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Rural Non-Farm Enterprises Needs towards Positive Rural Livelihood Outcomes in Kiambu County, Kenya

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Abstract

Rural non-farm activities contribute to the agricultural value chain. These activities include agro-processing, breeding, transport, distribution, marketing and retail. The need to recognise the factors that influence people to engage in diversified rural non-farm activities in the agricultural sector has been noted to be crucial, as it can act as a guide to strategising and promoting the agricultural sector. Therefore, this study sought to assess the support that RNFEs need to ensure positive rural livelihood outcomes. The study adopted an epistemology philosophy. The target population was all non-farm small and medium enterprises (SMEs) in Kiambu County who have prevailed by supporting agrarian related exercises. This population of RNFEs came from every one of the 12 sub-areas: Gatundu North, Gatundu South, Thika, Juja, Githunguri, Ruiru, Kiambu, Kiambaa, Kabete, Kikuyu, Lari and Limuru. The study investigated five rural non-farm undertakings occupied with the accompanying regions: agribusiness activities, rural industrialisation ventures, transport services, the travel industry activities and development ventures. The study used questionnaires and interview guides for primary data collection. The inferential model indicated that there was a strong relationship between government and farmers. Many enterprises were not able to obtain finances for start-up businesses and/or expansion of their businesses. The main contributory factors to rural livelihood outcomes were (a) to have access to income and (b) to be able to gain employment. RNFEs is a way of improving rural infrastructure development, which allows production and growth of basic goods and services. Forms of government support that have been experienced include legislation, financing, empowerment of the marginalised and improvement of infrastructure, with the most important support coming from

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improvement of infrastructure. The major support that RNFEs are able to access are improvement of infrastructure such as roads, hospitals and learning institutions, which enable quick development and growth. The study further recommends on the need for a support mechanism procedure for RNFEs. The study recommended on availability of cheap loans with low interest rates for farmers. The lending interest rates were unaffordable for RNFEs, thus making it challenging for the growth of rural livelihood outcome from an entrepreneurship perspective.

Keywords: *Rural Non-Farm Enterprises, government support, Livelihood Outcomes, Kiambu County, Kenya*

1.1 Introduction

Rural non-farm activities contribute to the agricultural value chain. These activities include agro-processing, breeding, transport, distribution, marketing and retail. According to Ellis (2014), a country's non-farm activities ensure income among rural people. These are a cluster of activities that do not establish essential farming creation. They incorporate value chain activities, for example, agro-handling, transport, dispersion, promoting and retail, as well as the travel industry, assembling, development and mining, in addition to independent work activities (handworks, carpentry, workmanship, smithies, fitting, pastry kitchens, mechanics, booths and other various activities). Increases in agricultural jobs, alongside high rural prices, makes capital become easily affordable. This advances the improvement of non-farm activities. As agriculture modernizes and its productivity creates, it requires additional data sources and the executives, for instance, seeds, fertilizer, credit, farm equipment, publicizing and readiness of yields. Every one of these urge non-farm organizations to foster interest in giving these data sources and benefits; and as their wages increment, farm families, very much like different shoppers, may spend a great deal of their new incomes on a wide extent of items and non-farm organization (Haggblade *et al.*, 2017). The rural non-farm area is exceptionally heterogeneous. It includes an exceptionally wide range of exercises and is connected in complex ways to country explicit agrarian settings at both hypothetical and observational level (Lanjouw & Lanjouw, 2016). This has controlled the intricacy for strategy creators among different partners in creating and exhorting economies in understanding and concocting a reasonable manner forward for advancing the area in general. Most states support this area in view of its solid capacity to utilize a creating country workforce, add to the development of the public pay, and advance unprejudiced pay circulation (Lanjouw & Lanjouw, 2016).

Start (2011) demonstrates that rural improvement can insinuate and create some distance from ordinary rural activities, for instance, from cultivating to non-standard, routinely non-agricultural activities. In families, the vocations procured from these activities supplement those from agribusiness, while in different families, non-farm activities are the chief kinds of revenue. Malek and Usami (2014) outline that agrarian development can allude to financial improvement outside of the rural area, and lead to innovative occupation and business development creation. The author contends that upgrade of job choices ensures food security among the poor. In such manner, occupation or expanding of types of income in the country areas is viewed as a pathway out of being poor. The need to recognise the factors that influence people to engage in diversified rural non-farm activities in the agricultural sector has been noted to be crucial, as it can function as a guide to strategising and promoting the agricultural sector. IFAD (2014), for instance, emphasises engaging youth in agricultural activities in order to address issues such as scarce land for them to adequately participate in agriculture, and lack of financial support and services.

