



ISSN NO. 2320-5407

Journal homepage: <http://www.journalijar.com>

**INTERNATIONAL JOURNAL  
OF ADVANCED RESEARCH**

## RESEARCH ARTICLE

## An Analysis of Sustainable Economic Development on the rural context in

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### Manuscript Info

#### Manuscript History:

Received: 12 March 2014

Final Accepted: 25 April 2014

Published Online: May 2014

#### Key words:

Rural Economics, Sustainable, Development

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### Abstract

This study sought to examine how the rural development in Kenya start by various agencies such as Government agencies, NGO agencies, Faith Based Organization agencies and to an extended private sector based foundations has been sustainable in the rural context in the republic of Kenya. Initially rural economics was concerned with agricultural matters but now it expand to covers all aspect of rural land, society, corporate social responsibility and economic sustainable development etc.

The objective of the study is to identify the relation between project started by different independent agencies and their sustainability over a period of time. The study used descriptive survey design and relates the same to the published and unpublished literature available in the public domain as secondary data for the scholars and government planning departments. The target population for this study was 7 Regional Development Authority in Kenya under Ministry of Regional Development under the Government of Retired President Mwai Kibaki.

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## 1.0 Introduction

Kenya is situated in the Eastern Africa part of the Africa continent. The country lies between 5 degrees north and 5 degrees south latitude and between 24 and 31 degrees east longitude and is almost symmetrically bisected by the equator. Ethiopia and Sudan border it to the north, Uganda to the west, Tanzania to the south, Somalia to the northeast, and Indian Ocean to the southeast. The Kenya coastline is about 536 Kilometers. The total land area is about 582,650 KM square of which 569,250 KM square constitutes land while water takes the rest of about 13,400 KM square

. An argument has been advanced that some of the projects started by Government and some NGO are not sustainable in Kenya in the long run, rural system necessitated formulation of development policy and planning at the lowest level similar to that of national development planning. About 80% of the Kenya population depends on agriculture for their livelihood.(P. M Mbithi and Bernes. 1974). Empirical studies have shown it as seen in (2008-2012) Kenya Vision 2030, Only about 17% of the total land area is high to medium potential agricultural land, while the remaining 83% is arid or semi-arid (ASAL). Kenya Vision 2030 is the new long-term development blueprint for the country. It is motivated by a collective aspiration for a better society by the year 2030. The aim of Kenya Vision 2030 is to create "a globally competitive and prosperous country with a high quality of life by 2030". It aims to transform Kenya into "a newly-industrializing, middle-income country providing a high quality of life to all its citizens in a clean and secure environment". Simultaneously, the vision aspires to meet the Millennium Development Goals (MDGs) for Kenyans by 2015.

Enhanced Equity and Wealth Creation Opportunities for the Poor: No society can gain the social cohesion predicted by Vision 2030 if significant sections of it live in abject poverty. Equity as a recurrent principle in all its economic, social and political programmes, Special attention has been given to investment in the arid and semi-

arid districts, communities with high incidence of poverty, unemployed youth, women, and all vulnerable groups.

**Agriculture:** As of 2010, Kenya aims to promote an innovative, commercially-oriented, and modern agricultural sector. To be accomplished through: transforming key institutions in agriculture and livestock to promote agricultural growth; increasing productivity of crops and livestock; introducing land use policies for better utilization of high and medium potential lands; developing more irrigable areas in arid and semi-arid lands for both crops and livestock; and improving market access for our smallholders through better supply chain management. Vision 2030 aims at adding value to our farm and livestock products before they reach local and international markets.

