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DEPARTMENT OF SOCIOLOGY AND SOCIAL WORK

THE ROLE OF MICRO AND SMALL NON-FARM ENTERPRISES IN POVERTY REDUCTION: A CASE-STUDY OF GROCERY AND TRANSPORT BUSINESSES IN GACHARAIGU LOCATION OF MURANG'A COUNTY

By

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DECLARATION

This study is my original work and has not been presented for the award of a Degree in any other University.

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This project has been submitted for examination with my approval as the University supervisor.

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DEDICATION

My wife Lucy played a key role in encouraging me to keep going when the going got tough. She always committed me and my work to God in her prayer. I have no words to thank her. I dedicate this work to her.

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LIST OF ACRONYMS AND ABBREVIATIONS

MSE	:	Micro and Small Enterprises
NPEP	:	National Poverty Eradication Plan
FAO	:	Food and Agriculture Organization
RNF	:	Rural Non-Farm
ILO	:	International Labor Organization

ABSTRACT

The study focuses on poverty reduction through micro and small enterprises in Gacharaigu Location of Murang'a County. According to the National Poverty Eradication Plan 1999-2015 many of the disadvantaged groups are in the rural areas. The Murang'a County Development Profile 2013 showed that the poverty level was at 36% of the population. This case study examines the role played by grocery and transport businesses in poverty reduction.

The study highlights the problem of poverty in Kenya in general, and in Murang'a County in particular. The objectives of the study were to establish whether the grocery and transport businesses had a positive impact on household incomes, whether they enabled the households to meet their basic needs, whether they contributed towards acquisition of household assets, and whether they helped to create employment in the location. Three theoretical perspectives that are irrelevant to the area of study have been used. These are Livelihood Diversification Theory, Homans Exchange Theory and Basic Needs Dimension on poverty reduction.

Exploratory Research Method was used to generate information and to create familiarity on poverty situation and poverty reduction in the location. Purposive Sampling was used to select 30 respondents from grocery business and another 30 from the transport business to reach the intended target of 60 respondents.

Structured questionnaire with grouped frequency distribution was used to collect quantitative data.

Research findings were presented in Grouped Frequency Distribution tables, mostly based on incomes from businesses and expenditures on essential needs for individuals and families. It was therefore an assessment of the ability of the entrepreneurs in both businesses to meet household basic needs.

The conclusion of the study was that micro and small enterprises had a role to play in poverty reduction. The recommendations pointed at the support that the entrepreneurs needed in order to boost their businesses, which would enhance their ability to provide their families with essential things of life, thereby improving the quality of life for their households.

CHAPTER ONE: INTRODUCTION

1.1 Background of the Study

According to the Sessional Paper No. 2 of 2005 the Micro and Small Enterprises (MSE) are businesses in both formal and informal sectors, classified into farm and non-farm categories employing 1-50 workers. The sessional paper shows that the enterprises cut across all sectors of the Kenyan economy and provide one of the most prolific sources of employment creation, income generation and poverty reduction. The 2003 Economic Survey indicated that employment within the MSE sector increased from 4.2 million persons in 2000 to 5.1 million persons in 2002, accounting for 74% of the total persons engaged in employment contributed up to 18% of the country's Gross Domestic Product (GDP).

According to Stokes and Wilson (2006), the European Commission (EC) initiated a set of definitions of the small and medium –sized enterprises based on headcount, turnover and balance sheet-value. These guidelines classify micro enterprises as businesses with up to 9 employees, small enterprises as having between 10 and 49 employees, and medium enterprises as having between 50 and 249 employees. They say that there is limitation in using the headcount of employees in that full-time employment has become less common with increasing numbers of part-timers, casual and temporary workers.

Stokes and Wilson further observe that there are shifting public perceptions of small businesses from 1950s to the 1990s. Originally they were regarded as out -of -date forms of economic activity. By the 1970 and the 1980s the perception was that small businesses were key to the weakening western economies, and by 1990s, SMEs were recognized as the key to fuller employment. They say that in the first decade of the 21st century, new ventures and small businesses have become synonymous with economic success.

The Murang'a County Development profile of 2013, shows that the incidence of poverty in the county stands at 36%. Although the rate is lower than that of the national level which is 45.9%, it is 14.5 points higher than the national target of 21.5%. It therefore describes the poverty level in the county as high.

The sessional paper No. 2 (2005) uses the 1999 MSE Baseline Survey to show that out of the 1.3 million enterprises 66% were located in the rural areas. Of these 64% were in trade, 14% in services, 13% in manufacturing while 7.7% were involved in other activities. It also showed that the average Kenyan employed 1-2 workers while over 70% employed only one person. Only a few MSEs employ 6 or more workers. The paper also quoted research findings that MSEs had high mortality rates with most of them not surviving to see beyond their third anniversaries.