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Despite the agricultural sector being pivotal and incredibly significant in the creation of rural employment, especially in sub-Saharan Africa and specifically Kenya, its enormous contributions to the overall economy of the country have greatly diminished in the recent past (Republic of Kenya, 2014). This can be incompletely ascribed to many factors like monetary assignment decrease by the public authority (GoK, 2015) which has prompted a decrease in augmentation administration conveyance, fluctuating and declining costs of rural items, and the way that country non-farm pay extraordinarily surpasses the worth of pay from farms (Reardon *et al.*, 2017). Poverty levels remain lower in metropolitan regions in examination with country regions. As indicated by the Kenya National Bureau of Statistics (KNBS), the poor in metropolitan regions address only 9.1% of the populace when contrasted with 27.2% in County regions (KNBS, 2017).

There are a few expected benefits along the rural worth chain, and it could fill in as a kind of revenue for great many jobless Kenyans. Nonetheless, relatively few will adopt horticulture as their principal income source (Akumu, 2016). The greater part of the rural exercises has been left in the possession of the more established populace dwelling in urban regions, with the age of a normal Kenyan farmer being 60 years or more. This is ascribed to the relocation of most rural society to metropolitan regions en masse, looking for middle class positions (UNDP, 2017). The rate of unemployment still continues since the rate at which metropolitan regions are producing position cannot support the quick rate at which the populace is developing. This concurs with the findings by Gichimu and Njeru (2014) and the Government of Kenya that admittance to land for cultivating addresses the main obstacle for intrigued youth to partake in agribusiness.

The challenge is that advancement of effective, broadened country non-farm small and medium-scale enterprises has not been sufficiently taken advantage of in alleviating joblessness and supporting vocations (for example, which types of RNF activities are related with poverty decrease; the connection between the different RNF exercises and farming; the spatial connection between exercises). These information gaps have made the consideration of help to RNFE activities as a component of a country economic development. Therefore, this research will strive to bridge the gap in knowledge by finding out the Rural Non-Farm Enterprises needs towards positive rural livelihood outcomes in Kiambu County.

1.2 Objective of the Study

To assess the support that RNFEs need to ensure positive rural livelihood outcomes.

1.3 Research Questions

What support do RNFEs need to ensure positive rural livelihood outcomes?

2.0 Literature Review

2.1 Theoretical Literature Review

2.2.2 Theory of Structural Transformation of Economies

The Theory of Structural Transformation of Economies suggests that diversity of rural employment becomes part of a favourable positive development where relocation of financial development involves a change in employment and cuts across the broad sectors of agriculture, manufacturing and services (Timmer, 2014). This theory has been criticised by some economic experts who suggest that livelihood diversity is usually a kind of adjustment that continues to be

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basically unfavourable (an adjustment of livelihood to sustain a reduced top quality of life than was formerly feasible) (Binswanger *et al.*, 2015). The spread of non-horticultural work in rural regions includes the creating anxiety of the country persecuted for more pay, consequently making possibilities and extending work in the non-agrarian region in rural regions. This makes from the perseverance approaches of country families that are unequipped for getting work or autonomous work in developing. Consequently, occupation assortment from developing transforms into a last decision rather than it being a charming decision (Binswanger *et al.*, 2015).

Non-farm activities also influence trouble and pay isolation. In strong conditions where the poor have indistinguishable receptiveness to higher getting non-farm endeavours, the effect on poverty, decrease and pay detachment will be exceptional. Expecting the sad who have been prohibited from high-obtaining non-farm tasks because of contracting resources, gain induction to these resources and can work by then, at that point, monetary improvement could exhibit a development in dissimilarity. Davis *et al.* (2015) discussed this as the effect of country non-farm activities on the less advantaged and seen that isolation depends on the limit of the less preferred to get to rural non-farm endeavours, the potential advantages coming from rural non-farm activities and the responsibility of country non-farm activities to amount to pay. Assortment could incite monetary flood.

As demonstrated by Lanjouw and Lanjouw (2016), non-farm activities can provoke advancement, whether or not the work is truly discounted; they are extra capable when information sources are studied comparing to their real friendly expenses. The makers ensure that non-farm activities additionally oblige the course of pay. Mainly, the rural sector makes lesser premium products that are actually extremely taken in due to the poor. This leads the industry to possess secondary distributional advantages by means of reducing costs to the poor. The non-farm market behaves as a method of easing earnings for those that have actually confined accessibility to economic resources and it is actually a recurring resource of employment to the poor culture.

2.2 Empirical Review

Key success factors in diversified rural non-farm enterprises include education, set skills, financial capital and socio-economics (Davis, 2016; Winters *et al.*, 2011), good infrastructure and transport (Senadza, 2012), communication and information technology and market access (Gajigo, 2013). Many rural people neither own nor have access to these and encounter many challenges in their struggle to maintain decent livelihoods. As a result, poverty remains pervasive among them.

2.2.1 Infrastructure

A study by Ellis (2014) noted that infrastructural amenities harbour a potential influence on reduction of poverty through added advantages by amalgamation of most countries' economies, speeding up information flow, uplifting the functioning of marketplaces and fast-moving outputs, resources and people. When it comes to education, provision of future infrastructure requires innovative approaches and maintenance. There should be no dependence on donors' ad hoc project aid and on central governments in sustaining the current infrastructure or injecting large funding for new infrastructural set-ups. Devolution can, debatably, assist in prioritising as well as funding local infrastructure in rural areas. Privatizing infrastructural dealers, for example, telephone companies and electricity providers, can assist in reaching remote areas, unlike when the process is controlled by the central government.

