%) of sampled farmers identified various challenges that affect the smooth operation of RUMLs in the study area. Shortage of adequate transportation service, the subsistence nature of agriculture, poor road network, price fluctuation and lack of market facilities are the first five main problems in ascending order that affect RUMLs in the study area. Both groups of farmers are victims of the challenge. The study discloses that, there is exact similarity between hinterlands farmers and their urban counterparts to recognize and identify market services and pertinent challenges that affect marketing linkages.

As far as migration is concerned, short and long term migration were the main components of migration in the study area besides daily commuting. Hence, about 60% of the reporting farmers have at least one migrant member who was involved in migration. The main reasons for out-migrating are economic reason, seeking better job opportunity due to limited full-time employment in the villages.

The major destinations of rural out-migrants are Sebeta followed by Addis Ababa. In terms of labor mobility, the majority of migrants are young population. Since the town is a center of service and employment as a result daily causal laborers come to work in flower plantation and real estate construction sites as well as other industries in the town. This indicates Sebeta town create employment opportunities for the hinterland farmers. Out-migration is constrained by lack of information on job opportunities, even though migrant relatives provide information. Migration has also adverse effect in the livelihood through creating shortage of family labor and loneliness in view of some of the sampled households though the positive impacts overweight the negative ones.

With regard to remittance, the empirical finding indicates that, about 70% of the rural households with migrants' members receive remittance in cash or in kind from migrants. The cash is used for investment (expanding the existing farm production and purchase of cattle) as well as for petty trading and paying tax. On the other hand, about 42% of the sampled urban households stated that they received remittance from their rural families. Regarding the kinds of remittance, 100% of them indicated that they received both food crops and livestock from their rural relatives in the last three years. Similarly, 60% of the sampled urban households mentioned that they send remittance too. This clearly shows that the existence of strong linkage in terms of flow of finance between urban households and their rural relatives in the hinterland in particular as well as within and outside of the woreda in general.

Regarding the role of urban traders, the study revealed that trade is a small scale activity which involves limited labor forces. The amounts of capital used in most of the business are also very limited. Hence, trades in the towns are not important sources of employment for the surrounding people. However, the different types of trade link the hinterland and the town as well as even with the national capital Addis Ababa. In general, urban traders in Sebeta are linked to farmers through the supply and purchase of various goods and services. Besides few traders rented land and engaged in vegetables production and animal fattening. However, due to shortage of land and high cost of inputs agriculture in the hinterland remains subsistence which in turn handicapped RUMLs.

5.2 Recommndation and Policy Implications

The present government has given some attention to activities outside agriculture in rural areas and the urban sector in recent years. However, additional effort is still required to enhance the livelihood strategies of the people through strengthening rural-urban linkages. It was found that different groups pursued a combination of different livelihood strategies that bridge the rural-urban divide. This made a fertile ground for spatial and occupational diversity of the local people's livelihoods needs to be recognized. The interventions should concentrate on improving assets for both rural and urban sectors and areas, with the aim of expanding livelihood options and strengthening rural-urban linkages rather than assuming villagers to be farmers and urban dwellers to be traders and service providers.

The weak and unbalanced developments between the rural and urban areas need attention of both rural and urban administrators. Based on the empirical results of the study, the following feasible recommendations and policy implications are forwarded to be used by different stakeholders who are devoted to harness the RULs and livelihood diversification as well as to foster the virtuous cycle of linkage between Sebeta and its hinterland.

- The study has revealed that Sebeta town lacks basic market infrastructures. The single permanent market place in the town is too crowded to offer adequate market services to both rural and urban marketers. Therefore, the municipality and rural local governments should work together to look for other suitable alternative market.

- Sampled farmers have identified shortage of capital as the primary challenge that affects agricultural production and RUMLs. Access to working capital is a key element of government support, in addition to supportive regulatory and taxation policies to expand micro- and informal enterprises based in town for local people. These would also increase the labor absorptive capacity of business sectors, thus strengthening rural to small town migration. Traders link hinterlands with local markets as well as provide credit and information on market prices for producers. Hence, more support should be given to traders to improve their livelihood strategies and to strengthen linkages.

- Sampled farmers also mentioned that shortage and small size farmland as a constraint of agricultural production. Thus, to curb the problem concerned government bodies, NGOs and CBOs should work

together to provide training and create awareness among farmers how to conserve their land and increase production and productivity within the small plot of land. This helps to enhance returns from farming and will in turn increases farmers' potential in purchasing industrial goods and getting urban services from the town that will also promote economic linkages between the two spatial units.

- Sampled farmers and urban households in the study site identified poor road network as another principal challenge that affects agricultural output marketing in the study area. As such, both town administration and rural local government should work together in maintaining the existing feeder road net-work and expanding new road by mobilizing financial and labor resource from the residents, NGOs and CBOs to facilitate well managed future growth as well as to enhance RUL and its economic implication through decreasing cost of transportation and increasing farmers and traders' profits. This would also facilitate out-migration and ensure frequent rural-urban linkages. Moreover, networking helps to build team spirit in which duplication of effort and inappropriate use of resource could be avoided. As such, all concerned bodies should coordinate their effort to increase the capability of households in general and make the area favorable for diversification in particular.

- Urban households indicated that price fluctuation is the principal challenge that affects RUMLs. As result, municipality officials, urban-based consumer associations and farmers' service cooperatives should work together so as to promote strong RUMLs and to empower purchasing power of urban households, stabilize the fluctuating price and minimize its adverse effect on RUMLs.

- Agriculture in the hinterland is subsistence or not market oriented. Rain-fed agriculture, traditional farming, shortage, small size and unequal distribution of farm land are the common features of farming. Production is mainly used for consumption. Therefore, farmers, DAs and agriculturalists from SHARDO should work together to foster strong forward and backward production linkages that would curb the problem and bring mutual development in the study area.

- Under normal circumstances, non-farm activities can play an indispensable role to strengthen RUMLs. As such, the empirical finding reveals that rural non-farm sector is promising and exhibits good linkage. The micro and small-scale industries in the town is one of the potential areas that would create the chance for rural non-farm activities. Nevertheless, it is only few MSEs have market linkage with hinterland farmers. Therefore, farmers in the hinterland should be given skill development

trainings and encouraged to produce market oriented farm outputs that would be used as a raw materials for the existing agro processing industries. Moreover, an attempt should be made by municipality officials to create marketing linkages between MSEs and hinterland farmers.

- Without the growth of farming systems, small-scale farmers cannot produce for sale. Therefore, immediate attention should be given to provide rural farmers inputs, farming implements and credit accessible and affordable to them, especially to the poor who have no credit partners or collateral. High levels of surplus production in villages enhance business opportunities in towns linked to the agricultural sector, such as input supply, marketing and agro-processing promote rural-urban linkages. At the same time, this attracts several actors and strengthens linkages between villages and wider networks of markets.

- Finally, successful livelihood diversification of households requires investment on human capital. This includes encouraging entrepreneurship especially young people and building the capacity through training program (technical and vocational education). These are vital to enhance competitiveness and increase productivity on farm and non-farm activities

In general, RULs become better to a considerable level and mutual development of the two spatial units can be fostered so long as there are pooled efforts to identify the causes, consequences and commitments in the implementation from governmental, non-governmental and community based organizations, academia, farmers, urban dwellers and any other volunteer stakeholders.

