IMPACT OF RURAL-URBAN MIGRATION ON ECONOMIC GROWTH OF RURAL ETHIOPIA

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ABSTRACT

Economic growth and development tend to rural-urban migration for education, employment, health, infrastructural facilities, investment, and better life. The talent people and working class of rural areas migrate to urban areas and ultimately it tends to exclusion of rural development in developing countries particularly. The study attempts to examine the role of rural-urban migration on rural economic growth in rural Ethiopia by using secondary data from World Bank from 1991 to 2016. The paper has used the descriptive as well as inferential statistics to study the impact and hypothesis testing. In Ethiopia, rural-urban migration has a significant impact on rural development. In this study two main events or indicators that happened because of rural-urban migration are identified that are urbanization and productivity of rural labour. In the model, urbanization and productivity of rural labour are assigned by the growth of urban population and rural unemployment that migrate to urban area respectively.

***Keywords**: Migration, Employment, Rural Development, Urbanization, Infrastructure*

INTRODUCTION

1.1 Background of the Study

Economic growth and development tend to rural-urban migration for education, employment, health, infrastructural facilities, investment and better life. In many development research publications, it is argued that rural-urban migration leads to industrialization and economic growth taking to account the experiences of the developed world in 19th and early 20th century. However, certain questions remained ambiguous and did not get comprehensive and empirical explanations particularly with respect to the case of Sub-Saharan Africa. The economy of Sub-Saharan Africa heavily depends on the agriculture sector contributing to an average 20% of the GDP, livelihood for 60% of the labor force and dominated by small-scale farming. The agriculture sector is characterized by its low productivity and affected by environmental degradation and increased population pressure (IFPRI, 2004). As a result of the absence of insurance markets in the agriculture sector in least developed countries, small scale farmers are unable to transfer their risks and they adopt risk coping strategies to circumvent against production losses. To mention some, they allocate their land to diversified crop varieties or grow less risky crops as a risk management strategy (Fafchamps, 1992; Bezabih & Sarr, 2010).

Ethiopia is one of the countries in Sub-Saharan Africa experiencing a high level of population pressure, population redistribution and rural out-migration (Mberu, 2006). The current expansion of commercial farms and agro-processing industries in Ethiopia and the prevalence of rural out-migration of labor, as a result, pave an important opportunity to undertake research on the role and possible effects of rural-urban migration on the rural income of farmers and the multiplier effects on poverty. Therefore, the paper reviews the rural-urban migration and economic growth in rural Ethiopia.

1.2 Statement of the Problem

The talent people and working class of rural areas migrate to urban areas and ultimately it tends to exclusion of rural development

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in developing countries particularly. In Ethiopia, rural-urban migration has a significant impact on rural development. Rural areas in Ethiopia have a negative impact due to migration. Therefore, a study is required to find out the causes and impact of migration to find the solution for the development of rural Ethiopia.

1.3 Objective of the Study

- Trends (Consequences) rural-urban migration in the economic growth of rural Ethiopia
- To determine factors influencing rural-urban migration
- To identify how the rural-urban migration factors influencing the economic growth of rural Ethiopia

1.4 Research Questions

The following are the main research questions of the study:

- What are the trends of rural-urban migration in the economic growth of rural Ethiopia?
- What are the factors influencing rural-urban migration?
- To what extent and through which rural-urban migration can influence the economic growth of rural Ethiopia?

1.5 Limitation of the study

It was found difficult to collect secondary quantitative data so that the real picture of the rural-urban migration and economic growth in a rural area is visualized, instead of this study mainly used secondary quantitative data collected from World Bank.

THEORETICAL LITERATURE REVIEW

Migration has been an important livelihood and survival strategy for many poor groups across the developing world, particularly for Sub-Saharan Africa. Migration, specifically rural-urban migration (the dominant type of migration in contemporary Africa), has long been taken as a way of life in Africa. African societies have gone through a different era of colonization and this makes the process, patterns, motivation and consequences of migration different from the experience of the western world. In the pre-colonial, colonial, and post-colonial era, the African historical migration process has been characterized by its diversity and continuity which lays a foundation stone to deal with contemporary migration studies (Adepoju, 1977).