Kenya National Bureau of Statistics (KNBS) (2016) reports that several research studies conducted revealed that majority of minor businesses in Kenya collapse within one to five years, unlike in developed nations, which have a collapse margin of five to ten years or even higher. It was pointed out that small-scale enterprises operate under constraining and complex settings, thus inhibiting their development. These consist of lack of a favourable business environment; inaccessible infrastructure base (electricity remoteness, inadequate industrial base, sewage and water resources, telecommunication and poor roads) as well as administrative structures (obstructing regulations, rules, finance, trade, non-economic marketing programs and technology). Such sectors can be identified through insufficient consumer markets, utilities and poor management skills, minimal admittance to credit, poorly organised markets and flow of information. These factors are, to a big extent, accountable for the heavy demise of enterprises.

2.2.2 Entrepreneurship Education

Research of villages in Mexico by Taylor and Yunez-Naude (2015) documented higher returns from schools' activities both in farms and non-farms. In addition, the findings established that education influences a household's ability to shift from farm activities to non-farm engagements. The findings are also sensitive to education categories (basically farmer versus family schooling); and the outcomes may vary between different forms of education obtained (for example, general schooling versus agricultural extension) and location (for example, in green revolution or traditional farming zones). In whichever situation, given that acquisition of rural education does not depend on households' capacity to pay, rural settings can have remarkable results in lowering inequalities in non-farm incomes compared to farm incomes, while equalising the ultimate size distribution of income.

Business and entrepreneurship training aims to improve business income, profitability and growth through improved knowledge, financial literacy, and use of good business skills (for example, record keeping and formal accounting). It is also anticipated to lead to higher employment, either through expanded employment opportunities for additional workers in successful small- or medium-sized business enterprises, or simply through self-employment for successful entrepreneurs. Such training programs are often offered at no expense to participants (McKenzie & Woodruff, 2012). Entrepreneurship training has also been viewed as a potential vehicle to help address youth unemployment, while strong entrepreneurial activity in poor countries is widely viewed as important for stimulating stronger economic development, not only through providing direct employment, but also for its role in spurring innovations, new technology adoption or expanded dissemination (USAID, 2017).

2.3.3 Mass Media Exposure

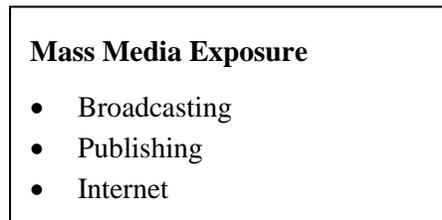
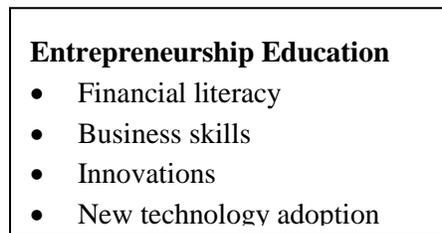
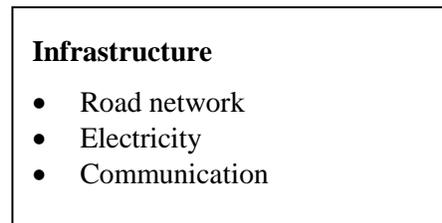
The media, which include broadcasting, publishing and the internet, plays a crucial role in disseminating information on what is transpiring. In some instances, where the target group does not have direct experience, information or understanding of what is taking place, the media comes in handy. It is unnecessary to propose that broad communications for the most part directs to the public what to think, since individuals fundamentally ingest media data (Philo, 2018; Philo, Miller & Hepper, 2015). Hepper and Philo (2013) laid out that the data given to individuals by the media can legitimize the exercises of the bosses or rulers, as well as empower progress. Data from the media is additionally ready to forbid and change individual practices. According to Umunnakwe (2014), the expansion in openness of rural youth to data media brings about a significant positive

effect on their interest in non-agrarian income producing assignments. This could be attributed to further developed availability to data with respect to open doors for income creation. Electronic media notices on project openings can be useful for dynamic work candidates.