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Annex 1: Sex, Age, Marital and Educational Status of Sample Rural Households

Sex	**No.**	**Percent**
Male	84	84
Female	16	16
Total	100	100
Age		
Less than 20	-	-
20-30	6	6
31- 40	38	38
41-50	28	28
51-60	24	24
Above 60	4	4
Total	100	100
Marital Status		
Married	86	86
Unmarried	6	6
Divorced	4	4
Widowed	4	4
Total	100	100
Level of Education		
Illiterate	22	22
Informal-Education	2	2
Adult- Education	14	14
Grade 1-8	38	38
Grade 9-12	16	16
Above secondary	8	8
Total	100	100

Source: Own Survey, March 2011

Annex 2: Religion, Ethnic Composition and Family Size of Sample Rural Households (%)

Religion	**Reporting Farmers**	**Percent**
Orthodox- Christianity	96	96
Muslim	-	-
Protestant	4	4
Catholic	-	-
Total	100	100
Ethnicity		
Oromo	88	88
Amhara	6	6
Guraghe	6	6
Total	100	100
Family Size		
1-4	14	14
5-8	38	58
9-12	22	22
Above 12	6	6
Total	100	100
Average Family Size	6.4	

Source: Own Survey, March 2011

Annex 4: The Percentage Distribution of Urban Households by Place of Birth

Place of Birth	**No.**	**Percent**
Sebeta Town	8	16
Small towns within the Woreda	6	12
Hinterland	20	40
Others	16	32
Total	50	100

Source: Own survey, March 2011

Annex 3: Basic Demographic Characteristics of Sample Urban Households

Affiliation and Status	Number of Urban Households Responded	
	Frequency	Percent
Sex		
Male	40	80
Female	10	20
Total	50	100
Age		
Less than 20	-	-
20-30	-	-
31-40	13	26
41-50	20	40
51-60	9	18
Above 60	8	16
Total	50	100
Marital Status		
Unmarried	3	6
Married	37	74
Divorced	3	6
Widowed	7	14
Total	50	100
Educational Status		
Illiterate	4	8
Informal Education	3	6
Adult Education	-	-
Primary/1-8	9	18
Secondary/9-12	16	32
Above secondary	18	36
Total	50	100
Religious Denomination		
Orthodox Christianity	23	46
Muslim	19	38
Protestant	6	12
Catholic	5	10
Total	50	100
Ethnicity		
Oromo	21	42
Amhara	9	18
Guraghe	11	22
Tigri/Worji	7	14
Gamo	2	4
Total	50	100
Family Size		
1-3	9	18
4-6	21	42
7-9	15	30
Above 9	5	10
Total	50	100
Average Family Size	6	

Source: Own Survey, March 2011

Annex 5: Percentage Distribution of Land Holding and Size in the Study Area

Land Holding Size (hectare)	Number of Households Responded					
	Dima Guranda		Gora Harkiso		Total	
	Frequency	Percent	Frequency	Percent	Frequency	Percent
Landless	4	8	2	4	6	6
0-1	17	34	19	38	36	36
1.1- 2	6	12	13	26	19	19
2.1- 3	9	18	4	8	13	13
3.1- 4	6	12	8	16	14	14
4.1- 5	8	16	4	8	12	12
Total	50	100	50	100	100	100
Average for landowners	(2.1ha.)		(1.8ha.)		(ha.)	
Average for all Respondents	(1.9ha.)		(1.7ha.)		(1.8ha.)	
Mode of Access of land/Mechanism						
Inheritance	15	30	17	34	32	32
Allocation by rural leaders	20	40	19	38	39	39
Rent in/contract	9	18	7	14	16	16
Sharecropping/Yegara	2	4	4	8	6	6
Gift	4	8	3	6	7	7
Total	50	100	50	100	100	100

Source: Own survey, March 2011

Annex 6: Percentage Distribution of Land Rented-out and Rented-in by Rural Households

Do You Rented-out Land	Dima Guranda		Gora Harkiso		Total	
	Frequency	Percent	Frequency	Percent	Frequency	Percent
Yes	8	16	4	8	12	12
No	42	84	46	92	88	88
Total	50	100	50	100	100	100
Size of Land Rented out (hac.)						
0-1	46	92	48	96	94	94
1.1-2	4	8	-	-	4	4
2.1-3	-	-	-	-	-	-
3.1-4	-	-	-	-	-	-
Above 4	-	-	2	4	2	2
Total	50	100	50	100	100	100
Size of Land Rented-in (hac.)						
0-1	5	55.5	5	71.4	10	66.6
1.1-2	3	33.3	2	28.6	5	33.3
2.1-3	1	11.1	-	-	-	-
Total	9	100	7	100	15	100

Source: Own Survey, March 2011

Annex 7: Farm Input Type, Amount Purchased, Place of Purchase and Suppliers

Descriptions		Fertilizers	Improved Seeds	Herbicides	Pesticides
Total number of users		94(100)	44(45.8)	90(93.8)	24(25.5)
Amount Purchased(kg)		11,600	4,200	120	24
Total Cost Incurred (Birr)		187,032	29,292	6782	2400
Suppliers	Traders	-	-	-	-
	Cooperative Union	94(100)	44(100)	90(100)	24(100)
	SHWARDO	-	-	-	-
Place of Purchase	Sebeta	-	-	-	-
	With PA	94(100)	44(100)	90(100)	24(100)
Reasons for not using	High cost	6(100)	46(82)	3(30)	5(6.6)
	Locally available	-	4(7.2)	7(70)	65(85.5)
	Lack of knowledge	-	4(7.2)	-	6(7.9)
	Others	-	2(3.6)	-	-

Source: Own Survey, March 2011

Annex 8: Non-durable and Durable Goods Purchased by the Rural Households in the Last 12 Months

Name of Rural Kebele								
Non-durable Goods	RHH	Ave. Exp'r per month	Dima Guranda			Gora Harkiso		
			RHH	Market Place		RHH	Market Place	
				Sebeta Town	Rural Kebele		Sebeta Town	Rural Kebele
Soap/Omo	100(100)	2362	50(100)	50(100)	-	50(100)	44(88)	6(12)
Coffee	96(96	8940	48(96)	48(100)	-	48(96)	48(100)	-
Edible Oil	98(98)	7084	50(100)	50(100)	-	48(96)	48(100)	-
Pepper/Spice	50(50)	1487	24(48)	24(100)	-	26(52)	23(88.5)	3(11.5)
Salt	100(100)	1284	50(100)	50(100)	-	50(100)	45(90)	5(10)
Sugar/tea	82(82)	2798	38(76)	38(100)	-	44(88)	44(100)	-
Match/Battery	100(100)	1300	50(100)	50(100)	-	50(100)	47(94)	3(6)
Kerosene	97(97)	4012	47(94)	47(100)	-	50(100)	45(90)	5(10)
Cloth	30(30)	8280	18(36)	18(100)	-	12(24)	12(100)	-
Shoes	52(52)	7636	46(92)	46(100)	-	12(24)	12(100)	-
Medicament	32(32)	6360	18(36)	18(100)	-	14(28)	12(85.7)	2(14.3)
Recreation	44(44)	4400	32(64)	32(100)	-	12(24)	9(75)	3(25)
Durable Goods								
Tape/Radio	34	13447	20	20	-	14	14	-
Watch	12	940	8	8	-	4	4	-
Tools/Utensil	16	1280	9	9	-	7	6	1
Furniture	64	9616	36	36	-	28	23	5
Construction Materials	30	78300	24	24	-	6	5	1
Jewelry	14	1050	8	8	-	6	-	-

Source: Own Survey, March 2011 TRF- Total Reporting Farmers Figures in the parenthesis are Percentages

Annex 9: Vegetables, Animal Products, Charcoal and Fuel Wood Purchased by Urban Households per Month