Mwangi (2011) states that up to 30% of the working population in Sub-Saharan Africa is employed in the MSE sector. She quotes the 2009 Development Indicator of the World Bank which states that the private sector is the engine of productivity growth, job creation and a generator of high incomes. According to that report micro and small enterprises have been found to have potential to generate employment and also to contribute to poverty alleviation in most countries in Sub-Saharan Africa, where social environments have worsened over time due to increasing levels of unemployment as well as the increasingly widening gap of income inequality.

According to Mwangi (2001), Micro and Small Enterprises have the advantage of quickly adjusting to competitive pricing and have a high speed of adoption to innovation. Those that do not adopt fast enough quickly become unprofitable and fall out of business. Most of these micro and small enterprises lack formal premises and operate from residential premises, open spaces or kiosks/sheds. In most cases these are places where customers are located or where the clients easily find them by default.

Ng'ang'a, Onyango and Kerre, Quoting Luk'ac (2005) report that small enterprises in Kenya account for the bulk of industrial employment, and that they stimulate entrepreneurship and innovation. In many developing countries as well as developed countries, small enterprises have become focal point of growth and self employment. In fact they estimate that in low-income countries micro and

small enterprises account for more than 60% of the GDP and provide over 70% of employment opportunities. Luk'ac (2005) regrets that the lack of technological dynamism has led to their stagnation and little or no transition to medium or large enterprises. Given the previous findings and claims that micro and small enterprises have made a positive impact in the economy of Sub-Sahara African countries including Kenya, the purpose of this study is to establish whether MSE have played a role in poverty reduction in Gacharaigu Location.

1.1.2 Rural Trading and Transport Enterprises

Marris (1968), in his paper 'The Social Barriers to African Entrepreneurship' noted that "Most of the shops in rural setting sell the same scanty stock of cigarettes, cloths and general groceries, and some of the shops are always closed or open sporadically when the owner has no work on his farm". He also noted that for others it seemed more of a way of passing time congenially in the bustle of market place than a serious enterprise. On marketing, Marris said that few Africans in Kenya had acquired experience in a large market "As farmers they have sold their export crop at fixed prices to a monopoly marketing board, and have never themselves faced the problem of distributing their produce. The whole conception of competitive marketing lies outside their experience"

The transport enterprise in the rural area is limited to a few entrepreneurs who have ventured to provide some means of moving farm produce to the market place, and also helping in the movement of grocery and other items from the

shops to the farm. They range from bicycles, mkokoteni, motorcycles to pick- ups and lorries. It was not until year 2010 that a tarmarc road was constructed to pass through Gacharaigu Location, connecting Kangema shopping center with Murang'a town. The steep topography of the area is difficult for vehicles, and the condition of the roads has made transportation a risky business, especially during the rainy season. The few commercial vehicles have had constant breakdowns and the residents of Gacharaigu Location rely heavily on transport available from outside the location.

It is the motorbike business that seems to be thriving in the location in the last five years. This is because of the comparatively low cost of buying the machine, and the low cost of fuel consumption. But it has its limitation in the volume and the weight of the load it can carry. It is also prone to accidents since the majority riders have little experience of handling such fast moving machines.

The motor cycle has therefore become a popular mode of affordable transport in both rural and urban areas. Chinese investors have entered the business of supplying and meeting the local demand for motorcycles. In the Nation Newspaper of 9th December, 2008, a Chinese company was reported to have spent 50 million shillings putting up an assembly line in Bunyala Road in Nairobi. The manager of the company is reported to have said 'We want to provide our customers with durable and affordable motorcycles that are able to maneuver the rough rural roads". The purpose of this paper is to establish the role of Micro and

Small Non-Farm enterprises in poverty reduction. It will focus on grocery and transport businesses, and make a case –study of Gacharaigu Location of Murang'a County.

1.2 Problem Statement

The Murang'a County Development Profile of 2013, shows that 36% of the population live below poverty line. The District Development Plan 2008-2012 put the poverty incidence at 39% and showed that 89% of the population was engaged in agricultural activities, while the rest of the people were engaged in other commercial activities in the informal sector in urban centers.

The 2013 Development Profile attributes the 'high rate' of poverty to "the high rate of unemployment which stands at 54.8% of the total labor force". The report further attributes this to the very few industries in the county which cannot absorb the labor force. The report says that the biggest challenge associated with employment is to create adequate opportunities to enable the people to contribute meaningfully to economic and social development. It concludes by saying that the situation calls for diversification of the economy from agriculture to other sectors by setting up of cottage industries and encouraging growth in the Jua Kali sector.

The SWOT analysis in the Murang'a District Development Plan (2008-2012) shows the strength of the district to be, fertile soil favorable for agricultural production, reliable rainfall which is sufficient for crop production and ample

supply of river water which makes it possible to cultivate under irrigation. However, despite the potential for high agricultural yields that could help improve the standard of living of the people, the level of poverty was high. This study focuses on people who engage in rural non-farm activities for income generation.