Kenya's economy expanded by an estimated 4.5 per cent in 2011 compared to 5.6 per cent, 2.6 per cent and 1.6 per cent growth rates recorded in 2010, 2009 and 2008 respectively. While, the improved economic growth recorded in 2010 was attributed to favourable weather conditions which contributed to improved agricultural output, effects of the fiscal stimulus package initiated by the government, improved liquidity in the economy, prudent macroeconomic management and recovery in global economy, in 2011, the conditions changed significantly. Rising domestic interest rates, fuelled by deterioration in the exchange rate, rising oil prices and major political transition expected in 2012 severely dampened economic growth prospects. In 2011, the global economic environment deteriorated significantly, with the IMF scaling down economic growth forecasts. In its World Economic Outlook of September 2011, it is stated that: Global growth will moderate to about 4 per cent through 2012, from over 5 per cent in 2010. Real GDP in the advanced economies is projected to expand at a pace of about 1½ per cent in 2011 and 2 per cent in 2012, helped by a gradual unwinding of the temporary forces that have held back activity during much of the second quarter of 2011.

In Kenya real GDP per capita increased from Kshs.35, 470 in 2009 to Kshs.36, 419 in 2010 after a slight slowdown in 2008 and 2009 following the 2008 shocks (post-election violence, global financial crisis and drought).

### **1.1 Millennium Development Goals**

The Government of Kenya's decision to increase funding to all the (MDG) related sectors such as education, health and agriculture is seen as a major step in the drive to meet the MDG targets. Other measures, such as the Government directive to have 30% women in all public appointments to address gender disparity in employment and establishment of devolved funds such as Constituency Development Fund, Local Authority Transfer Fund, Constituency Aids and Bursary Funds, Youth & Women Development Funds will contribute greatly to the achievement of the goals.

Otieno (1974), states that agriculture was developed in Kenya in the 20<sup>th</sup> Century by the colonials. Our forefathers practiced subsistence farming for their domestic needs but the colonial masters introduced agriculture for economic needs. The colonial brought the benefits of introducing cash crops, establishing markets and trading centers, creating market structures thus paving the way towards modernization. The farms and plantations also occasioned employment and the economic review has continually reported the agricultural sector as a major employer in Kenya.

### **1.2 Moi administration**

The regime in Kenya, Moi administration (1978-2002) introduced the concept of District focus for rural development, this is one of the initiatives aimed at sustainable development issues from central point, Rural development as a concept and as a series of experiments in alternative methods of organizing production, welfare and exchange in rural activities has a wide history and is not concentrated on any single country.

Wagadia et al (1999) documents a few challenges facing the sector, they also recognize need for policy options to be re-designed to ensure rapid and sustainable agricultural growth. These reforms changes have been taking place in an environment that is turbulent and uncertain because of global factors which are becoming dynamic day by day. It is therefore against this kind of background that the research finds it necessary to study the rural economic development in Kenya and its sustainability. Kenya is faced with a high dependency burden with about 81% people in the age 0-14 and 65 and above depending on 100 people in the age 15 to 64 years. Regionally, the highest dependency ratio was in North eastern province (132.3), while the lowest was in Nairobi (52.7). The dependency ratios are highest in some areas that have largest household below the poverty line.

### **1.3 Kibaki Administration**

The regime of Kibaki (2002-2012) introduced the concept of vision 2030: The vision for gender, youth and vulnerable groups is gender equity in power and resource distribution, improved livelihoods for all vulnerable

groups, and responsible, globally competitive and prosperous youth. In addition, Kenya aims to capitalize on her international reputation as an “athletic superpower” by opening up the country for top global sports events, encouraged by corporate sponsorship. The Government will provide stricter enforcement of copyright laws in music and the performance arts, and provide facilities for the most talented musicians and actors. The country aims to be a competitive destination for global film producers. These aims will be realized through the implementation of specific strategies such as: increasing the participation of women in all economic, social and political decision-making processes; improving access of all disadvantaged groups and minimizing vulnerabilities through prohibition of retrogressive practices and by up scaling training for people with disabilities and special needs. Independent evaluation based on responses from the 7 RDA shows that rural masses did not feel or benefit from the Kibaki administration but the urban masses that are more business based activities benefit more than the rural. The above analysis is also based on the fact that most of the respondent were comparing the last two regime of Moi and Kibaki and to most of them felt that the Moi regime were more pro the rural than in the urban areas ( 6:1).

#### **1.4 Rural Development**

“Integrated rural development” with targets to improve the living standard of the rural people; To make rural areas more productive and less vulnerable to natural hazards, poverty, and exploitation; to ensure that any development is self-sustaining and involves the masses of the people which among other things encourage self-reliance and public participation in planning. To established the sustainability of the projects initiated for rural economic development.