2.1 Determinants of Rural-Urban Migration in Origin and Destination Regions

Exaggerated expectations of high-quality city life also motivate and pull rural residents out of their locality. The study done in northern Ghana by Gugler and Flanagan (1978) depicted that the exaggeration is conveyed especially by returned migrants who need to have a positive image about themselves in the minds of others. Such movements are done to seek a better economic incentive in urban destinations.

Another study conducted in South-East Nigeria shows that one of the responsible factors for rural out-migration of people has been related to the land tenure system. The land is controlled by a common ancestor where it is only claimed by indigenous households belonging to descent from a certain ancestor. Such conditions paved a way for the landless to migrate (Tacoli, 2002).

The gravity determinants of out-migration mainly refer to the distance and size of the population. The closer the distance is between the rural and urban area, the higher the rate of out-migration from the rural origin (Greenwood & Hunt, 2003; Ivan, 2008). In this regard, a survey done in the remote densely populated region of South-East Nigeria showed that road and transport facilities have a negative effect on the transportation of farm produces and this has induced migration of small-scale farmers in seeking urban wage employment (Tacoli, 2002). Similarly, the higher the population size in rural origin leads to more inclination to migrate to cities in order to circumvent competition over a given resource such as land in origin. In addition, unpredictable precipitation and climate,

market prices of agricultural products, ethnic tensions, civil disturbances and war have been also reported among the determinants for migration decision in Sub-Saharan Africa (Bryceson and Jamal, 1997 cited in Fay and Opal, 2000).

2.2 Rural-Urban Migration and Agricultural Development in the Region

Agriculture remains as a primary activity among African rural population. The changes occurring as a result of rural-urban interactions have also implication on the transformation of the agriculture sector (Tacoli, 2002). In Sub-Saharan Africa, Goldsmith et al, (2004) confirmed the Lewis assumption that rural-urban migration has been activated as a result of the emergence of the modern economy. In Sub-Saharan Africa, rural regions have population pressure relative to their ability to feed themselves; and making the productivity of labor to be low and then inducing migration to urban regions.

In Sub-Sahara Africa, rural out-migration of male labor has different impacts on agricultural production in different places depending on some factors such as the availability of substituting labor and with respect to the efficient allocation of remittances on output increasing technologies. A study undertaken in central Mali revealed that the absence of young working men from the rural areas led to a negative effect on rural output and the remittance sent by the migrants hardly substitute the lost labor and farm experience. The condition became worse in places where farm activities are undertaken by hand and where labor is the most determining factor in production. In the same vein, in Northern Tanzania, young rural women are likely to migrate and engage in petty trading as a form of primary or secondary job given the fact that they rarely inherit farmland and farming is carried-out with unpaid family labor (Tacoli, 2002).

The effect of migration on agriculture and livelihoods of rural households in less developed regions, in general, depends on different factors. To mention some, the pattern of migration, the length of time spent out of the farm activities, available assets and farm enhancing inputs and other institutional and socio-cultural setups (that allow women to perform farm activities which have been reserved for men and household heads previously) can be mentioned (McDowell & de Haan 1997).

2.3 Rural-Urban Migration and Urbanization in The Region

More than half of the world population lives in urban regions in recent times though the number differs among developed and developing countries. Least developing countries are experiencing an increasing number of urban population and rural-urban migration takes the front position for the causes of this increment. Although the rate of urbanization does not coincide with the improvement of economic development in Sub-Saharan Africa, the rate of growth between 1960, and 1990s was ten times greater than OECD countries (Barrios et al, 2006). African countries are experiencing a rapid rate of urbanization in recent times, which is the highest in the world. It is projected that the number of African urban residents rises by more than 300 million between 2000 and 2030 (Kessides, 2005). Rural fertility level is getting higher leading to natural population growth rates in rural regions that pave a way for migration to urban locations. However, the increment in the rate of urbanization has increased the level of urban unemployment. Apart from increasing population growth rate in the region, rural-urban migration has been responsible for over fifty percent of urban growth (Hogan & da Cunha, 2001; Byerlee, 1974 and Barrios et al, 2006).