Food item	RHH	AAP	AVC	Suppliers			Market Place		
				Farmers	Traders	Whole Sellers	Sebeta Town	Farm Gate	Others
Onion (kg)	45(90)	9.6	96	5(11.1)	40(88.9)	-	40(88.9)	-	5(11.1)
Tomato(kg)	41(82)	7.4	44.4	6(14.6)	35(85.6)	-	38(92.7)	-	3(7.3)
Potato (kg)	37(74)	8.1	40.5	6(16.2)	31(83.8)	-	35(94.6)	-	2(5.4)
Pepper (kg)	31(62)	2.6	41.6	3(9.7)	28(90.3)	-	31(100)	-	-
Beet Root(kg)	24(48)	3.5	7	6(25)	18(75)	-	24(100)	-	-
Cabbage	28(56)		13.5	21(75)	7(25)	-	28(100)	-	-
Carrot (kg)	30(60)	4.7	32.9	-	30(100)	-	30(100)	-	-
Banana (kg)	15(30)	5	35	-	15(100)	-	15(100)	-	-
Orange (kg)	16(32)	5	40	-	16(100)	-	16(100)	-	-
Egg (no.)	48(96)	33	49.5	37(77.1)	11(22.9)	-	48(100)	-	-
Meat (kg)	41(82)	4.5	243	-	41(100)	-	41(100)	-	-
Milk (liter)	12(24)	25	175	3(25)	9(75)	-	12(100)	-	-
Butter(kg)	7(14)	2.7	432	2(28.6)	5(71.4)	-	7(100)	-	-
Chicken(no)	11(22)	1.5	97.5	8(72.7)	3(27.3)	-	11(100)	-	-
Charcoal	38(76)	1	125	29(76.3)	9(23.7)	-	38(100)	-	-
Fuel Wood	35(70)	1	30	31(88.6)	4(11.4)	-	35(100)	-	-
***Chat**	13(26)	2	50	-	13(100)	-	11(84.6)	-	2(15.4)

Source: Own Survey, March 2011 RHH-Reporting Households AVC- Average Cost incurred per month

AAP-Average Amount Purchased per HH Figures in the Parenthesis is Percentages *Cash Crop/chat

Note that 1 sack costs 125 birr, 1bundle of firewood ('esir') costs 30birr and 1'esir' of chat costs 25 birr

Annex 10: Frequency, Transport Mode and Purpose of Visit from Dima Guranda to Sebeta Town

Frequency	**Purpose of Travel to Sebeta Town**						
	Market	Education	Medication	Administration	Family Visit	Information	Employment
Daily	-	18(36)	-	-	-	2(4)	4(8)
Weekly	30(60)	-	-	-	2(4)	12(24)	-
Three times per week	20(40)	-	-	-	-	-	26(52)
Once in two weeks	-	-	-	-	-	-	-
Monthly	-	-	7(14)	3(6)	6(12)	8(16)	1(2)
Once in two month	-	2(4)	11(22)	5(10)	-	-	-
Never go	-	30(60)	32(64)	42(84)	42(84)	28(56)	19(38)
Transport Mode							
On Foot	20(40)	10(20)	4(8)	1(2)	2(4)	15(30)	13(26)
Animal Back	8(16)	2(4)	-	1(2)	-	-	-
Vehicle/Bajaj	12(24)	4(8)	8(16)	4(8)	6(12)	4(8)	12(24)
Horse Cart	10(20)	6(12)	5(10)	1(2)	-	3(6)	6(12)
Actors in the Family							
Husband	17(34)	3(15)	10(55.5)	6(75)	5(62.5)	15(68.2)	15(48.4)
Wife	21(42)	-	2(11.1)	2(25)	2(25)	1(4.5)	3(9.7)
Children	5(10)	17(85)	2(11.1)	-	1(12.5)	6(27.3)	11(35.5)
All	7(14)	-	4(22.2)	-	-	-	2(6.4)

Source: Own Survey, March 2011 Figure in the Parenthesis is Percentages

Annex 11: Frequency, Transport Mode and Purpose of Visit from Gora Harkiso to Sebeta Town

Frequency	Purpose of Travel to Sebeta Town						
	Market	Education	Medication	Administration	Family Visit	Information	Employment
Daily	-	16(32)	1(2)	-	-	1(2)	12(24)
Weekly	16(32)	-	-	-	5(10)	4(8)	7(14)
Three times per week	20(40)		-	-	6(12)	6(12)	9(18)
Once in two weeks	-	-	-	2(4)	-	-	-
Monthly	8(16)	-	2(4)	-	4(8)	6(12)	
Once in two month	-	-	6(12)	6(12)	-	-	-
Never go	6(12)	34(68)	41(82)	42(84)	35(70)	33(66)	22(44)
Transport Mode							
On Foot	35(79.5)	9(56.3)	7(77.8)	2(25)	11(73.3)	5(45.5)	16(55.2)
Animal Back	-	-	-	-	-	-	-
Vehicle/Bajaj	6(13.6)	3(18.8)	2(22.2)	6(75)	4(26.7)	6(54.5)	12(41,4)
Horse Cart/Garry	3(6.9)	4(25)	-	-	-	-	1(5.4)
Actors in The Family							
Husband	20(45.5)	2(12.5)	5(55.5)	3(37.5)	4(26.7)	8(72.7)	13(46.4)
Wife	16(36.4)	-	1)11.1)	5(62.5)	6(40)	1(9)	4(14.3)
Children	3(6.8)	14(87.5)	3(33.3)	-		2(18.2)	11(39.3)
All	5(11.4)	-	-	-	5(33.3)	-	

Source: Own Survey, March 2011 Figure in the Parenthesis is Percentages

Annex 12: Sources to Market Information and Level of Market Services as Perceived by Farmers

Access to Market Information	Dima Guranda		Gora Harkiso		Total	
	No.	Percent	No.	Percent	No.	Percent
Yes	50	100	42	84	92	92
No	-	-	8	16	8	8
Source of Market Information						
Radio	-	-	-	-	-	-
Other Farmers	10	20	11	22	21	21
Extension Workers	18	36	14	28	32	32
Relatives from Sebeta Town	1	2	5	10	6	6
Self-assessment	12	24	13	26	25	25
Others	9	18	7	14	16	16
Level of Market Service						
Excellent	-	-	2	4.8	2	2.2
Very Good	8	16	6	14.3	14	15.2
Good	36	72	28	66.6	64	69.6
Enough	4	8	6	14.3	10	11.8
Poor	2	4	-	-	2	2.2

Source: Own Survey, March 2011

Annex 13: Non-Farm Activities, Reasons, purpose, and place of work, raw material, sell and Actors

Non- Farm Activities	Name of Rural Kebele/PA				Total	
	Dima Guranda		Gora Harkiso			
	No.	Percent	No.	Percent	No.	Percent
Transporter (Bajaj & horse driven cart)	4	12.5	2	8	6	10.5
Quarry	-	-	5	24	5	8.8
Hand craft	1	3.1	1	4	2	3.5
Tea Room	2	6.3	1	4	3	5.3
Repairing	1	3.1	1	4	2	3.5
Local Beer (Tela/Katical selling)	2	6.3	4	16	6	10.5
Petty Trading	3	9.4	2	8	5	8.8
Daily Laborer	7	21.8	4	16	11	19.3
Grain trading	3	9.4	2	8	5	8.8
Religious Teaching	2	6.3	-	-	2	3.5
Broker	1	3.1	-	-	1	1.6
Guard	-	-	1	4	1	1.6
Charcoal Vending	2	6.3	1	4	3	5.3
Fire Wood Selling	2	6.3	-	-	2	3.5
Grass and Straw selling	2	6.3	1	4	3	5.3
Reason of engagement on NFAs						
Decreasing Agricultural Activity	15	46.9	13	52	28	49.1
Shortage of Land	10	31.3	8	32	18	31.6
Lack of credit	7	21.9	4	16	11	19.3
Purpose of Engagement on NFAs						
Purchase of Consumable Goods	11	34.4	9	36	20	35.1
Buy clothes and Shoes	2	6.3	1	4	3	5.3
Buy farm inputs	8	25	6	24	14	24.6
Pay tax	2	6.3	2	8	4	7
Education and Medical fee	6	18.8	4	16	10	17.5
Others	3	9.4	2	8	5	8.8
Place of Work						
Home	11	34.4	9	36	20	35.1
Rural Kebele/PA	6	18.8	2	8	8	14
Sebeta	15	46.9	14	56	29	50.9
Place of Raw-Material Purchase						
Rural Villages	3	9.3	2	8	5	8.8
Sebeta	18	56.2	19	76	37	64.9
No purchase made	11	34.4	4	16	15	26.3
Place of market for out put						
Rural Market(demand)	11	34.4	7	28	18	31.6
Sebeta	21	65.6	18	72	39	68.4
Actors						
Husband	14	43.8	13	52	27	47.4
Wife	7	21.9	4	16	11	19.3
Children	11	34.3	8	32	19	33.3

Source: Own Survey, March 2011

Annex 14: Combination of Activities in Sebeta Town (%).