The research aims at investigating the role of micro and small non-farm activities in poverty reduction, focusing on grocery and transport businesses activities in Gacharaigu Location of Murang'a County. It is based on the assumption that people who are occupied in micro and small enterprises are entrepreneurs, and have the capacity to improve their standards of living through innovation, risk-taking, and exploitation of income-earning opportunities away from the farm. In fact Davis (2006) observes that rural livelihoods are not limited to income derived solely from agriculture, but may derive from diverse sources and enterprises which generate income for the household subsistence.

1.2.1 Key Research Questions: The study was guided by the following questions:

1. What effects do grocery and transport businesses have on household incomes?
2. To what extent have grocery and transport activities translated into improved household ability to meet basic needs?
3. To what extent have grocery and transport businesses helped to enhance household asset acquisition?

4. To what extent have grocery and transport businesses helped to create employment in the location.

1.3 Objectives of the Study

1.3.1 Broad Objective

The broad objective of this study was to establish whether grocery and transport businesses in Gacharaigu Location have contributed to poverty reduction through increased household incomes, provision of household basic needs i.e. food security, education, clothing, medical care, adequate shelter, acquisition of household assets. and employment creation.

1.3.2 Specific Objective

The specific objective was to establish whether grocery and transport businesses in Gacharaigu Location have had a positive impact in household incomes.

In the context of this study the positive impact would translate into ability of household to meet their basic needs i.e. food security, education, clothing, medical care and adequate shelter. It would also mean ability to create employment and to contribute towards acquisition of assets.

1.4 Justification of the Study

This study endeavors to examine the role that grocery traders and transport operators play in the reduction of poverty in Gacharaigu Location. It is in response to the call by the Murang'a County authority for diversification of the

economy from agriculture to other sectors, by encouraging Jua Kali activities of small businesses. (Murang'a County Development Profile, 2003.) The findings of the study could be used to develop knowledge-base for the County Development Office in Murang'a, and specifically in Gacharaigu Location. The findings are a useful resource in the poverty reduction efforts in Murang'a County. Being a case-study of one location in the county, the study findings will hopefully serve as reference material for researchers in other rural parts of Kenya, as they investigate the role that small businesses could play in poverty reduction. The study has made some recommendations on measures to be taken in order to improve small rural enterprises. If implemented the measures will strengthen the efforts geared towards poverty reduction.

1.5 Scope and Limitations of the Study

The first limitation of this study was that it dealt with poverty and poverty reduction in only one location in Murang'a County, namely Gacharaigu. The number of market centres where businesses are located are 3, with each of the sub-locations having only one market place. Study issues were limited to grocery and transport businesses in the location. Secondary sources of documented information were limited to Government publications, especially the Murang'a District Development Plans, which did not go deep into the location level matters. The study used exploratory research. It was mainly dependent on face to face interaction with the respondents, with the aim of generating ideas for the purpose of increasing familiarity with the subject on poverty and poverty reduction in the

location. The owners of the businesses operated without a systematic way of keeping written records. They relied on memory and estimates of what they earned and what they spent. Generation of business information on earnings and expenditure was a limitation. In the absence of audited accounts or other records for businesses, the details of the business, profits, losses and expenditures were generalized.

1.6. Definition of Key Terms and Concepts

The following definitions are provided to facilitate an understanding of the terms and concepts in this study:

Assets: Land and other moveable items that can be used to support the welfare of individuals or households and/or can generate some income.

Basic Needs :Food, education, clothing, health, and shelter, which are essential for quality of life.

Business : An activity that does not include employment , but is carried out with view to making a financial gain or a profit.

Employment : The process of engaging a person to work for pay

Grocery Business : Stocking and selling commonly used household items

Household incomes : Money or other commodities that have been acquired as a result of an exchange with other commodities, in accordance with individual or household needs

Micro Enterprises : Businesses that engage an average of one or two employees

Poverty reduction is operationalized to mean the ability to create four things namely, household incomes, meeting basic needs, acquisition of household assets, and employment creation

Small Non-Farm Enterprises : Businesses in the rural areas, not engaged in farming , but providing farmers with productivity- enhancing commodities and services

Transport Business means providing the means of moving people and goods from place to place

CHAPTER TWO: LITERATURE REVIEW AND THEORETICAL FRAMEWORK

2.1 Introduction

The literature review that was highlighted in this study was a global and national perspective on the subject of non-farming activities, benefits and profitability as well as linkages between farm and non-farm activities. The literature also explored the concept of poverty and poverty alleviation in general and in particular the Kenyan situation. The theoretical framework identified three theoretical perspectives that were relevant to this study. These were the Livelihood Diversification Theory, the Entrepreneurship Theory and the Basic Needs Strategy.

2.2 Poverty and Poverty Alleviation

The Sessional Paper No 10 on African Socialism and its Application to Planning in Kenya identified poverty as one of the three major enemies that the newly independent nation was to fight. The other two enemies were ignorance and disease. The fight is still on as exemplified in the National Poverty Eradication Plan (NPEP) 1999-2015.

Poverty is generally categorized into absolute poverty and relative poverty. Absolute poverty is defined in terms of the requirements considered adequate to satisfy basic needs. The absolute poor have no means to meet the minimum needs. They face starvation, lack of shelter, and some of them cannot afford the minimum food requirements even if they allocate all their spending on food.