Structural, socio-cultural and geographic aspects such as distance between urban-rural locations have played a fundamental role in the mobility of people and for the process of urbanization. The number of formal and informal employment opportunities in urban labor markets, the expansion of information and technologies and the creation of demand for unskilled people in urban locations were reported to

attract migrants from rural areas and have become some of the responsible factors in the facilitation of the urbanization process in the region. However, different governmental and non-governmental international organizations have reported social, environmental and economic concerns as a result of the rapid growth of urban population in the region and the phenomenon has become one of the priority areas for policymakers and demographic researchers (Hogan and Cunha, 2001).

2.4 Brief Historical Trends of Migration in Ethiopia

Migration has become an important phenomenon and policy issue in Ethiopia. This section attempts to assess the trends and characteristics of migration in Ethiopia in three successive governments i.e. in the Emperor Hailesellassie's regime (1941-1974), in the Socialist Derge era (1974-1991) and in the current EPRDF31 government (1991- to date). Although Ethiopia experienced the migration of people before the 19th century, the following category in three important political periods has been set for ease of presentation and discussion.

2.5 The Trend in Emperor Hailesellassie's Regime (1941-1974)

From the historical point of view, one of the factors inducing migration in Ethiopia has been linked with a mechanism to escape from the shortage of land. In Emperor Haile sellassie's administration, most of the agricultural land was cultivated by communities that belong to a common ancestry system called rist32. The land was transferred from one generation to the other by family and individual risk holders who benefited by virtue of being members of the respective lineage. Hence, land remained an important asset and the main source of conflict in Ethiopia. The expansion of the Ethiopian kingdom from north to south in the late 19th century has significantly promoted the migration of population from northern highlands to southern lowlands.

In addition, the establishment of the Ministry of Land reform and administration in 1966 created an opportunity for resettlement programs as a five-year plan. The resettlement program had an intention to settle northern Ethiopians to south. However, the resettlement program was not carried out on empty lands and the movement of people to the south had resulted in violence and conflict of the local population. The reason for the resettlement program was not only to lessen the shortage of land but also for controlling mechanism of occupied areas and to expand the revenue base of the Empire via increasing the number of taxpaying farmers (Nogo, 1973; Olika, 2006).

2.6 The Socialist Derg Era (1974-1991)

The Derg regime brought radical reforms. The land reform proclamation in 1975 nationalized all land resources and allowed the intervention of the state in land ownership. The reform changed the pattern of land distribution and ownership and the state was the sole owner and distributor of land. In addition, the reform included official registration of both rural and urban population and set eligibility criteria35 to obtain land in rural areas. In addition, checkpoints and pass system were introduced in the main highways (Tadele et al 2006; Crewett, et al.36, 2008).

The land reform policy, which limited access to land for only registered permanent members of peasant association, forced rural inhabitants to confine themselves in their locality than migrate to urban areas. This was because land belonging to absent people for more than a year was redistributed for the local people. Other reasons that discouraged the free mobility of rural migrants in the Derg era were: the need for an official pass letter to travel to cities, the need to register in urban dwellers association as well as the expansion of civil war and 'Red Terror'37(Desalegn, 1994 as cited in Tadele et al 2006).

2.7 The Post 1991 Period (The Current EPRDF38 Government)

The resettlement program of the Derg regime was criticized by the current EPRDF administration for its negative impacts on settlers, host population and the environment. In EPRDF regime, mobility of

people has been made on a voluntary basis and resettlers were provided the right to retain their land rights at their origin and the right to return to their home villages whenever they want to. Within three years of the period from December 2003 to May 2006, the government resettled 2.2 million people (440,000 households) from chronically food-insecure areas to the southwestern and western areas of the country. The reasons given for choosing these destinations were because of the existence of underutilized natural resources and sparse population (the same reason justified by the previous two regimes (Benjamin, 2004; Abeshu, 2008)

The land tenure system has influenced the dynamics of migration. A survey conducted by the Central Statistical Authority (CSA) of Ethiopia on the national labor force in 1999 depicted that intra-regional migration of labor was prevalent in the regions and inter-regional migration was very limited. The reasons assumed for very limited inter-regional migration has been the implementation of ethnic-based federalism and its consequences on the preference of people to confine themselves in their home regions where they can speak the language well and share the culture.