Activity Type	**Only Means**	**The Two Main Activities**	
		1st	**2nd**
Kati cal selling	-	2(5.5)	-
Tela Selling	-	-	1(4.8)
Rural Agriculture/Farming	5(35.7)	4(11.1)	1(4.8)
Grain Mills	-	1(2.8)	1(4.8)
Pensioner	-	-	2(9.5)
Cloth &Shoe Selling	-	6(16.7)	-
Poultry	-	-	2(9.5)
Factory Owner	-	2(5.5)	-
Urban Agriculture	-	3(8.3)	4(19)
Fruits and Vegetable Marketing	-	-	1(4.8)
Photo Shop	-	-	1(4.8)
House Renting	-	3(8.3)	3(14.2)
Government Employee	4 (28.6)	4(11.1)	-
Wood Work	2 (14.3)	1(2.8)	1(4.8)
Metal Work	-	1(2.8)	1(4.8)
Daily Laborer	2 (14.3)	1(2.8)	-
Petty Trader in Urban	1 (7.1)	1(2.8)	1(4.8)
Chat Marketing	-	1(2.8)	-
Service providers (1 Tej bet, 3 bars, 1 Butcher 1 Bakery &1 Barber)	-	6(16.7)	2(9.5)
Total	14 (100)	36(100)	21(100)

Source: Own Survey, March 2011 **Figure in the parenthesis is percentages**

Annex 19: Migration Status of in-migrants (Urban Households)

Previous place of residence/birth	**Reporting Households**	**Percent**
Outside of the Woreda	16	38.1
Within the Woreda	6	14.3
Hinterland(Rural)	20	47.6
Total	42	
Length of Residence in town		
1-5	4	9.5
6-10	6	14.3
11-15	15	35.7
Above 15	17	40.5
Total	42	100
Average Length of residence	13.4	
Did you get remittances from your relatives in the last three years?		
Yes	21	42
No	29	58
Total	50	100
Did you send money/remittance to your rural relatives in the last three years?		
Yes	30	60
No	20	40
Total	50	100

Source: Own Survey, March 2011

Annex 20: Selected Features of Manufactured/Industrial Goods Retailers/Traders in Sebeta Town

Traders	1	2	3	4	5	Average
Ownership	Private	Partner	Private	Private	Private	
Startup Capital(birr)	40,000	150,000	90,000	75,000	120,000	95,000
Source of Capital	Self	Bank	Self	Self	Bank	
Weekly Sales(birr	NS	NS	NS	NS	NS	NS
Place of Purchase	Addis Ababa	Addis Ababa	Addis Ababa	Addis Ababa	Addis Ababa	
Place of Sale of Manufactured Goods	Sebeta	Sebeta	Sebeta	Sebeta	Sebeta	
Customers	Town dwellers/hinterland farmers	Town dwellers/ hinterland farmers	Town dwellers/ hinterland farmers	Town dwellers/ hinterland farmers	Town dwellers/ hinterland farmers	
Level of link with rural Kebeles	Very Good	Good	Very Good	Good	Very Good	
Hired Labor	Yes	Yes	Yes	Yes	Yes	
Number of Labor	1	3	2	2	3	
Source of Labor	Urban	Urban/Rural	Urban/Rural	Urban/Rural	Urban/Rural	
Do You Send Money to your Rural Families (Remittance)?	Yes	Yes	Yes	Yes	Yes	
Have you invested in agriculture in rural kebele?	No	No	No	No	No	

Source: Own Survey, March 2011 NS- Not Specified

Annex 21: Selected Features of Chat Traders in Sebeta Town

Traders	1	2	3	4	5	Average
Ownership	Private	Private	Private	Private	Private	
Startup Capital(birr)	5000	4000	3000	2500	2000	3300
Source of Capital	Relatives	Relatives	Self	Self	Self	
Weekly Sale (birr)	1500	1100	700	500	350	830
Place of Purchase	Hinterland	Hinterland	Hinterland	Hinterland	Hinterland	
Place of Sale of Chat	Sebeta	Sebeta	Sebeta	Sebeta	Sebeta	
Customers	Town dwellers	Town dwellers	Town dwellers	Town dwellers	Town dwellers	
Level of link with rural Kebeles	Very Good	Very Good	Very Good	Very Good	Very Good	
Hired Labor	N0	No	No	No	No	
Source of Labor	-	-	-	-	-	
Do You Send Money to your Rural Families (Remittance)?	Yes	Yes	Yes	Yes	Yes	
Have you invested in agriculture in rural kebele?	No	No	No	No	No	

Source: Own Survey, March 2011

Annex 22: Selected Features of Fruits and Vegetables Traders in Sebeta Town

Traders	1	2	3	4	5	Average
Ownership	Private	Private	Private	Private	Private	
Startup Capital(birr)	8000	15,000	13,000	7000	10,000	10,600
Source of Capital	Self	Self	Self	Self	Self	
Weekly Sale (birr)	3300	5500	4800	2400	3900	3,980
Place of Purchase	Addis Ababa	Addis Baba	Addis Baba	Hinterlands	Addis Baba	
Place of Sale of Fruits and Vegetables	Sebeta	Sebeta	Sebeta	Sebeta	Sebeta	
Customers	Town dwellers	Town dwellers	Town dwellers	Town dwellers	Town dwellers	
Level of link with rural Kebeles	Weak	Weak	weak	Very good	Weak	
Hired Labor	No	Yes	Yes	No	No	
Number of Labor	-	3	1	-	-	
Source of Labor	-	Rural	rural	-	-	
Do You Send Money to your Rural Families (Remittance)?	No	Yes	Yes	Yes	No	
Have you invested in agriculture in rural kebele?	No	Yes	No	No	No	

Source: Own Survey, March 2011

Annex 23: Selected Features of Charcoal Traders in Sebeta Town

Traders	1	2	3	4	5	Average
Ownership	Private	Private	Private	Private	Private	
Startup Capital(birr)	2000	3000	5000	8000	10,000	5,600
Source of Capital	Self	Self	Self	self	Self	
Weekly Sale (birr)	525	875	1850	2275	3250	1755
Place of Purchase	Hinterlands	Hinterlands	Hinterlands	Hinterlands	Fincha	
Place of Sale of Charcoal	Sebeta	Sebeta	Sebeta	Sebeta	Sebeta	
Customers	Town dwellers	Town dwellers	Town dwellers	Town dwellers	Town dwellers	
Level of link with rural Kebeles	Very good	Very good	Very good	Very Good	Good	
Hired Labor	No	No	No	No	No	
Source of Labor	-	-	-	-	-	
Do You Send Money to your Rural Families (Remittance)?	No	No	No	Yes	Yes	
Have you invested in agriculture in rural kebele?	No	No	No	No	No	