At the international level, the rural sector strategy defines a specific set of complementary actions led by the World Bank group president James Wolfensohn to re-establish the necessary commitment to improving the rural economy. At the fourth annual World Bank Conference on Environmentally sustainable Development (ESD) in 1996 focused on rural well-being. Mr. Wolfensohn with Mr. Enrique Iglesias, president of the inter-American Development Bank, and Omar Thabbaj, president of the African Development Bank, addressed the participants and offered the full commitment of their institutions to the rural development agenda. The Food and Agriculture Organization (FAO) of the United Nations, the International Fund for Agricultural Development (IFAD), and many others delivered similar messages at the Rome World Food summit in November 1996.

#### **1.5 Agriculture in Kenya economy**

Agriculture in Kenya economy enjoys a respectable place in any aspect of growth and development. It can be called the backbone of the Kenya economy. Agriculture has enjoyed this place of pride since the time of British rule (Pre-independency period) for generations; progress of Kenya has been directly dependant on the progress of Agriculture. In Kenya over 80% of agricultural activities are done in the rural areas. The development in rural Agriculture in Post-Independent Kenya has been of bigger emphasis of both the Kenyatta Administration and the Moi Administration, However both regime have had success and failures in the aim of developing rural agricultural development. Kibaki administration concentrate more on Infrastructure development and hence rural development was just a minor feature in its development agenda.

#### **2.0 Analysis and Finding**

##### **2.1 Subsistence Farming in Kenya**

A typical subsistence farming family in Kenya is fairly small but produces enough food for the family and also some to sell for local and regional markets and even for export. Entire families often live together in the same house, in houses right next to each other, or in the same settlement, depending on poverty level. Entire families work together on the farms with the help from others, and at times multiple families will share and work the same land and crops. Tea and coffee are Kenya’s main exports.

A common finding from all the 7 regional development Authority shows that rural economic in Kenya is characterize by factors such as agriculture as the only source of income; the main of occupation of the family and source of supply for food.

##### **2.2 Rural areas productive**

To make rural areas more productive and less vulnerable, the government need to introduce increase productivity levels which help reduce poverty, exploitation and mutually beneficial relationship to all parts of the regional, national economy, ensure that any development is self-sustaining and involves the masses of the people which among other things encourage self-reliance and public participation in planning, ensures as much as possible the local autonomy and as little disruption to traditional customs on development where possible.

The major outcome of the rural sector strategy will be greater commitment to rural development by the Kenya Government and other supportive International donors towards rural project. Increase government and International commitment should be reflected in increase financial commitment on budgetary allocation, grants and aid towards the projects and Rural International Agricultural Research System.

Rapid population growth is one of the worst threats to sustainable development and a prime cause of poverty.

### **Economic Development 2.3**

In Kenya agriculture is one of the key sectors in the country with great potential for growth. It contributes about 24 per cent of the GDP, 75 per cent of industrial raw materials and 60 per cent of the export earnings. About 26 per cent earnings are indirectly linked to the sector through linkages to agro-based manufacturing, transport, wholesale and retail trade. The sector is one of the major employers of rural people, with an estimated 3.8 million Kenyans directly employed in the farm, livestock production, and fishing while another 4.5 million were being employed in off farm informal sector activities. It has been accepted internationally that economic development moves through different stages and with Agriculture, it has three stages, first is agriculture by hand, this is still commonly practiced in Kenya especially for small scale farmer who are still poor and does not have access to credit facilities.

The survey attributed to agricultural experts in all the 7 RDA were of their expert view that rural agriculture can produce more in Kenya if only modern technology is introduced and the culture is changed towards making rural masses view agriculture as a better option in revenue generating and not for food subsistence only. It is only 1 RDA based in Rift which have a view that agriculture to some extent have been accepted as a commercial viable entity in employment for rural people and this is most associated with the White Highlands which have mechanized their agriculture since the time of European presence in Kenya in 50s and 60s.