The five years Poverty Reduction Strategy Paper (PRSP) 40, i.e. the PASDEP41 of the country has contrasting arguments about the needs for rural-urban migration (Tadele et al, 2006). In addition, the paper argues the strategy of discouraging rural-urban migration with a premise of maximizing the utility of rural labor in the agricultural sector. These premises have been assumed to be achieved via labor-intensive agricultural development strategies and proper utilization of agricultural land.

On the other hand, it documented the existence of small land holdings of rural households (even as low as 0.25 hectare for some regions42). The arguments have been contrasting to each other and do not thoroughly take to account, the size of land holdings of the majority rural households as well as the positive developmental outcomes of rural-urban migration. In general, the current patterns of population movement in Ethiopia are highly hampered by empirical studies.

RESEARCH METHODOLOGY

3.1 Description of the Study Area

Existing evidence suggests that rural-urban migration is one of the driving forces of Ethiopia's urbanization. Other possible determinants of urban population growth, such as natural demographic growth and unemployment in rural population, might exert higher influence on the economic growth of rural Ethiopia. Urbanization is expected to be a key feature of Ethiopia's development path in the near future. Even if Ethiopia is one of the least urbanized countries in Sub-Saharan Africa, urbanization has recently accelerated and the urban population share is estimated to almost double from 16 percent in 2007 to 27 percent by 2035 (CSA 2008), The Ethiopian Economy dependence on agriculture is showing some redaction government, therefore, has to tackle large challenges that may arise from this process, but also the opportunity to realize the huge potential gains from having a higher concentration of people in urban areas.

Thus, our paper attempt to address opportunities and challenges by examining the role of rural-urban migration on rural economic growth by using secondary data from World Bank from 1991 to 2016.

3.2 Study Variables

Response variable GDP share of agriculture and Explanatory variables are rural-urban migration (the growth of urban population and rural unemployment).

3.3 Method of Data Analysis

The secondary data collected from World Bank is analyzed and presented using descriptive statistics and multiple linear regression model analysis. The access to obtaining a large number of observation is so hard. This problem made us not using time series analysis even if we are using a time series data

3.4 Model Specification

In this paper we are using the Multiple Linear Regression model to analysis our data one dependent and two explanatory variables $Yi = \alpha + ß_iXi + ἐi$, The model is specified as follows:

GDPA = f (GUP, RUNE)
GDPA = α + ß₁*GUP + ß₂*RUNE+ ἐt

Where:

GDPA = Agriculture share for Gross Domestic Product

GUP = Growth of Urban Population

RUNE = Rural Unemployment

α = Intercept of the regression line,

ß₁ = Coefficient of Growth of Urban Population variable

ß₂ = Coefficient of Rural Unemployment variable

ἐi = Error term that captures the other variables not included in this equation

3.5 Validity and Reliability of Data

Maximum effort was exerted to minimize biases and to maintain the quality of the data collected. The quantitative data was cleaned and entered to Eview and analysis made using this software. All possible errors on the data (outliers, inconsistent values, etc.) were checked and corrected in Eview before making any data analysis. The findings are presented as they are without being distorted so that it can show the real picture of the impact of rural-urban migration on agricultural share for GDP.

RESULTS AND DISCUSSION

4.1 Data Analysis Methods

We use Eview software to analyse the model and tested the model in a 5% level of significance. Regression analysis is the appropriate and commonly used method applies to study the relationship between dependent and independent variables. In this paper, we analyze the relationship between Agriculture share for Gross Domestic Product (GDPA) as response variable and Growth of Urban Population (GUP) and Rural Unemployment (RUNE) as the explanatory variables by using Eview computing packages.