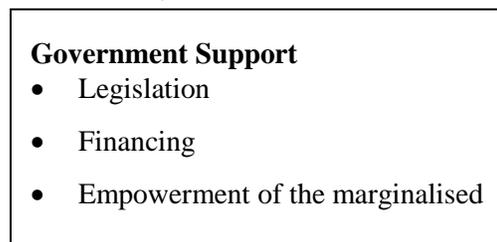
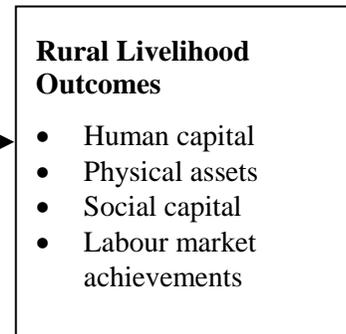
A study by Mah, Ghulam and Mariah (2015) observed that the social media is an epitome of advancement of entrepreneurship objectives. This study aimed to highlight how the elements of mass media promote networking of entrepreneurial ideas. The research covered all trade of chamber as well as commerce-registered enterprises (Multan). Five respondents were chosen to be interviewed through convenient sampling procedures. Other comprehensive interviews were carried out to collate the required data and analysis made using the critical analysis methods. The investigation revealed that the public media and networking assists businesspeople in expanding their entrepreneurial goals, with peer-groups, family members and institutions of education, thus having a positive impact on them. Social media was established to provide a platform for entrepreneurs to network and enhance their operations.

2.4 Conceptual Framework

Independent Variables



Dependent Variable



Moderating Variable

Figure 1: Conceptual Framework

3.1 Methodology

This study adopted an epistemology philosophy to question what knowledge is; how and to which extent knowledge is pertinent to the given entity/subject, how it could be acquired; as well as how it is related and connected to notions such as beliefs, truth and justification (Cohen et al., 2018). Logical positivism, one of the paradigms of epistemology, is by nature objective and considers the independence of research against that which is studied. This study used a cross sectional survey on effect of RNFES on rural business results in Kiambu County.

The target population was all non-farm small and medium enterprises (SMEs) in Kiambu County who have prevailed by supporting agrarian related exercises. There are 157,704 enlisted MSME and SME license to operate holders in Kiambu County (Kiambu County Revenue Office, 2019). This variety of RNFES came from every one of the 12 sub-areas: Gatundu North, Gatundu South, Thika, Juja, Githunguri, Ruiru, Kiambu, Kiambaa, Kabete, Kikuyu, Lari and Limuru.

The study investigated five rural non-farm undertakings occupied with the accompanying regions: agribusiness endeavours, country industrialisation ventures, transport undertakings, the travel industry endeavours and development ventures. The study also included 10 key informants who were selected using purposive sampling for in-depth study. The key informants included: Two church ministers of the gospel, Two local MCAs, Two heads of financial institutions, Two officials of the Kenya National Chamber of Commerce and Industry (KNCCI), Kiambu chapter, two official overseers of rural and agricultural development. The sample size was apportioned according to the population in the 12 sub-counties. Simple random sampling was used to select the respondents.

The study used questionnaires and interview guides for primary data collection. Open and closed questions were used depending on the questions. Structured questions aimed at saving time and creating confidence among the respondents. Data collected through interview guides and questionnaires were analysed to identify any inconsistencies and institute the necessary corrective measures. Quantitative data was analysed by use of descriptive statistics using SPSS software and was presented through frequencies, means and percentages. Correlational statistical techniques were used to analyse association between the impacts of RNFES on rural livelihood outcomes in Kiambu County.

4.1 Results and Findings

The study used questionnaires that were administered to a sample size of 806 including, farmers, rural non-farm enterprises and key informants. The return rate of questionnaires for farmers was 96.23% while that of rural non-farm enterprise was 95.48%. The return rate for the key informants was 60%. The absolute return rate of all respondents who took part in the review was 95.41%.

4.2 The Support that RNFES Need to Ensure Positive Rural Livelihood Outcomes

Both the government and other private sector institutions agree that RNFES need extensive support in order to be productive. It is clear that financial resources are necessary when launching a business, but many enterprises are not able to access the finances to either start or expand their businesses. Financial support is the most common need for RNFES enterprises, and in many cases lack of finance affects the business significantly. On the other hand, other contributions such as rural infrastructure, and policies and regulations are important in the operation of the RNFES, and in facilitating rural livelihood outcomes.

4.2.1 Contributory Factors to Rural Livelihood Outcomes

The respondents were asked the contribution to rural livelihood outcome of factors such as access to various sources of income, access to employment, food security, policies on non-farm enterprises, rural infrastructure and cooperation by stakeholders.

Table 1: Contributory factors to rural livelihood outcomes

Contribution factors	Mean	Std. Deviation	Variance
Access to income	0.64	0.48	0.23
Access to employment	0.45	0.498	0.248
Food security	0.12	0.327	0.107
Policies on non-farm enterprises	0.21	0.404	0.164
Rural infrastructure	0.34	0.476	0.226
Stakeholders' cooperation	0.02	0.144	0.021

Table 1 indicates the contributing factors that the respondents mentioned as significant in RNFES. The assurance of steady income, with a mean of 0.64, is seen as the most key factor. This indicates that the majority of respondents agreed that assurance of a steady income is a major contributory factor to rural livelihood outcomes. Steady income is guaranteed by activities that are not risky and are certain to bring in income. Steady income is maintained by the importance of the service for agricultural production, the quality of the service compared to competitors, and the cost of the service. Another crucial factor is the training of the person providing the service

The second highest factor with a mean of 0.45 is assurance of customers to maintain a steady income. Due to lack of finances to run the operations of the business there is low access to steady income and therefore the need for employment along with other sources of income. The third highest mean was 0.34, infrastructure which indicated that there is need for contribution of rural infrastructure such as roads, network and telecommunication systems which are essential in making work easier and saving time.