Source: Own Survey, March 2011

Annex 24: Selected Features of Butchers in Sebeta Town

Traders	1	2	3	4	5	Average.
Ownership	Private	Private	Private	Private	Private	
Startup Capital(birr)	20,000	40,000	50,000	25,000	80,000	43,000
Source of Capital	Self	Self	Self	Self	Self	
Weekly Sale (birr)	18,000	33,000	37,500	21,000	50,000	31,000
Place of Purchase of Cattle	Hinterland	Hinterland	Hinterland	Hinterland	Hinterland/AA	
Place of Sale of Meat	Sebeta	Sebeta	Sebeta	Sebeta	Sebeta	
Customers	Town dwellers, Addis Ababa	Town dwellers, Addis Ababa	Town dwellers, Addis Ababa	Town dwellers, Addis Ababa	Town dwellers, Addis Ababa	
Level of link with rural Kebeles	Very Good	Very Good	Very Good	Very Good	Very Good	
Hired Labor	Yes	Yes	Yes	Yes	Yes	
Source of Labor	Rural	Rural/Urban	Rural/Urban	Rural	Rural/Urban	
Number of Labor	1	2	2	1	2	
Do You Send Money to your Rural Families (Remittance)?	Yes	Yes	Yes	Yes	Yes	
Have you invested in agriculture in rural kebele?	No	No	No	Yes (Animal Fattening)	Yes (Animal Fattening)	

Source: Own Survey, March 2011

Addis Ababa University

School of Graduates Studies

Urban Development and Management

Structured Questionnaire for Rural Households - A Sample Survey

Objective: The purpose of this questionnaire is to gather information on rural-urban linkages and their implication on livelihood diversification of households in Sebeta Town and its Hinterlands for the partial fulfillment of the Masters of Arts Degree in Urban Development and Management at Addis Ababa University.

General Directions

1. You are kindly requested to offer genuine responses.
2. The study is entirely academic and all responses are confidential.
3. Feel free to respond.

Thank you in Advance!

A. Questionnaire Identification

1. Name of Woreda———— 3. Name of Interviewer's----------

2. Name of Kebele ———— 4. Supervisor's Signature————

B. General Information (encircle the appropriate responses)

1. Age of HH head----------

2. Sex: 1. Male 2. Female

3. Marital Status: 1.Never Married 2. Married 3. Divorced/Separated 4.Widowed

4. HH head education level: 1. Illiterate 4. Primary & Junior (1- 8)
   2. Informal education 5. Secondary (9-12)
   3. Adult education 6. Above secondary education

5. Religious Denomination: 1. Orthodox Christian 3. Protestant 5. Other ---------
   2. Muslim 4. Catholic

6. Ethnicity: 1. Oromo 3. Guraghe 5.Tigre
   2. Amhara 4. Gamo 6. Others (specify) ————

7. Total Number of households----------

C. Land Holding and Farming System

8. Do you have your own land? 1. Yes 2. No

9. If "Yes" how much is your farm size in hectare? (Hence: 1Quirti=1/4 of hectare)----------

10. In the last 12 months have you rented out land? 1. Yes 2. No

11. If "yes" to whom did you rent out land? 1. Urban people 2. Rural people

12. How much area/land did you rent out in hectare? ----------

13. What is the reason for the rent out?

1. Shortage of draught oxen
2. Shortage of labor
3. Shortage of inputs
4. Others (specify)————

14. Have you rented land for the last 12 months? 1. Yes 2. No

15. If "yes" how much is the area in hactare? ----------

16. What is the reason to rent in land?

1. Own land is small/land shortage
2. Wish to expand income
3. Others (Specify) ————

17. Do you feel insecure to use your farmland for future development? 1. Yes 2. No

18. If "Yes", what is the reason?

1. Urban expansion 2. Land redistribution 3. Other (Specify) ————

19. Do you use other Sources of water a part from rain for farming? 1. Yes 2. No

20. If "Yes", which type? 1. Irrigation farm 2. Water harvest 3. Both 4. Other (specify) ————

21. How much is the area of land developed through Irrigation/water harvest in hectare? ----------

22. Do you produce cereals mainly for sale? 1. Yes 2. No

23. If "No" what is the reason? 1. High cost 2. Lack of Market 3. Lack of Knowledge 4. No surplus 5. Other (specify) ----------

24. Do you have a problem in crop production? 1. Yes 2. No

25. If "yes" please rank the top five in order?

1. Shortage of Land ————
2. Shortage of Oxen ————
3. Shortage of Labor ————
4. Shortage of Inputs ————
5. Lack of Market ————
6. Shortage of Capital ————
7. Tenure Insecurity ————
8. Lack of Extension Service ————
9. Transport Problem ————
10. Crop Pests and Disease ————

26. Please Indicate the amount of crops you produced and sold last year

No.	Types of Crops	Area Cultivated (timad/qirti)	Amount Produced (Quintal)	Amount Sold (Quintal)	Place of Sale	Travel time(hrs)	Customers
1	Wheat						
2	Teff						
3	Sorghum						
4	Maize						
5	Barely						
6	Beans						
7	Peas						
8	Chick Peas						
9	Vetch						
10	Lentil						
11	Chat						
12	Others(specify)						

Place of Sale (Code)

1. Sebeta town 2. Local market 3. Farm gate 4. Other specify ———

Travel time (hour) (code)

1. 15 minutes 2. 30 minutes 3. One hr 4. Two hrs 6. Above two hrs

Customer (code): 1. Farmers 2. Urban traders 3. Urban dwellers 4. Others----------

27. What is the overall trend of (crop) production in the last three years?

1. Decreasing 2. No change 3. Increased

28. If it is increasing what is the reason? (Multiple answers are possible)

1. Improved seeds 2. Use of Irrigation/water harvest
3. Use of modern inputs 4. Others (specify) ———

29. If it is decreasing what is the reason? (Multiple answers are possible)

1. Shortage of farm land 2. Shortage of rain 3. Decreasing soil fertility
4. High cost of inputs 5. Shortage of man power 6. Lack of market
7. Lack of credit 8. Others (specify) ----------

30. What is the effect of decline of crop production?

1. Fallow farm land (migration) 3. Asset (land) selling 4. Share cropping
2. Engaged in non-farm activities 5. Other (specify) ----------

31. In the last 12 years have you produced fruits and vegetables? 1. Yes 2. No

32. If "No" what is the reason?

1. Shortage of water 3. Shortage of land 5. Lack of market
2. Lack of knowledge 4. Shortage of inputs 6. Others (specify) ----------

33. If "Yes" indicate amount produced and sold (use local unit of quantity)

No.	Types of Vegetable	1=Yes 2= No	Amount Produced	Amount Consumed	Amount Sold	Place of Sell	Customer
1	Tomato						
2	Potato						
3	Onion						
4	Pepper						
5	Beet root						
6	Carrot						
7	Cabbage						
8	Others(specify)						

Place of sell (code): 1. Sebeta 2. Local market 3. Farm gate 4. Others

Customer (code): 1. Famers 2. Urban trader 3. Urban dwellers 4. Others----

D. Livestock Production and Dairy Products

34. Do you own any kind of livestock? 1. Yes 2. No

35. If "Yes" indicates the type, number, place of sell and purchase in the last 12 months?

No.	Type	1= Yes 2= No	Numbers at present	Number sold	Unit Price of sell (birr)	Place of sell	Number bought	Unit Purchase price (birr)	Place of purchase
1	Oxen								
2	Cow								
3	Calves								
4	Bulls								
5	Heifer								
6	Sheep								
7	Horses								
8	Donkey								
9	Others--								

Place of sales and purchase (code): 1.Sebeta town 2.Local market 3.Other (specify) ----

36. Indicate the type of animal products you sold in the last 12 months.

No.	Animal Product	For sell		Place of sale	Income earned (Birr)	Customer (code)
		1=Yes	2=No			
1	Milk					
2	Butter					
3	Cheese					
4	Hides/Skins					
5	Honey					
6	Eggs					
7	Other					