4.1.1 Hypothesis

Specifying Null and Alternative Assumptions

i) Our null hypothesis ($\mathbf{H_0}$) assumption is there is no linear relation between Agriculture share for Gross Domestic Product (GDPA) as response variable and Growth of Urban Population (GUP) and Rural Unemployment (RUNE) as the explanatory variables.

   H0: ß₁= ß₂=0

ii) Our alternative hypothesis ($\mathbf{H_1}$) assumption is that at least one of the independent variable or both Growths of Urban Population (GUP) and Rural Unemployment (RUNE) have a linear relation with Agriculture share for Gross Domestic Product (GDPA) as the response variable.

   H1: A least **ß₁**≠0, or **ß₂**) ≠0 or both are **ß₁**) ≠ **ß₂**≠0

4.1.2 Tests

In our model, the level of significance is 0.05(5%). Then we make a decision rejecting the null hypothesis ($\mathbf{H_0}$) assumption when p-value less than the level of significance or not rejecting the null hypothesis ($\mathbf{H_0}$) assumption when the p-value greater than the level of significance. The p-value is obtained from Eview output.

4.1.3 Multiple Linear Regression Models

We use multiple linear regression model analysis method to examines whether changes/differences in values of one dependent variable (Agriculture share for Gross Domestic Product (GDPA) are linked to changes/differences in values of one or more independent variables (Growth of Urban Population (GUP) and Rural Unemployment (RUNE)). by observing from statistical computing output.

4.2. Description Analysis

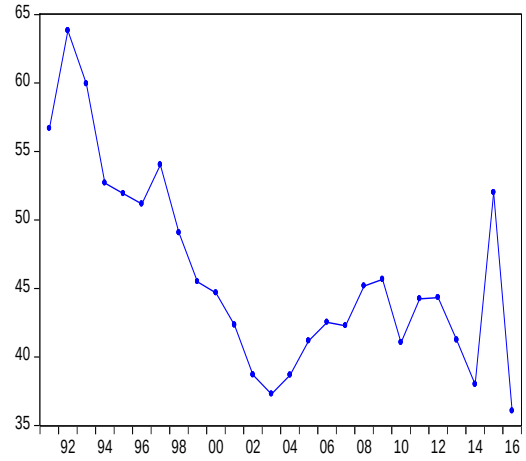
Table 01 Descriptive statistics output

	GDPA	GUP	RUNE
Mean	46.16231	15.79754	24.48654
Median	44.5	15.407	23.41
Maximum	63.83	19.866	31.97
Minimum	36.06	12.867	20.42
Std. Dev.	7.228963	2.034995	3.108063
Skewness	0.748818	0.491036	1.135581
Kurtosis	2.806351	2.153308	3.15887
Jarque-Bera	2.470446	1.821466	5.615372
Probability	0.29077	0.402229	0.060344
Sum	1200.22	410.736	636.65
Sum Sq. Dev.	1306.448	103.5301	241.5014
Observations	26	26	26

Source: computed from Eview

When we compare the mean of each predictor variables (Growth of Urban Population (GUP) and Rural Unemployment (RUNE)) from the above descriptive statistics table, we have seen that the mean of Rural Unemployment (RUNE) is higher than the mean of Growth of Urban Population (GUP) this means Rural Unemployment highly influence the Agricultural share for GDP than Growth of Urban Population.

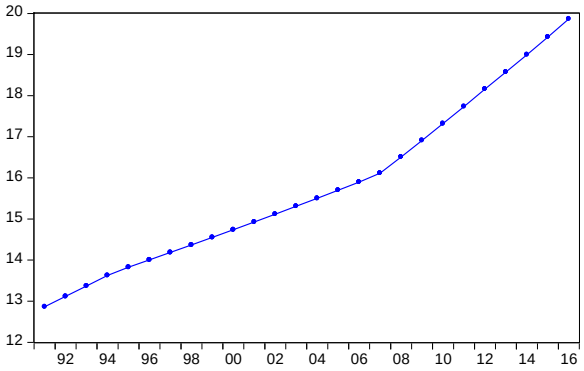
Figure 01 Trends of Agriculture share for Gross Domestic Product (GDPA) Ethiopia



Source: Data collected from World Bank compted by Eview.