Public policies regarding non-farm enterprises have a mean of 0.21, which suggests that they are not considered particularly important. Food security could be a contributory factor. However, the number of respondents who agreed to this were few since in rural areas there is generally no scarcity of food. In addition, the major activity is farming and livestock keeping. The lowest mean, 0.02, refers to the cooperation of neighbours and several people in a project. This indicates that majority of the respondents did not consider the contribution of stakeholders' cooperation as important.

4.2.2 Participation in Special Government Projects and Policies

The respondents were asked if they had participated in any government projects or programs that supported their non-farm activities. The results are depicted in Figure 2.

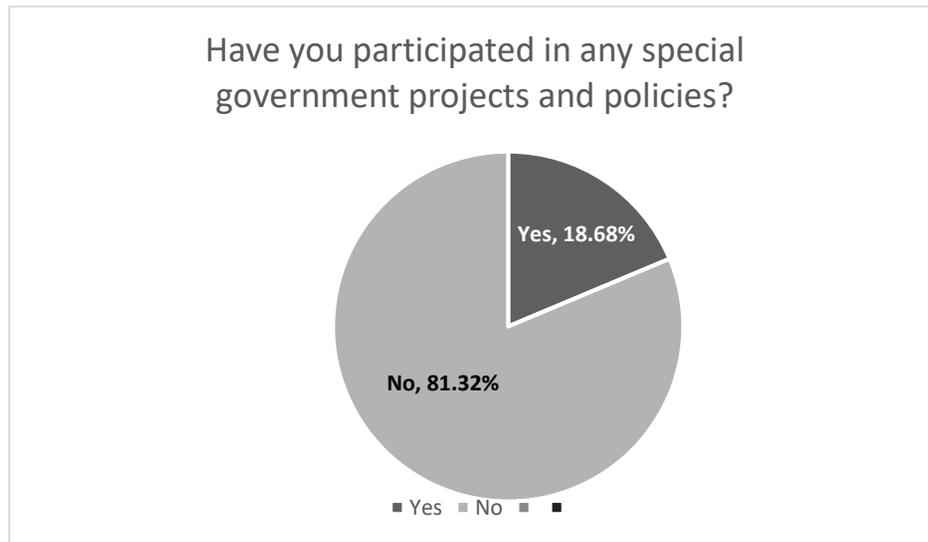


Figure 2: Participation in any special government projects and policies

The majority, 81.32%, said “No”, indicating a low contribution of government programs. This can be explained by the fact that most projects of these income-generating initiatives are private, non-government projects initiated by rural people.

4.3 Correlation Analysis

Correlation analysis was used to depict the association between the access of support that RNFEs needs on rural livelihood outcome. The results are as shown in Table 2.

Table 2: Correlation analysis

	Rural Livelihood Outcomes	Need for RNFE support
Rural Livelihood Outcomes	1.000	
Need for RNFE support	.768**	1.000
	0.000	

*. Correlation is significant at the 0.05 level (2-tailed).

The results indicated that the R-value was $r = .768^{**}$, $p = 0.000$. This implies that the correlation between the need for RNFEs support for positive rural livelihood outcome is positive and significant. The results also depicted a strong correlation between the need for RNFEs support on rural livelihood outcome and rural livelihood outcome.

4.4 Regression Analysis

The regression analysis was used to analyse the relationship between the access of support that RNFEs needs and positive rural livelihood outcome in agriculture. The significance level was tested 0.05. The regression results are presented using the model summary, ANOVA and regression coefficient.

Table 3: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.768a	0.591	0.589	0.31372

The results in Table 3 demonstrated that the Rsquare value was 0.591. This implied that the access of support that RNFES needs explained 59.1% of the variations in positive rural livelihood outcomes from an agricultural perspective. The results further implied that 40.9% was impacted by factors outside the research study.

ANOVA presents information on variability of the regression model with an overall test for the model significance. The results are presented in Table 4.

Table 4: ANOVA Analysis

	Sum of Squares	df	Mean Square	F	Sig.
Regression	53.662	1	53.662	545.239	.000b
Residual	37.203	378	0.098		
Total	90.865	379			

The ANOVA analysis indicated in Table 4 shows that at 95% confidence interval F calculated was 545.239 while F critical was 3.841 at F (0.05, 1, 379). Since the F test computed (545.239) > the F critical (3.841) then the model is significant. Therefore, the results confirm that the regression model adoption was significant.

The regression of coefficients model was used to indicate the relationship between the independent and the dependent variable. The outputs are presented in Table 5.