According to Ng'ethe and Omosa (2009) there are extreme degrees of absolute poverty namely, Hardcore poverty, Chronic poverty, Transitory poverty, and Severe poverty, all of which can be explained differently by different communities depending on circumstances. However, Ng'ethe and Omosa (2009) summarize all these degrees of poverty by saying "Regardless of the scientific conception of poverty, it is now generally accepted that poverty everywhere involves people experiencing very real material and other deprivations" .

Relative poverty is socially defined and dependent on social context. It can be said to exist in a given society when one or more persons do not attain a level of 'well living', deemed to constitute a reasonable minimum by the standard of that society. "The needs themselves are called 'basic' in the sense that their satisfaction is seen as a pre-requisite to quality of life". (Asselin and Dauphin, 2001).

Regarding poverty reduction, the United Nations Summit (1995) agreed that all governments of the world would include 'tackling poverty' in all their development plans. This was as a result of realization that "although poverty is an age-old concern, development has become an important concept since the world war" (Thomas, 2000). The World Summit then agreed to reduce by half the proportion of people living in extreme poverty by 2015. The Kenya National Poverty Eradication Plan 1999-2015 is in line with that resolution.

The program of action adopted at the World Summit made reference to both the economic and political aspects of poverty. It stated that the eradication of poverty required universal access to economic opportunities, which will promote sustainable livelihood and basic services for the disadvantaged. But it further stressed that "people living in poverty must be empowered through organization and participation in all aspects of political, economic and social life, especially in the planning and implementation of policies that affect them" (Martinussen, 1997).

Nyoro (2008) has identified the Poverty Reduction Strategy paper and the Kenya Rural Development Strategy as government initiatives towards the reduction of poverty. He says that "The objectives of these two initiatives is to have a blue print for development through which resources from the government, development partners and from civil societies would be mobilized to meet the twin objectives of poverty reduction and economic growth". One key area for intervention that was proposed was to promote an innovative and efficient rural finance and credit and supply system for smallholders and rural processors. However, Nyoro (2008) regrets that in the first two years the government budgetary allocations had not reflected the priorities aimed at poverty reduction.

Three recommended interventions in the Kenya Rural Development Strategy that are relevant to the area of study are 1. Development of rural micro industry 2. Improvement of access to the rural finance and 3. Improvement of rural sector physical and social infrastructure. The first two are directly linked to the support

that is required to empower the entrepreneurs in Gacharaigu to improve their businesses. The third one has to do with the infrastructure, especially the means of communication.

According to Polak (2008), the first thing poor people spend their income on is buying food they need to assuage their hunger. He qualifies his stand by saying that whenever a family increases its income, its members are likely to be healthier, get sick less often, and stay sick for shorter periods of time. On education, he states that among other things poor people are locked into poverty since they are uneducated. He suggests that children from very poor families should be provided with a decent education, and within the first generation they will stop being poor. At the very least, they will qualify for decent jobs. On housing, he says that additional income enables poor people to improve their shelter. They can replace a grass-thatched roof with a corrugated tin roof, which prevents rainwater from getting into the house. He adds that corrugated tin roof also brings status and admiration from the neighbors. Polak (2008) summarizes the fate of the poor when he says "Poor health, poor education, and lack of access to water and sanitation, and other root causes of poverty all have to be addressed effectively at the same time to have any hope of ending poverty".

2.3 Rural Non-Farm MSE Activities

Kulundu and Kimenyi (2001) state that "the informal sector is considered as one with high potential for poverty alleviation, through creation of employment

opportunities in off-farm activities in both the rural and urban areas. They regret that the government never really created a truly enabling and supportive environment for the informal sector as evidenced by the continual harassment of the informal sector initiatives, as well as lack of credit and marketing strategies for it.

Man and Sadiya (2009) emphasize the significance of the non-farm economy when they say that it has been widely recognized that off-farm work plays a very important role in augmenting small farmers' income in developing countries. They give an example of Malaysia in 1979 where off-farm income contributed more than three times the annual net-income from paddy. They therefore propose the promotion of off-farm employment as a strategy for supplementing the income of farmers.

Gordon and Craig (2001) state that potentially important role for rural non-farm activities is reducing poverty in rural areas. They list the following advantages of rural non-farm activities:

1. Absorb surplus labor in rural areas
2. Help farm-based households spread risks
3. Offer more remunerative activities to supplement or replace agricultural income
4. Offer income potential during the agricultural off-season
5. Provide a means to cope or survive when farming fails

According to Gordon and Craig (2009) poor people's participation in the rural non-farm economy is constrained by multiple factors which include poor health, education and skills, social capital, access to finance, as well as poor rural services and infrastructure."