Place of sale (code): 1. Sebeta town 2. Local market 3.Others (Specify) ----------

Customer (code): 1. Urban dwellers 2. Urban traders 3. Farmers 4. Others———

E. Agricultural Inputs, Extension and Veterinary Services

37. Do you use agricultural inputs? 1. Yes 2.No

38. If "yes" identify the type: 1. Modern inputs 2.Organic fertilizers 3.both

39. If you do not use organic fertilizers, what is the reason?

1. Have no cattle
2. Used for sell as cow dung ("kubet")
3.Used as domestic fuel
4.Lack of knowledge

40. If you use modern inputs, indicate the amount, value and place of Purchase in the last 12 months

No.	Type	Amount(kg)	Cost (Birr)	Supplier (c)	Place of purchase	Reason for not using
1	Fertilizers					
2	Improved Seeds					
3	Herbicide					
4	Pesticides					
5	Others					

Supplier (s) (Code): 1.Sebeta town 2. Traders 3. Cooperatives/union 4.SAWARDO 5.Others (specify) -

Purchase place (code): 1. Sebeta town 2. Rural Kebele/PA 3.Others (specify) ——

Reasons for not using (code): 1.High cost 2. Locally available 3. Lack of knowledge 4. Others---

41. The amount of modern input usage in the last three (3) years has:

1. Increased 2. No change 3. Decreased

42. Do you get agricultural extension services? 1. Yes 2.No

43. If "Yes" from where? 1. Sebeta town 2. SHWARDO 3. Others-----

44. If you "No" what is the reason? 1. High cost of service 3. Lack of Knowledge
2. Shortage of extension workers 4. Other (specify) --------

45. From Where your PA extension workers came from? 1. Within PA 2. Sebeta 3. Other---

46. Do you get veterinary services? 1. Yes 2. No

47. If "Yes" from where? 1. Sebeta town 2. SHWARDO 3. Other (specify) ---------

48. Who provides you veterinary services 1. Private sector 2. Government
3. Both 4. Other (specify) ----------

49. If you do not get veterinary services, what is the reason?
1. High cost of service 2.Shortage of Veterinarians
3. Lack of knowledge 4.Inaccessibilty 5.Others (specify) -----

F. Non-Farm Source of Income

50. Do you participate in any Non-Farm income generating activity in the last 12 months?

No	Non-Farm Activity	1=Yes 2=No	Place of work	Actors in the family	Income earned per month	Place of material purchase	Place of product sell
1	**Hand Craft:** -weaving -Metal work -Pottery/Clay work -Tannery -Wood work -Others						
2	**Food and Drink:** -Katicala production -Katicala selling -Tella selling -Teji selling -Tea room -Food vending -Enjira selling						

3	**Agriculture:** - Daily laborer -Crop production in other households -Livestock keeping in other households -Laborer in Floriculture -other						
4	**Trading:** -Grain trade -Consumer goods retail -Textile & shoe -Durable goods trading -Non-durable goods trade -Gas/kerosene retail -Other						
5	**Construction:** -Carpentry -Building -Stone quarry -Wood implementing -others						
6	**-Birth attendants** **-Charcoal marketing** **-Fire wood vendor** **-Repair service** **-Broker** **-Guard/Watch man** **-Cloth washing** **-Others (Specify)**						

Place of work/product sell (c): 1. Home 2. Local village/mkt 3. Sebeta town 4. Others ---

Family member engaged (code): 1. Father 2. Mother 3. Children 4. All

Place of raw material purchase (code): 1. No purchase made 2. Local market 3. Sebeta town 4. Others----

50. What is the reason for undertaking NFAs? 1. Decreasing Agricultural Activity

2. Shortage of land 3 others (specify) -------

51. For what purpose did you use the income from NFAs? 1. Buy food

2. Buy agricultural inputs 3.Repay debt 4.Education and medical fee 5.Trade

G. Market and Marketing Services

52. Where do you get grain mill services?

1. Sebeta town 2. Within Rural Kebele/PA 3. Both 4. Others (specify) --------

53. Do you get information on demand and price of your product? 1. Yes 2. No

54. If "Yes", what are the sources of information?

1. Radio 2. Other farmers 3. Extension workers

4. Relatives in Sebeta town 5. Self assessment 6. Others (specify) --

55. Your last 12 month expenditure on non-durable, durable goods and place of purchase

No.	Items	Did you buy 1=Yes, 2= No	Cost (Birr)	Place of purchase
Non-durable Goods				
1	Soap/Omo			
2	Consumable goods (Sugar, Tea, Coffee, Oil, Spices, Salt)			
3	Kerosene			
4	Shoes			
5	Cloth			
6	Medication			
7	Entertainment			
8	Others (Specify)			
Durable Goods				
1	Radio /Tape			
2	Watch			
3	Household Furniture			
4	House construction			
5	Jewelry			
6	Others (Specify)			

Market place purchased (code): 1. Sebeta town 2. Within Rural kebele/PA 3. Other small town 4. Other –

56. Frequency, reasons and transport mode to visit Sebeta town

No.	Reason	Frequency (code)	Transport mode (code)
1	Market		
2	Education		
3	Health		
4	Administration/court		
5	Family visit		
6	To get information		
7	To look for employment		
8	Others (specify)		

Frequency (code)
1. Daily 2. Three times per week 3. Once in two weeks 4. Monthly
5. Once in two month 6. Never go 7. Others (Specify) ---------

Transport Mode (code): 1. on foot 2. Animal back 3. Vehicle 4.Othere ——

57. How do you evaluate the market service offered in Sebeta Town?

1. Excellent 2. Very good 3. Good 4. Satisfactory 5. Poor

58. Are there rural markets in your locality other than Sebeta Town? 1. Yes 2. No

59. If "Yes" which market do you prefer often? 1. Sebeta Town 2. Rural Market

60. Do you pay tax when you sell your products in Sebeta town? 1. Yes 2. No

61. If "Yes" for which product? 1. Livestock 2. Cereals 3. Vegetable 4. For all

62. What is the comparative advantage of going to Sebeta town than rural markets?

1. Better Price 2. Better market service 3. Accessibility 4. Others ————

63. How many hours do you spend to go to Sebeta town on foot?

1.15 Minutes 2. 30 Minutes 3. One hour 4.Two hours 5.Above 2 hours

64. What kind of road net works your rural kebele/PA has with Sebeta Town?

1. No road 2. Surfaced road 3. Gravel road 4. Asphalted road

65. Is there an effort made to enhance the road net work? 1. Yes 2. No

66. Is there Telecommunication service in your PA? 1. Yes 2. No

67. If "Yes" what is its type? 1. Fixed/Land line only 2. Mobile phone only 3. Both

68. Do you borrow money for marketing purpose in the last 12 months? 1. Yes 2. No

69. If "yes", from where? 1. Bank 2. Relatives 3. Micro finance

4. Rural money lenders 5. Urban money lenders 6. Urban traders

70. Do you save money? 1. Yes 2. No

71. If "Yes", where do you save? 1. Bank 3. Traditional saving (Iquib)
2. Credit Union 4. Others (Specify) ----------

H. Migration (Causes, Jobs and Sources of Information)

72. Please indicate the number, sex, and age of out migrants from your family as well as place of destination and major jobs?