Table 5: Coefficient model

	Unstandardized Coefficients		Standardized Coefficients		
	B	Std. Error	Beta	t	Sig.
(Constant)	1.661	0.072			
Access of support that RNFES needs	0.522	0.022	0.768	23.35	0.000

a. Dependent Variable: Rural livelihood outcome

Therefore, the fitted model is expressed as follows:

$$\text{Rural livelihood outcome} = 1.661 + 0.522 (\text{Access of support that RNFES needs})$$

The model indicates that the relationship between the access of support that RNFES needs, and rural livelihood outcomes is positive and significant ($\beta=0.522$, $P=0.000$). This implies that a unitary increase on the Access of support that RNFES needs leads to an increase in and rural livelihood outcomes by 0.522 units. Since the P-value of 0.000 was below the critical 0.05, we conclude that the influence of RNFES is statistically significantly.

4.5 The Support that Government and other Agencies Provide to RNFES

Government support is a crucial element in facilitating RNFES and improving livelihood outcomes. The most important aspect of government support is the regulations and legal aspects that are set by the government. If the rules and regulations are expensive to acquire and maintain then RNFES will be difficult to sustain. If the taxes, permits, licenses and other by-laws are expensive, the cost of raw materials will be expensive and production process of agricultural products will be difficult, thus, the livelihood outcome will be negative or very minimal.

4.5.1 Form of Government Support that have Been Experienced in Businesses

Table 6: Form of government support that have been experienced in Businesses

	Mean	Std. Deviation	Variance
Legislation	.17	.375	.140
Financing	.06	.229	.052
Empowerment of the marginalised	.29	.453	.205
Improvement of the infrastructure	.88	.320	.103

Table 6 indicates the kind of support that the respondents receive in their projects from the government. The highest mean is indicated by the support of improvement of the infrastructure – 0.88. This means that the major support from the government is improvement of infrastructure like roads, communication networks, hospitals and learning institutions. Infrastructure facilitates development and increases productivity. The second highest mean is empowerment of the marginalised, indicated by a mean of 0.29. This means that there is a small number of individuals who are able to derive the advantage in terms of education on the best products and methods to be used. Those with disabilities, poor education background and those who cannot afford to attend learning institutions are able to benefit from empowerment from the government. Legislation is indicated by a mean of 0.17, which explains that the running and registration of a business is supported by the government. The lowest mean value is 0.06, indicating that there was a very low percentage of individuals who had access to financial support from the government. Financial support is the most essential element in helping the rural livelihood outcomes, and yet it is indicated that it is where respondents received minimal support from the government.

4.5.2 Government Provision of an Enabling Environment for RNFE

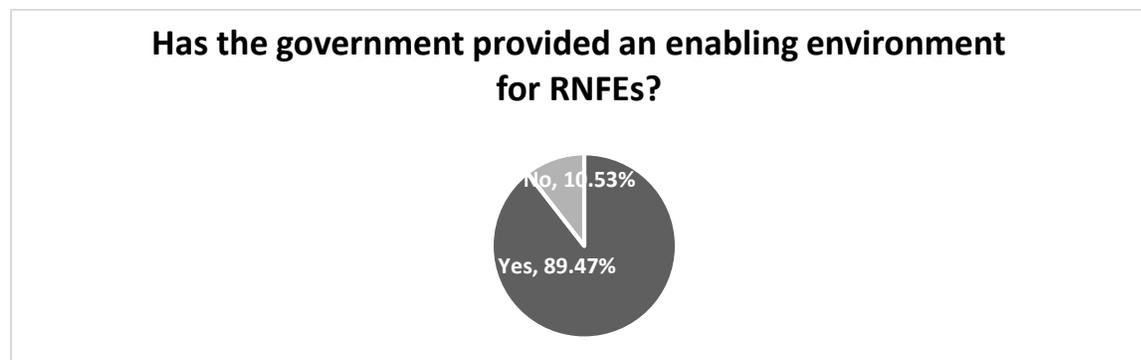


Figure 3: Government Provision of an Enabling Environment for RNFE

The respondents were asked if the government provides an enabling environment that promotes RNFEs; 89.47% of the respondents agreed to the statement. This suggests that they believe that the government provides an environment that is supportive of RNFEs in selling and buying of products and services.

4.5.3 Government Offer of Education Programs for RNFEs

The respondents were asked whether the government offers education programs to support RNFEs. The majority, 61.58%, responded with a “no”.