Gitonga (2008) explains MSE theories as written by Green (2006). The first is based on the Lewis Theory, which postulates that MSEs grow due to the inability of the public sector or large private enterprises to absorb the surplus labor, which is forced into MSE activities. The second theory is based on market output and demand. It states that there must be a market and demand for products and services that are sourced from MSEs, thus introducing competition and growth. The third theory states that industrialization and economic growth will lead to the growth of modern large scale industries and the disappearance of micro and small enterprises.

The National Poverty Eradication Plan (1999-2015) states that "many of the people below the poverty line are self-employed in micro and small-holder enterprises or combine small-holder farming with part-time trading and seasonal or migratory employment" The report adds that many of the disadvantaged groups are in the rural areas. They depend on subsistence agriculture, livestock, fishing and natural resource- based small businesses for their livelihoods. Kimenyi (2002) says "since independence, Kenya has relied heavily on agriculture sector as a base for economic growth, employment creation and generation of foreign exchange.

The sector has also been a major source of country's food security and a stimulant to off-farm employment" However, he notes that it is in the rural areas that most of the poor are found. It is a contradiction that the people who live in the rural areas, engaged in agricultural activities, upon which the economy of the country is based, are the poorest. Incidentally, this is not unique to Kenya. The Zambian Poverty Reduction Strategy paper 2002-2004 states that "The small-scale farmers remain one of the poorest groups in Zambia."

The NPEP (1999-2015) notes that there has been an enthusiastic response from traders and farmers and the potential for greater growth in small-scale private trading. The report gives an example of Kiambu which in 1995 marketed 80% of its milk through Kenya Co-operative Creameries. "By 1997, the picture had reversed and 80% of milk marketed through traders operating in a very small scale way. This organizational change has created more livelihoods for small-holder sector in an important agricultural industry, one which will grow as the consumption of milk grows."

Mutai (2011) emphasizes on the role of technology in the growth of MSE enterprises. He says that the degree to which MSE in Kenya will be able to grow and transform into efficient and competitive enterprise for industrialization depends on the extent to which they are able to acquire better technology. He asserts that the MSE sector is characterized by low productivity, low product quality, and lack of diversification in product range and the dominance of trading

activities. He highlights the following four as constraints that slow down the development of technological capabilities. The first one is lack of business skills among the entrepreneurs. The second one is lack of technological experts within the enterprises, due to limited size of operations. Thirdly, lack of access to funding limits resources for research and development in the enterprises, and fourthly, lack of formal links between academic and business limits the scope for universities to assist the sector to upgrade their skills.

2.4 Benefits and Profitability of Rural Non-Farm Activities

Reardon (2005), in a paper he prepared for FAO titled 'Rural Non-Farm income in Developing Countries' says that there are several reasons why the promotion of rural non-farm activity can be of great interest to developing country policy makers. First, he says that evidence shows that rural income is an important factor in household economies and therefore in food security, since it allows greater access to food. He adds that this source of income may also prevent rapid or excessive urbanization, as well as natural resource degradation through overexploitation. The second point that Reardon gives is that in the face of credit constraint, rural non-farm activity affects the performance of agriculture by providing farmers with cash to invest in productivity-enhancing inputs. Furthermore, development of rural non-farm activity in the food system may increase the profitability of farming by increasing the availability of inputs and improving access to market outlets. In turn, better performance of food system increases rural incomes and lowers urban food prices.

The third point shows that the nature and performance of agriculture can have important effects on the dynamism of the rural non-farm sector to the extent that the latter is linked to agriculture—This sector grows fastest where agriculture is dynamic ---where farm output is available for processing and distribution, where there are inputs to be sold and equipment repaired and where farm cash incomes are spent on local goods and services. Reardon explains that technical change in agriculture that benefits smallholders will have a greater impact on local economy.

The profitability of a given RNF activity is determined by the price of the product produced, or the wage received in the sector and the price of the array of inputs used in the production process or employment. Reardon says that both product and input prices are influenced by the transmission of effects of microeconomic and sectoral policies such as devaluation of the currency, changes in the interest rate and changes in tariffs on imported final and capital goods as well as factors influencing transport and other transaction costs. Such factors also include the condition of infrastructure. In response to these conditions, private firms can lower transaction costs through contracts and other coordination mechanisms so as to increase interaction among business across sectors and subsectors, and then strengthen inter-sectoral and intra-sectoral linkages.

2.5 Linkages between Farm and Rural Non-farm Activities

Gordon and Craig (2001) quote Reardon (1998) concerning the linkages between farming and rural non-farming activities. They say that linkages between farming and the rural non-farm economy influence the availability of capital, with profits made in one sector being available for investment in the other, and income made in one sector being spent in the other.

Njeru (2003) writes about rural linkages model that attributes non-farm activities to linkages with growth in the agricultural sector. He quotes Haggblade, et al to show how growth in agriculture and the growth in rural non-farm enterprise complement each other. "By raising farm labor productivity, surplus labor would be released into non-agricultural pursuits and also boost per capita incomes to levels that enable consumer diversification from food into non-food items." He therefore asserts that removing constraints to and increasing opportunities for diversification at the micro-level would greatly enhance livelihood security and increase the pool of entitlements.