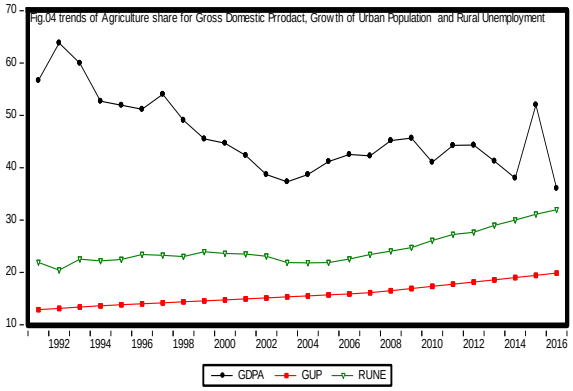
From the above graph, we observe that Agriculture share for Gross Domestic Product shows a declining trend over time even it increases from 2014 to 2015. The maximum value was 63.83 in 1992 and the minimum value was 36.06 in 2016

Fig.02 the traneds of Growth of Urban Population (GUP)



Source: Data collected from World Bank compted by Eview

From the above graph, we observe that the Urban Population (GUP) shows an increasing growth trend over time. The maximum value was 31.97 in 2016 and the minimum value was 20.42 in 1991.



Source: Data collected from World Bank compted by Eview

From the above graph, we observe that both Urban Population (GUP) and Urban Population (GUP) shows increasing growth trend over time and Urban Population (GUP) higher than Urban Population (GUP).

4.3 Model Fitness Tests and Regression Analysis

4.3.1 Model Fitness Tests

4.3.1.1 R square test

The proportion of total variation in the dependent variable (Agriculture share for Gross Domestic Product (GDPA)) that is explained by a change in the independent variable (Growth of Urban Population (GUP) and Rural Unemployment (RUNE)) or by regression is equal to R2*100. The

proportion of total variation in the dependent variable (Agriculture share for Gross Domestic Product (GDPA)) that is unexplained by a change in the independent variable (Growth of Urban Population (GUP) and Rural Unemployment (RUNE)) or by regression is equal to: (1-R2*100).

linear regression modal is adequate and useful for prediction purpose.

4.3.1.3 Tests on the Regression Coefficients

Test for the significance of each regression coefficients is accomplished by testing the hypostasis below:

H_0: ß$_1$= 0

H_1: ß$_1$≠0, and

Dependent Variable: GDPA
Method: Least Squares
Date: 05/28/19 Time: 20:08
Sample: 1991 2016
Included observations: 26

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	74.33698	8.284751	8.972747	0.0000
GUP	-5.254083	1.185220	-4.433001	0.0002
RUNE	2.239063	0.776020	2.885318	0.0084

R-squared	0.536973	Mean dependent var	46.16231
Adjusted R-squared	0.496710	S.D. dependent var	7.228963
S.E. of regression	5.128438	Akaike info criterion	6.215646
Sum squared resid	604.9201	Schwarz criterion	6.360811
Log likelihood	-77.80340	Hannan-Quinn criter.	6.257448
F-statistic	13.33658	Durbin-Watson stat	1.347594
Prob(F-statistic)	0.000143		

Source: multiple linear regressions computed from Eview

Predictors: (Constant,) From SPSS reports R^2 = 0.537 and Adjusted R^2 = 0.497 so, from 100% about 53.7% of the total variance is explained by export diversification so the model fits well by these measurements.

4.3.1.2 Test of significance

Test for the significance of R^2 or a test of model adequacy is accomplished by testing the hypostasis:

H_0: ß1= ß2=0

H_1: A least **ß$_1$**≠0, or **ß$_2$** ≠0 or both are **ß$_1$** ≠ **ß$_2$**≠0

P-value > 0.05: Accept null hypothesis or P-value ≤ 0.05: Reject null hypothesis.