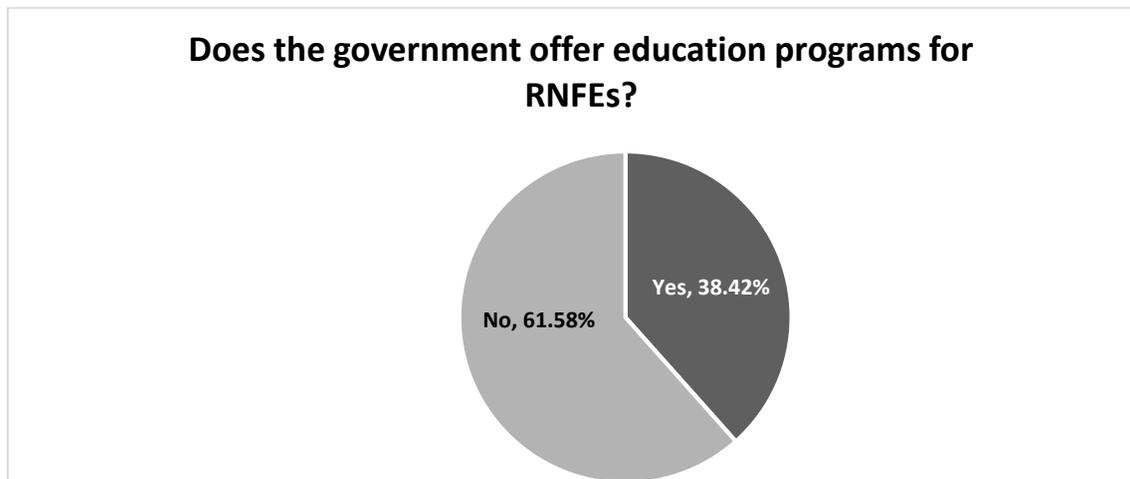


Figure 4: Government Offer of Education Programs for RNFEs

4.6 Discussion of findings

4.6.1 The Support that RNFEs Need to Ensure Positive Rural Livelihood Outcomes

Due to the factors that influence rural livelihood outcomes, there is need to attain sustainable rural livelihoods. Rural livelihood outcome is measured by human capacities, resources and applications needed for a way of living (DFID, 2014). The correlation results between the need for RNFEs support and positive rural livelihood outcome was positive and significant. Further, the regression results indicated that the relationship between the access of support that RNFEs needs, and rural livelihood outcomes was positive and significant. Positivity in the livelihood is indicated by the ability of an individual to actually afford basic needs and a proper lifestyle. This livelihood has to be facilitated by several external forces such as infrastructure, leadership, education and health that have the option to keep up or improve its abilities and resources without sabotaging the characteristic assets as stated by Ellis (2014). According to the research, the contribution factors which were Access to income, Access to employment, Food security, Policies on non-farm enterprises, Rural infrastructure and Stakeholders' cooperation where the major contributor was access to income and employment. When key informants were asked about how the success of the rural non-farm enterprises had affected residents, the answers were as follows:

Response: “Created jobs and offered an income to the residents”

Response: “The success of rural non-farm enterprises has created employment opportunities for the youth”

Response: “Provided employment” – “...has done away with idling”

Response: “Source of employment and income”

According to the analysis, if the RNFE business does not give one a source of income, then it is not a contributing factor. This can be explained by the number of key informants identifying RNFEs for employment purposes, which is therefore interpreted as a positive rural outcome indicated by the level of employment, which is a source of income that improves their livelihood.

Due to the scarcity of government projects and policies, participation in any special government projects and policies was minimal. This could mean that government policies and projects do not usually involve RNFEs, thus support is negative. The key informants were asked:

Question: “How has the success of rural non-farm enterprises affected the residents?”

One key informant responded that:

Response: “They are not successful so there is no impact”

Another respondent when asked the same question responded:

Response: “Reduced the white-collar jobs”

The regression analysis reveals that the support has an influence of the rural livelihood with 55.1%, an indication of its significance in rural outcomes. The status of successful rural non-farm enterprises is indicated to be moderate; and some part of it good as well as average, as indicated by the key informant. There was an indication that due to the growth of the town businesses expanding, this has led to development in the rural areas as indicated by the key informant. The correlation indicates an extraordinarily strong relationship between the support that RNFEs need and its positive impact on rural livelihood outcomes.

4.6.2 The Support that Government and Other Agencies are Providing to RNFEs

Support from government, non-government and private institutions is considered crucial, especially international support where one is able to acquire the latest technology. The study correlation results between the Government and agencies support to RNFEs and rural livelihood outcome was positive and significant. The regression results further indicated that the relationship between the Government and agencies support to RNFEs and rural livelihood outcomes was positive and significant. Forms of government support experienced include legislation, financing, empowerment of the marginalised and Improvement of infrastructure. Most of the support comes from improvement of infrastructure such as rural roads, hospitals and schools. It was further agreed that the government has provided an enabling environment for RNFE promotion. The government also offers education programs which help in business management. Key informants were asked about what should be done in order to improve the success of RNFEs. One individual stated that:

“The government needs to support by any means possible”

To elaborate further another researcher said:

"Funding by the government”

Another key informant stated that:

“Provide finances to help them expand”

As stated by the key informant, it is clear that finances are a challenge and if asked, majority of farmers and RNFEs would ask for financial support. Capital in a business can be accessed through savings, but most people are unable to save an amount that is able to sustain a business. In Kenya today, majority of the entrepreneurs start their businesses by borrowing from financial institutions and banks, although some are unable to borrow due to high interest rates. According to IFAD (2014), the major challenge in accessing loans is usually lack of collateral in form of land or any other asset that can be used in case of a loan payment default.