The concept of farm /non-farm linkages is most commonly used to describe the relations between the farm and non-farm sectors. These sectors can be linked directly via production linkages. Reardon (2005) says "When growth in the farm sector induces the non-farm sector to increase its activities by investing in productivity or additional capacity for supplying inputs and services to the farmer, the linkage is upstream. It is downstream in cases where the non-farm sector is induced to invest in capacity to supply agroprocessing and distribution services,

farm products and inputs." He adds that indirect expenditure linkages occur when incomes generated in one of the two sectors are spent on the output of the other. When there are investment linkages between the two sectors, profits generated in one are invested in the other. He gives an example of farm implements, saying that the average farm size determines whether there is a profitable market for tractors in addition to hand tools.

Reardon continues to say that RNF production linkages with local agriculture take place through sale of inputs to and purchase of output from the farm sector, with the agricultural output being used as an input for RNF activities (such as agroprocessing and distribution.) He concludes that technical change in agriculture that benefits smallholders will have a greater impact on local economy via expenditure linkages than would technical change that benefits large land owners. He says that the existing evidence for Africa shows that majority of microenterprises 'graduate' to employing more than five people; and that most of the employment increases in small enterprises are generated by many small companies hiring an additional person rather than a minority of companies increasing employment substantially.

2.6 Theoretical Framework

Three theoretical perspectives that are relevant to the area of study have been highlighted. These are Livelihood Diversification Theory, Homans Exchange Theory and the Basic Needs Approach Theory. They are explained as follows:-

2.6.1 Livelihood Diversification Theory

Njeru (2003) notes that since the 1980s, livelihood diversification has emerged as a theoretical model in development studies. He refers to it as a survival strategy for rural households in developing countries, especially those found in Sub-Saharan Africa. The theory points out that farming alone does not provide enough means of survival in rural areas. Njeru (2003), quoting Ellis (1998), observes that livelihood diversification is the "process by which rural families construct a diverse portfolio of activities and social support capabilities in their struggle for survival in order to improve their standards of living". He also quotes Chambers and Conway (1992) who say that, "livelihood comprises the capabilities, assets (stores, resources, claims and access) and activities required for a means of living." He asserts that, "increased demand associated with rising farm income leads to the diversification of the local economy and the growth of jobs in non-farm activity." He goes on to say that as rural households increasingly engage in non-farm activities, the proportion of total household income derived from these activities also rises, and that when there is higher farm labour productivity, it will result to surplus labour being released from agriculture into non-agricultural pursuits and the per capita incomes will be boosted to levels that enable consumer diversification from food to non-food items. The determinants of diversification are identified as seasonality, labour markets, risks, coping, credit and accumulation, all of which are mediated by social institutions, such as kinship and community ties. Njeru says that in order to stem vulnerability, sometimes arising from credit market failures, some households adapt by either diversifying their

sources of income, or by adopting new ways of sustaining the existing income portfolio.

The people of Gacharaigu Location are in dire need to diversify their livelihood because of a number of factors. First, the weather conditions are unpredictable. It can be extremely dry in one season, and very wet at the next season, both of which conditions will cause crop failures. Lack of market, especially at the harvest peak season of perishable goods can be devastating. For example, when it is harvesting season for mangoes, the farmers in Gacharaigu experience frustration in selling the fruit at a profitable cost, resulting to considerable loss of harvest. Lack of storage facilities and transport are some of the other factors that should drive the farmers of Gacharaigu Location towards diversification of their livelihood, as a precautionary measure. Such measures should include non-agricultural income-generating activities, which could be seasonal, depending on the weather, or it could be done on more permanent basis. The study of Micro and Small Non-Farm enterprises in poverty reduction is an attempt to establish the extent to which transport and grocery businesses have contributed towards the reduction of poverty in Gacharaigu Location.

2.6.2 Homans Exchange Theory

In this study George Homans Exchange Theory is relevant to the situation in Gacharaigu Location. The theory is based on individual behavior and interaction. It focuses on the reinforcement patterns that explain why people do what they do.

According to Homans, people continue to do what they found to be rewarding in the past. They also discontinue doing what they have found to be costly in the past. It is basically a psychological principle, which explains social behavior. Homans introduced the concept of rewards and punishment. He explained rewards as actions with positive values, saying that an increase in rewards is more likely to elicit the desired behavior. Conversely, punishments are actions with negative values. An increase in punishment will result in undesirable behavior.

Humans said that basically people examine and make calculations about the various alternative actions open to them. They compare the amount of rewards associated with each course of action, and they calculate the likelihood that they will actually receive the rewards. Highly valued rewards will be devalues if the actors think it unlikely that they will obtain them. On the other hand, the lesser-valued rewards will be enhanced if they are seen as highly attainable. The most desirable rewards are those that are both very valuable and highly attainable. The least desirable rewards are those that are not very valuable and are unlikely to be attained. He argued that "large-scale structures can be understood if we adequately understand elementary social behavior." (Ritzer, 1996)

The aspect of the Exchange Theory that is relevant to this study is the reward system. If the people of Gacharaigu Location engage in an activity that is providing satisfaction in terms of means of livelihood, it is likely to be repeated. This principle can be applied in business, whereby any method that will better profit will be repeated and enhanced.