From the above table, we have observed the value of prob(F-statistic) known as the p-value (0.000143) is the smallest than (0.05) level of significance. Based on this result we reject the null hypothesis. Thus, we then conclude that R2 is significant, that is, the

H_0: ß$_1$= 0

H_1: ß$_1$≠0

From the above table, we have observed the value of prob (t-statistic) known as the p-value (0.0002) and (0.0084) are less than (0.05) level of significance for estimated coefficient **ß$_1$** and **ß$_2$** respectively. Based on this result we reject the null hypothesis.

Thus, we then conclude that the coefficients of the model **ß$_1$** and **ß$_2$** are significantly different from zero. In other words, Growth of Urban Population (GUP) and Rural Unemployment (RUNE) are significantly negative and positively affect Agriculture share for Gross Domestic Product (GDPA) respectively. The interpretation of estimated coefficients **ß$_1$=-**5.254083 and **ß$_2$=**2.239063 are that a one percent increase (decrease) in Growth of Urban Population (GUP) or Rural Unemployment (RUNE), there is 5.25 percent decrease(increase) or

2.4 increase(decrease) the Agriculture share for Gross Domestic Product (GDPA) respectively.

4.3.1.4 Test of Autocorrelation

The assumptions of the classical linear regression model of non-autocorrelation or absence of serial correlation tell us the error term at time t is not correlated with the error term at any other point of time. This means that when the observations are made over time, the effect of the disturbance occurring at one period does not carry over into another period. We used the autocorrelation plot of residuals to identify the existence of correlation among different disturbance. If the function at any log extends beyond 95% upper or lower confidence limits that indicate there is autocorrelation. we have got the following outputs from Eview.

Graph 01: partial correlation test using correlogram of residuals

Date: 05/29/19 Time: 10:54
Sample: 1991 2016
Included observations: 26

Autocorrelation	Partial Correlation		AC	PAC	Q-Stat	Prob
		1	0.301	0.301	2.6334	0.105
		2	0.243	0.168	4.4318	0.109
		3	0.238	0.143	6.2277	0.101
		4	0.058	-0.08...	6.3388	0.175
		5	-0.07...	-0.15...	6.5136	0.259
		6	-0.10...	-0.09...	6.8754	0.333

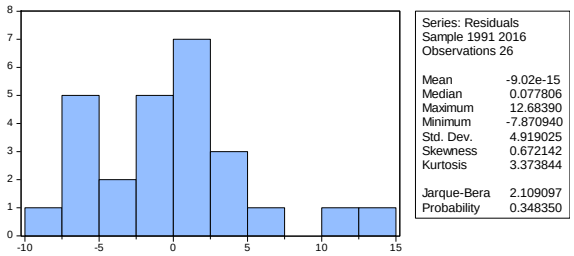
Source: residual diagnostics Eview output

From the above residual partial autocorrelation plot, we saw that the regression standardized residual not extended from the lower and upper confidence limits so the ower model is fitted by this test or no autocorrelation.

4.3.1.5 Normality Assumption

One of the assumptions of classical simple linear regression is that the disturbance terms are normally distributed. The implication of the violation of this assumption is that the estimator of the regression coefficient is also not normally distributed. Consequently, the f- test of modal adequacy and the t-test of the significance of coefficients will not be applicable. To test our model, we used one of the common tests of normality known as the Jarque-Bera test.

Graph 02: Histogram Normality test



Source: Eview output

As we have observed graph the jarque-bera test statistics is 2.109097 with a p-value of 0.348350. since the p-value is exceeds 0.05 we do not reject the assumption of normality residuals. we can also conclude other two basic assumptions of simple linear regression since the mean of residuals is $-9.902e^{-15}$ this number is almost zero and lastly since the normality assumption is maintained the absence of outlier and the linearity relationship between the dependent and independent variable is correct.