Who Moved	Sex 1=M 2=F	Age	Place of destination	Major jobs at destination

Person who moved (code): 1. HH head 2. Female child 3. Male child 4 .Other
Sex (code): 1. Male 2. Female

Place of destination (code): 1. Rural within SHW 2. Sebeta 3.Urban within SHW
4. Outside of the SHW 5. Out of Ethiopia 6. Other (Specify) -------

73. What is/are the cause(s) for out-migration? (Multiple answers are possible)

1. High population pressure (labor surplus)
2. Land shortages
3. Decreasing soil fertility of the available land
4. Risk such as draught, livestock diseases and pests
5. Low household income from farming
6. Searching for better jobs, education, health, etc
7. Low local demand for fulltime non-farm work
8. Inter household conflict in the access to land
9. Unwillingness to work in family farm
10. Others (specify) ----------

74. What are the major sources of information for out-migrants?

1. Relatives and friends at destination
2. Nearby towns
3. Letter and telephone from migrant relatives, friends and neighborhoods
4. Extensions officers 5. Radio 6. Television 7. Others (specify) ----------

I .Remittance and Visit

75. In the past 12 months have you received money or gift from migrants? 1. Yes 2. No

76. If "yes" for what purpose you use remittance?

1. To invest in agricultural production
2. Fee for education and health care
3. To invest in small trade
4. To purchase livestock
5. Repay debts
6. Daily expenses
7. For building house
8. Others (Specify) ----------

77. If there is/are migrant member(s) in your family, what is/are the effects in your household?

1. Increase income 3. Information source 4. Change of consumption pattern
2. Increase land holding size 5. Others (specify) ----------

78. What is the trend of remittances and gifts in the past three years?

1. Decreasing 2. Remain the same 3. Increasing

79. If decreasing what is the reason behind?

1. Low level of migrant's education and the resulting low income 5. Others (specify)
2. Involve in the informal sector and the resulting low return
3. Lack of job opportunities 4. Retrenched from formal employment

80. In the past 12 months, which religious, social and traditional ceremonies play an important role in the case of migrants to visit home village?

1. Weeding 3. Traditional ceremony 5. Meskel 7. Epiphany
2. Funeral ceremony 4. New Year 6. Christmas 8. Easter
9. Ramadan 10. Moulid 11.Others (specify)

81. Which factor(s) contribute(s) to maintain links between migrants and home village?

1. Ownership of farm land 2. Ownership of live stocks
3. Some households remain in the villages 4. Sending money back
5. Visit of the village during social and religious ceremonies 6. Others (specify) --------

H. Open Ended Questions

82. What are the major factors that affect the existing rural-urban marketing linkage between Sebeta town and its hinterlands? ----------

83. In your opinion, what do you suggest to enhance the existing positive rural-urban linkages between Sebeta town and its hinterlands? ----------

Structured Questionnaire for Urban Households - A Sample Survey

Objectives: The purpose of this questionnaire is to gather information on rural-urban linkages and their implication on livelihoods diversification of households in Sebeta town and its hinterlands for the partial fulfillment of the Masters of Arts Degree in Urban Development and Management at Addis Ababa University.

General Direction

1. You are kindly requested to offer genuine responses
2. The study is entirely academic and all responses are confidential
3. Feel free to respond
4. You are not obliged to write your name

Thank You in Advance!

A. Questionnaire Identification

1. Date of interview ---------- 4.Respondent's code ----------
2. Questionnaire's code ---------- 5. Kebele ----------
3. Interviewer's name ---------- 6. Supervisor's Signature ----------

B. Household Characteristics

1. Age of HH head: ----------
2. Sex: 1. Male 2. Female
3. Marital Status: 1. Never Married 2. Married 3. Divorced/Separated 4.Widdowed
4. HH head education level: 1. Illiterate 4. Primary & Junior (1-8)
   2. Informal education 5. Secondary (9-12)
   3. Adult education 6. Above secondary
5. Religious Denomination: 1. Orthodox Christian 3. Protestant 5. Other -----
   2. Muslim 4. Catholic
6. Ethnicity: 1. Oromo 3. Guraghe 5.Tigre
   2. Amhara 4. Gamo 6. . Others (specify) ——————
7. Family size----------

C. General Questions

7. How long did you live in the kebele? ----------

8. Where is your birth place? 1. Sebeta town 3. Other small town in the woreda
2. Surrounding rural kebele 4. Others (Specify) -------

9. What is your major occupation: 1. Merchant 2.Public employee 3. Private sector employee
4 .Daily laborer 5. House wife 6. Unemployed 7.Others (specify) ------

10. What type of farm out puts do you need from rural areas most? 1. Grains 2. Livestocks
3. Vegetables 4.Wood and Charcoal 5.All 6.Others (specify)

11. Do rural out puts from the hinterland satisfy your demand?
1. Yes 2.No

12. If "Not" from where do you meet the unsatisfied needs? ----------

13. How do you evaluate the suitability of market in Sebeta town?
1. Excellent 3. Good 5. Others (Specify) ----------
2. Very good 4. Unsuitable

14. Indicate the type, amount, value and suppliers of each food item (cereals and pulses) that you Purchase in last month?

No	Items	Amount(kg)	Cost(Birr)	Suppliers	Purchase place
1	Teff				
2	Maize				
3	Wheat				
4	Barely				
5	Beans				
6	Peas				
7	Chick Peas				
8	Pulse				
9	Vetch				
10	Lentil				
11	Chat				
12	Others--				

Suppliers (code): 1 .Farmers 2. Urban traders 3. Wholesalers 4. Others (specify) ---

Purchase place (code): 1. Sebeta town 2. Rural market 3. Farm Gate 4. Others (Specify)-

15. Indicate the type, amount, value and suppliers of each food item (fruits, vegetables and dairy Products) in last month

No.	Items Bought	Amount(kg)	Cost(Birr)	Suppliers	Market place
1	Onion				
2	Tomato				
3	Potato				
4	Cabbage				
5	Carrot				
6	Beet root				
7	Pepper				
8	Orange				
9	Banana				
10	Honey				
11	Milk				
12	Better				
13	Cheese				
14	Charcoal				
15	Fire wood				
16	Others (Specify)				

Suppliers (code): 1.Farmers 2.Urban traders 3.Wholesalers 4.Others (specify) ---

Purchase (code): 1.Sebeta town 2.Rural market 4.Farm gate 5.Others (specify) --

16. Do you visit the hinterlands mainly for market purpose? 1. Yes 2. No

17. If "Yes" what kind of transport do you use?

1. Bare foot 2. Animal back 3. Any vehicle 4. Others (Specify) ---------

18. Do you sell any goods and services to rural people? 1. Yes 2. No

19. If "Yes" what kind of goods and services?

1. Consumers 2. Manufactured 3. Advisory service 4.Others (Specify)

20. Please could you indicate your main activities and source of household income?

Town Business	Major Activities			Town Business	Major Activities		
	Only means	Primary	Secondary		Only means	Primary	Secondary
Hotel				Porter			
Restaurant				Bakery			
Tej bet				Poultry trade			
Butchery				Barber			
Chat trade				Petty trade			
Grain Mill				Kati cal production and selling			
Cloth shop				Tella selling			
Shoe shop				Food vending			
Tailor				Urban agriculture			
Photo shop				Rural agriculture			
Hide and skin				Non-farm activity in rural			
Garage				House renting			
Wood work				Livestock rising in town for milk, cheese..			
Metal work				Stone quarry			
Pharmacy				Daily laborer			
Repair				Vegetable selling			
Guard				Processing			

21. What is /are the main problem(s) you faced in undertaking trade and other service and Informal activities? (Multiple answers are possible but rank the top three for each?