According to Homans, a man in an exchange relation with another will expect that the reward of each man be proportional to his costs, that is, the greater the reward the greater the costs and the net rewards, or profits of each and should be proportional to his investments which means that the greater the investments, the greater the profits.

This reward system is particularly visible in the transport business in Gacharaigu and other parts of Kenya. The transport operators observe the needs of people to travel to various destinations and the times they need to travel. The operators then quickly provide the services accordingly. If a route is not profitable the transport operators abandon it, and move to more profitable routes. When the risks outweigh rewards people will terminate or abandon that relationship.

2.6.3 Basic Needs Approach Strategy

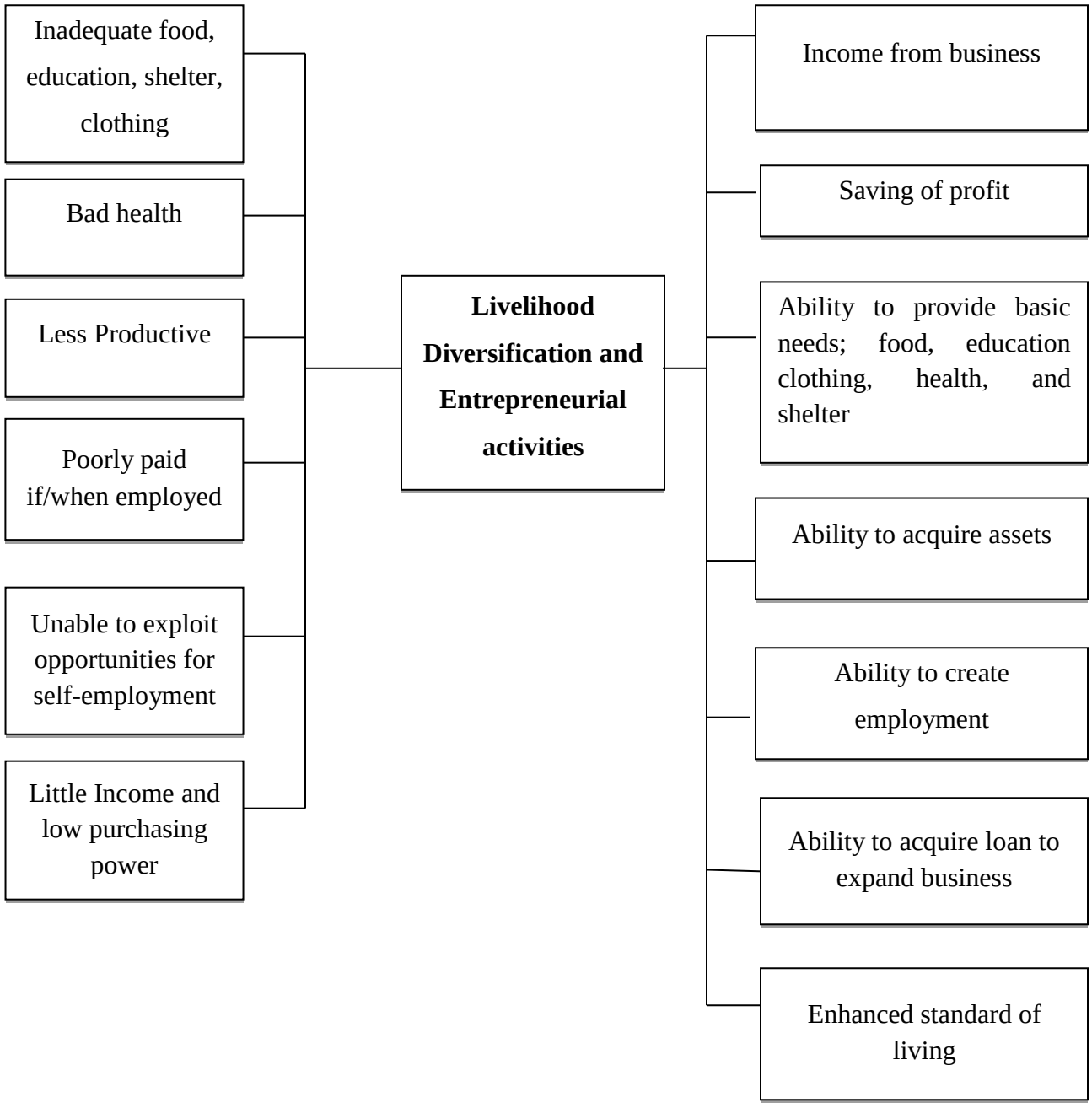
According to Martinussen, the strategy known as the Basic Needs Strategy was formulated by ILO in the 1970s. Basic needs include first, the individual human beings and the families' need for food, shelter, clothes and other necessities of daily life. Secondly, it embraces the access to public services such as drinking water, sanitation, health and education. The third one is access to participate in, and exert influence on decision making both in the local community and in national politics. The Basic Needs School considers that the thing that is lacking in the lives of the poor is a small subset of goods and services specifically identified and deemed to meet the basic needs of all human beings. The needs in

question are called ‘basic’ in the sense that their satisfaction is seen as a pre-requisite to quality of life.

