

# **Backward Linkage of Agriculture with the Urban Sector in Eastern and Central Ethiopia: determinants and implication for agricultural transformation**

**Arega Shumetie and Abebe Ambachew**

*Authors are lecturers in economics department of Haramaya University, Ethiopia  
[ashueconomist@gmail.com](mailto:ashueconomist@gmail.com) or [abebeamba@gmail.com](mailto:abebeamba@gmail.com)*

## **Abstract**

Both descriptive analyses and econometric techniques particularly upper-censored Tobit Model and the OLS regression were used to analyse the household survey data from Etosa and Kombolcha district of East Arsi and East Harerghe Zone, respectively. Food consumption of the rural economy from the industry sector were found to be positively and significantly related if the household is male-headed, with better educational attainment and credit access. Having own-produced food items through irrigation practices, large family and livestock sizes decreased the households' food reliance on the urban sector. Similarly, smallholders with longer farm experience, easy access to education and training, cropland and livestock sizes had strong motive to the purchase agricultural inputs from the industry sector. The research finally recommended that reducing liquidity constraints through credit access and cash crops production as well as increasing awareness through education and training strengthen the rural-urban linkages and accelerate the agriculture transformation of the country.