For Primary:

1. No problem------ 2. Lack of capital------ 3. Lack of education and training----- 4. Man power shortage-
5. Lack of marketing---------- 6. Lack of credit---------- 7. Lack of transport--------- 8. Lack of information---
9. Lack of cooperative organization------- 10. High cost of transport---------- 11. Others (specify) --------

For secondary:

1. No problem------ 2. Lack of capital--- 3. Lack of education and training----- 4. Man power shortage-
5. Lack of marketing---------- 6. Lack of credit---------- 7. Lack of transport--------- 8. Lack of information----
9. Lack of cooperative organization------- 10. High cost of transport---------- 11. Others (specify) --------

22. Where do undertake your trade and other urban activities?

1. In the nearby village/hinterland
2. In Sebeta Town
3. In other urban centers
4. Others (Specify) ----------

23. What mode of transportation do you use for trade item and other goods?

1. Donkey and other animals
2. Self carried
3. Hired vehicle
4. Hired labor

24. What is the current status of trade and service activities in comparison with the last five Years? 1. Improved 2. Not improved

25. Who are your customers?

	For primary:	**For Secondary:**
	1. Sebeta town dwellers	1. Sebeta town dwellers
	2. Village dwellers	2. Village dwellers
	3. Other urban dwellers	3. Others urban dwellers
	4. Others (Specify)	4. Others (Specify) ----

26. What problem do you face in marketing goods and providing service?

1. Poor road transport
2. Lack of information on market
3. Lack of working place
4. Low demand
5. High cost of transport
6. Price fluctuation
7. High taxation
8. Others (specify) ----------

27. From where do you purchase food crops?

1. Traders in Sebeta town
2. Sebeta directly from famers
3. Villages market from farmers
4. Village market from traders
5. In the farm gate

28. Did you engaged/invested in rural agriculture (crop and/or livestock rising) in the last agricultural Seasons? 1. Yes 2 .No

29. If "Yes" how do you access land?

1. Renting/leasing
2. Purchasing
3. Inheritance
4. Borrowing
5. Share cropping
6. Others (Specify) ----------

30. What is the size of land you own in hectare? I. Farming---------- II.Livestock----------

31. If you rent and Share cropped out the land, who rent the land?

1. Farmers in the village
2. Farmers in other village
3. Urban dwellers
4. Others (specify) ----------

32. What source of power did you use to cultivate the land?

1. Family labor only 2.Hired labor only 3.Both

33. What is the reason for undertaking rural and/or urban agriculture?

1. The only means of livelihood 4. The availability of finance
2. To supplement income from trade and others urban activities 5. Others (specify) -
3. Lack of income from trade and service activities

34. Did you receive any assistance in money or in kind from your rural relatives in the last three years? 1. Yes 2.No

35. If "Yes" indicate the support: 1.Money only 2.Food items only 3.Both

36. Have you send money to your rural relatives in the last three years? 1. Yes 2.No

37. How do you express change in your households' monthly income for the last three years?

1. Decreased 2.No change 3.Increased

D. Open Ended Questions

38. What are the main factors that affect rural-urban marketing linkages between Sebeta town and its hinterlands? ----------

39. In your opinion, what measures should be taken to strengthen the existing marketing linkages between Sebeta town and its hinterlands? ----------

Interview Questions for Urban Traders

Objectives: The purpose of this questionnaire is to gather information on rural-urban linkages and their implication on livelihoods diversification of households in Sebeta town and its hinterlands for the partial fulfillment of the Masters of Arts Degree in Urban Development and Management at Addis Ababa University.

General Direction

1. You are kindly requested to offer genuine responses
2. The study is entirely academic and all responses are confidential
3. You are not obliged to write your name

Thank you in Advance!

A. Questionnaire Identification

1. Date of Interview----------
2. Questionnaire's Code----------
3. Interviewer's Name----------
4. Name of Enterprise----------
5. Respondent's Code----------
6. Kebele----------
7. Supervisor's Signature----------

B. General Information

1. Age of HH head: ----------
2. Sex: 1. Male 2. Female
3. Marital Status: 1. Never Married 2. Married 3. Divorced/Separated 4.Widdowed
4. HH head education level: 1. Illiterate 2. Informal education 3. Adult education 4. Primary & Junior (1-8) 5. Secondary (9-12) 6. Above secondary
5. Religious Denomination: 1. Orthodox Christian 2. Muslim 3. Protestant 4. Catholic 5. Other --------
6. Ethnicity: 1. Oromo 2. Amhara 3. Guraghe 4. Gamo 5. Tigre 6. Others (specify) ——————
7. Family size----------
8. What is the type of ownership? 1. Sole ownership 2. Partnership 3. Cooperatives 4. Others
9. Indicate the level of service: 1. Wholesaling only 2. Retailing only 3.Both

10. How much was your initial capital? ---------- (birr)

11. Indicate the source of capital: 1. Bank 3. Self 5.Others (specify) ---
2. Micro finance 4. Relatives

12. From where do you purchase commodities?

1. Hinterland farmers 2. Whole sellers in the town
3. Other small towns in the woreda 4. Addis Ababa
5. Other small towns outsides the woreda 6. Others (specify) ----------

13. Who are your main customers?

1. Urban Residents 3. People from other towns in the region 5.Others---
2. Hinterland farmers 4.Other towns outside the region

14. What is the scale of your marketing linkages with the hinterland farmers?

1. Very strong 2. Strong 3. Medium 4. Weak 5. Very weak

15. Do you have a store for goods to be rented for rural farmers? 1. Yes 2.No

16. Do you have employee/s? 1. Yes 2. No

17. If "Yes" where is the place of residence? 1. Surrounding hinterlands 2.Sebeta town
3. Small towns within the woreda 4.Towns outside of the woreda 5.Others (specify)

18. Have you been send support to your relative in the rural areas in cash or in kind during the Past three Years? 1. Yes 2.No

19. Do you have any kind of investment in the surrounding rural kebele last year? 1. Yes 2. No

20. If 'Yes" in which of the following activity did you engaged?

1. Crop production only 2.Livestock only 3. Both 4.Others (specify) –

C. Open Ended Questions

21. In your opinion, what are the main constraints of rural-urban economic linkages in Sebeta town and its rural hinterlands? ----------

22. What factors do you suggest that must be improved in order to enhance rural-urban market? Linkages? ----------

-

Checklist for Semi-Structured Interview for Key Informants

1. What are the main agricultural products /services or manufacturing activities flow between the town and the rural areas?
2. What are the main constraints of farmers/grain traders in marketing agricultural produces?
3. Does production from the hinterlands satisfies urban demand?
4. Do the extension officers advice the people regarding crop production, veterinary services, Cooperatives, etc?
5. Which kinds of Non-farm activities are important in your locality? What are the major causes that enforces rural households to involve in the non-farm activities?
6. Why do people migrate? How migration does influence the size of labor force? What are the Effects of migration?
7. How do you see the suitability of market area in the town (study area)?
8. What do you suggest to enhance or improve rural-urban linkages (flow of goods, people, Information and services) between Sebeta town and its hinterland?

Checklist for Focus Group Discussion

1. How does land distribution among households? (How do access land in the village?)
2. What are the major agricultural produces (both crops and live stocks production) that have been brought to the market and their effects on livelihood of households?
3. What are the main constraints of agricultural productions and flow of agricultural output between rural households and urban market area?
4. What are the types of industrial goods and services supplied to and sources of agricultural inputs for rural households as well as the main constraints related to the services provision?
5. What are the major urban related non-farm activities in your village? What are causes for Undertaking the activities? What are the advantages and challenges?
6. For what purpose did you use the cash from Non-farm activities?
7. What are the nature of migration and causes for out-migration in your village?
8. What is the negative and positive impacts out-migration? Which one out weight?
9. For what purpose you use the remittances sent from migrants at destination?

Declaration

I declared that this research work entitled with Rural-urban Linkages and their Implication on Livelihood Diversification of Households: The Case of Sebeta Town and Its Hinterland is my original work and all the resources that I have used or quoted have been indicated and acknowledged by means of complete reference.

Belete Ejigu

This thesis has been submitted for examination with my approval as an academic advisor

Professor Tegegne G/Egziabher

June, 2011

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