The key informants were asked:

“What can be done to improve the success of rural non-farm enterprises in Kiambu County?”

One answer was: *"Provide cheap loans"*

This means that the loans are too expensive for farmers and RNFEs. Due to credit restrictions, rural non-farm (RNF) actions hinder agricultural productivity through lack of cash for farmers to capitalize in performing inputs. The standard of living has also increased, which increases the interest in borrowing in banks making it difficult to afford especially to young farmers, as stated by Reardon (2018).

According to the research, support can be in several forms: finances, education, information and raw materials. However, the most important support is financial since this leads to increased income if used appropriately. Financial resources are important because they are the way to acquisition of further resources as stated by Jacob (2013) which can be earned through assistance and support, borrowing from banks and savings. It is clear that despite other challenges suffered in the market, without financial support, the farmer may be unable to start the business and thus the rural livelihood outcome will not improve. Most businesses are unable to account for daily expenses and purchases as a result of low goodwill (Ngugi & Bwisa, 2013).

However, according to the research, it is the minimum support that the farmers and RNFEs access as indicated by the smallest mean. This could mean that the support that is most needed is actually the least accessible. According to Atieno (2011), lack of finances in commercial and business activities hinders acquisition of credit facilities as well as the operation of the business such as licensing, payment of wages and salaries, access to raw materials and maintenance. The research also indicated the legislation support which indicates that business registration and the legal process may be very expensive in terms of expenses and requirements which could take up a lot of time. It involves a set of laws put in place by the government to protect businesses, employees and consumers which according to the research it indicates that there is minimal support from the same. The documents and procedures in the registration of a business are difficult to access which may hinder RNFE development, thus the outcome is minimal.

5.1 Conclusions and Recommendations

The study found that there was not enough support that is acquired for positive rural livelihood outcomes. The study finds that financial resources are necessary when launching a business. However, many enterprises are not able to obtain finances for start-up businesses and/or expansion of their businesses. The main contributory factors to rural livelihood outcomes were (a) to have access to income and (b) to be able to gain employment. RNFs is a way of improving rural infrastructure development, which allows production and growth of basic goods and services.

Further, the government is a major body in facilitating the RNFs but there are other private agencies such as NGOs, INGOs and private organisations that have time-specific projects which usually affect the rural livelihood outcome under the RNFs. Forms of government support that have been experienced include legislation, financing, empowerment of the marginalised and improvement of infrastructure, with the most important support coming from improvement of infrastructure.

The main conclusion to be drawn is the importance of helping the poor to overcome the constraints and thus enable them to participate in RNF activities. This entails diagnosing the kinds of asset poverty constraining the poor with respect to entrance into the more dynamic and remunerative RNF activities and using policies and programmes to address those asset constraints. In turn, this will often require investments in general education and specific skill building for RNF activities (such as agroprocessing technologies) and in market and technology information centres in rural areas for the purpose of identifying promising opportunities. It will also mean promoting RNF employment and strengthening agricultural linkages in areas poorly served by infrastructure. This involves public investments aimed at allowing the poorer hinterlands to benefit from and participate in the growth.

The availability of cheap loans with low interest rates for farmers is a positive recommendation. The interest rate is usually unaffordable for RNFs, thus making it difficult for rural livelihood outcome. An approach that is more holistic can be adopted by the government in supporting RNFs where the stakeholders that include private sector, farmers groups, agricultural society and the civil society can be enjoined in proving solutions that increase productivity of RNFs.

The RNF sector is already of great importance to rural economies for its productive and employment effects: it offers services and products upstream and downstream from agriculture in the off-farm components of the food and fibre system, which are critical to the dynamism of agriculture; while the income it provides farm households represents a substantial and growing share of rural incomes, including those of the rural poor. These sectoral contributions will become increasingly significant for food security, poverty alleviation and farm sector competitiveness and productivity in the years to come.

Investing in new RNF sector opportunities in resource-poor zones is crucial. Such investments will need to be in the general skill and infrastructure development necessary to establish commerce and small- to medium-scale manufacturing.

An important key to success lies in helping the poor to participate, through RNF enterprise starts, contract farming and wage employment. Again, production sector policies will play a key role in spurring equitable RNF sector development

Enabling the poor to participate improving the asset base of the poor is crucial. This review has shown that poor farm households often lack the assets (such as liquefiable assets, education, access

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to credit and security of land use rights) that serve as important capacity variables for participating in RNF activities. In turn, unequal access to more remunerative RNF employment may cause a further concentration of wealth (in the form of land)

Also important for facilitating such participation are institutional and infrastructure development policies that level the playing field for smaller companies, reduce transaction costs for those in the hinterlands and raise the skills of the poor.

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