The government is committed to a significant increase in lending for population program, many of which emphasize the importance of child spacing for maternal and child health and the availability of a wide range of contraceptive methods. 6 out of 7 RDA accept the factor that most of the rural areas are not being put into maximum and productive use, although the area could be productive but the technology applied is old and outdated hence leading to less productivity.

### **2.5 Analysis of Success Stories**

A close analysis of success stories indicates that they have common elements such as: An outside institution or individual acts as catalyst. In each case an individual or organization from outside the rural area brings new ideas and proposal guidelines for change. The outsider is always accepted as a well-wisher of the rural group and identifies with the rural group. The local influential groups and leaders come to accept the project and help in its implementation. Local people or leadership will participate if their position is not threatened or is expected to be affected. The beneficiaries of the projects perceive benefits of participation and become enthusiastic about the project. It is for this reason that health, education and credit projects have the greatest chance of success. In all cases the initial inputs and financial support come from either outside or the most successful rural development projects obtained resources from both these sources. This view is based on analysis of successful projects in Rift valley Region, Coast and Eastern region in Kenya.

### **2.6 Rural Agriculture**

A common view from all the 7 RDA officers dealing with Agriculture shows that rural agriculture in Kenya is characteristic by Low Productivity, uneconomic Land holdings, agriculture as a unifying factor, farming as a routine, depending on Nature, poverty and unemployment, distribution of Land and land Reforms.

There has been a low growth in the rural areas in the last 20 years (1980-2000) unlike in the 1960-1970s, where the purchasing power parity was better than 2002. In 1992 the purchasing power of average GDP per capita in sub-Saharan Africa was the Lowest unlike the subsequent improvement in East Asia in the 1980s which was striking in comparisons with the stagnation and decline in the purchasing power of incomes in Sub-Saharan (Delgado and Siamwalla, 1997).

## 2.7 Kenya Strategic Development Plan on rural Economy

Since independence in 1963, Kenya has made substantial progress towards long term objectives adopted by KANU party, the Government and the nation. These objectives have been clearly stated in the constitution, the several KANU manifests and the Development plan and sessional paper No. 10 of 1965 entitled "African Socialism and its Application to Planning in Kenya". They include political equality, religious freedom, social justice, freedom from want, ignorance and disease, human dignity including freedom of conscience, equal opportunity for all citizens, and high and growing per capita income equitably distributed.

The Coastal Rural Support Programme (CRSP) in Kenya has been working in semi-arid, marginalized rural areas of Coast Province since 1997. Over the last decade, the programme has grown from working with four village organizations comprising less than 300 community members to working with 195 village organizations comprising more than 30,000 members. The introduction of small farm reservoirs, which has provided the target population of 130,000 with critical access to water for both domestic and productive uses, has helped the majority of households to increase agricultural production and income, in spite of the increasing poverty in Coast province (Aga Khan Development Network 2007).

## 3.0 Challenges

The Challenges affecting rural development in Kenya are weak legal framework, poor coordination, limited budgetary location, uncoordinated financial management, weak human resource management and unstructured stakeholder participation. The multiplicity of devoted funds whose activities are not properly coordinated also indicates the lack of a coherent policy on decentralizations. The capacity financial management and accountability of the funds has generally been weak. Large number of uncoordinated decentralized funds, another school of thought has found the idea that some of decentralized funds have been formed without a critical review of past effort leading to increasing poverty instead of reducing.

## 4. Conclusions

The conclusion in this study shows that anything dealing with development to a local Kenyan means agriculture and its associated activities.

The study examined the role of strategy and consensus building which is complemented by a sharp focus on rural sector strategy on increasing income and participation of the rural poor with the aim of enhancing the influence of rural people to bring about real economic and social change, it is recognized in Kenya that this will require political support in terms of policies, institutions and expenditure patterns that have in the past favored Urban elites.

Kenya's immediate development problems include persistent and increasing poverty coupled with rising population. The interaction of the poor population and the environment due to expansion of human settlement and engagement in unsustainable farming practices have impacted negatively on farmlands, landscape, forest land, wetlands and biodiversity.

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