Then after we have completed all the five basic assumptions of the classical linear regression model we can run the multiple linear regression analysis that complete the above assumption.

4.4. Multiple Linear Regression Result

From this regression result, we concluded that Growth of Urban Population (GUP) and Rural Unemployment (RUNE) negative and positive significant impact on Agriculture share for Gross Domestic Product (GDPA) in Ethiopia. The results of regression have shown that this variable has a significant impact on rural economic growth rate in Ethiopia. The sign of the coefficient for that Growth of Urban Population (GUP) and Rural Unemployment (RUNE) in the above equation are negative and positive respectively.

Rural economic growth in Ethiopia with the evidence from the regression test can be interpreted that it significantly depends on the factor of rural-urban migration such

that the growth of urban population and rural unemployment in the long run.

In Ethiopia, the urban population became increasing because of rural-urban migration that affects to decrease rural economic growth. There are many studies similar with this paper such as Lipton (1980) depicted that migration is often observed among the most productive group of the population and leading to lack of labor that eventually reduce rural production. Rural unemployment has shown an increasing trend. This trend forced rural labors to migrate to urban then it increases the productivity of rural labour. Other studies that support this trend are, to mention some, the pattern of migration, the length of time spent out of the farm activities, available assets and farm enhancing inputs and other institutional and socio-cultural setups (that allow women to perform farm activities which have been reserved for men and household heads previously) can be mentioned (McDowell & de Haan 1997).

CONCLUSION AND SUGGESTIONS

5.1 Conclusion

In this study two main events or indicators that happened because of rural-urban migration are identified that are urbanization and productivity of rural labor. In the model, urbanization and productivity of rural labour are assigned by the growth of urban population and rural unemployment that migrate to urban area respectively. By using the above modal regression, this paper concluded two things. First, rapid urban population growth comes from urban-rural migration is the main cause of rapid urbanization. As a result, to fulfill the needs of urban people, expanded infrastructure, resident houses and manufacturing sector built on fertile agricultural land. These processes affect the economic growth Ethiopian rural area. So, the model indicated that the growth of urban population and agricultural share for GDP has a negative relationship. Second, in a rural area, there is low fertile or agricultural land per head because of the high birth rate that creates low productivity or high rural unemployment. Due to rural-urban migration, rural unemployment is observed as a result of the productivity of the agricultural sector can show increment. So, the model indicates that rural unemployment and agricultural share for GDP has a positive relationship.

5.2 Recommendation

The following policy recommendations can be recommended based on the findings of this paper:

- The government must make a policy to prevent the horizontal expansion of urbanization. In addition, the increase in the flow of population to urban areas has created inequalities between rural and urban areas. As a result, some governments have adopted policies to restrict rural-urban migration.
- The poverty reduction strategy paper of the country should incorporate the conditions where rural-urban migration can enhance rural development and reduce poverty. In the poverty reduction strategy paper of the country, rural-urban migration is considered an undesirable incidence. However, rural-urban migration can be a desirable phenomenon and should be part and parcel of the poverty reduction strategy paper. The strategy paper should be designed in the ways of maximizing the benefits of migration and minimizing the negative outcomes.
- Rural-urban migration facilitates the linkages between agriculture and industrial development particularly in re-allocation of labor from less productive sectors to more productive sectors. Rural-urban migration is a means of structural transformation leading to economic growth. In this regard, the good performance of the urban economy and the expansion of labor-intensive industries facilitate the rural-urban linkages. Therefore, urban and rural development policies should be consistent and complementary to each other. In addition, migration policies should be entrenched in the macro-economic policy of the country.

- The land is an important asset for the rural population. Land fragmentation as a result of population growth is one of the challenges of rural households forcing households to migrate, particularly in densest populated districts of the country such as Shebedino district. The growth of labor force is too high as compared to the growth of available resources and employment opportunities. Thus, population and land use policies should be revised regularly based on existing situations.
- The government and private sector should create employment opportunities in the rural and urban economies to reduce the level of open and disguised unemployment as well as chronic poverty of rural regions.

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