According to Polak (2008), one of the first things poor people spend their income on is buying food they need to assuage their hunger. He says that when a family increases its income, its members are likely to be healthier, get sick less often, and stay sick for shorter periods of time. On education, Polak (2008), supports the view that among other things poor people are locked into poverty because they are uneducated. He says that if you provide the children of very poor families with a decent education, within the first generation they will stop being poor. At the very least, they will qualify for decent jobs. On housing, he says that additional income enables poor people to improve their shelter. They can replace a grass-thatched roof with a corrugated tin roof, which prevents rainwater from getting into the house. He adds that corrugated tin roof also brings status and admiration from the neighbors. Polak (2008) summarizes the fate of the poor when he says that poor health, poor education, and lack of access to water and sanitation, and other root causes of poverty all have to be addressed effectively at the same time to have any hope of ending poverty. These features are relevant in Gacharaigu Location.

2.7 Conceptual Framework

Figure1: Poverty Reduction Model



The conceptualization of poverty and Poverty alleviation is depicted in a model that demonstrates the inter-connectivity of various aspects of deficiencies. Livelihood diversification and entrepreneurship is a bridge towards inter-connectivity of opportunities in poverty reduction.

The poverty reduction model shows how the poor are caught in a spiral of problems. One aspect of deficiency leads to other deficiencies. The figure shows that poverty excludes a portion of the population from full participation through hunger , inadequate income, poor education and poor health. This is the vicious circle that is applicable to the poor families in Gacharaigu Location, which is the focus of this study. One deficiency of low- buying power leads to lack of inputs for farming, which in turn leads to poor harvest and inadequate food for the household. This makes the people weak and unhealthy. They are unable to acquire education and skills for gainful employment, which leads to inability to meet the basic needs of life.

In the same way, livelihood diversification and entrepreneurial activities act as a bridge which stimulates income from the business. One step opens the door for other opportunities towards ability to provide basic needs and to enhance the standard of living of the entrepreneurs. Polak (2008) says that the most direct and cost effective step out of poverty is to find ways to help the poor people increase their income. Provision of a loan in the form of seed money to start micro or small business enterprises would go a long way in creating an opportunity towards getting out of poverty trap.

Suich (2012) notes that poverty is increasingly being recognized as multi-dimensional, and that it distinguishes numerous aspects of people's lives affected by poverty. These include economic and non-economic dimensions, which are affected and influenced by the political, social and cultural situation of their respective localities The purpose of this study is to examine how these aspects of poverty apply to the people of Gacharaigu Location.

CHAPTER THREE: RESEARCH METHODOLOGY

3.1. Introduction

This section describes the study site and the procedures in carrying out the study. The procedures consist of research design, units of analysis, sampling method, data collection and analysis.

3.2 Site Selection and Description

Murang'a County is situated on the eastern slopes of Aberdare ranges. It is bordered to the north by Nyeri, to the south by Kiambu, to the west by Nyandarua, and to the east by Kirinyaga, Embu and Machakos counties. According to the 2009 census the population of Murang'a District was 942,581, consisting of 457,864 males and 484,717 females, and a growth rate of 0.06% per annum suggests a population of 1,225,355.

The county lies between 914m and 3,353m above the sea level. The Aberdare ranges from the water tower for the county and they are sources of several rivers. The area near the Aberdare ranges enjoys a climate suitable for Tea production. Generally, the topography of the district is steep and hilly with the rivers virtually running parallel from the Aberdares to join the Tana River. Annual rainfall reaches a maximum of 2700mm at 2500m above sea level and 800 to 900mm at 1300 above the Sea Level. (Murang'a Development Plan, 2008-2012.

Murang'a County can be divided into three climatic conditions. The western region has an equatorial type of climate while the central region has a sub-tropical climate. The eastern part experiences semi- arid conditions. Gacharaigu Location which is the focus of this study is located within this eastern zone. The area is dry but productive when the rains fall. It receives low unreliable rainfall, which is unevenly distributed.

According to Murang'a District Development Plan (2008-12), majority of people in the district view land as the greatest source of livelihood. The average sizes of farm holding are very small, with some households occupying less than one acre of land, The limited access to land one of the factors contributing to poverty in the district, which was at 36% of the population, as reported in the 2013 Development Profile.

The economy of Murang'a County is predominantly agricultural based. Most of the households engage in small scale farming and marketing of their farm produce. Retail traders are concentrated in the rural Market Centres and deal with food products. Gaicharaigu Location has three Market Centres namely Kiamara, Nyakahura and Karugia. The challenges cited in the development plan have highlighted poor road infrastructure, which constrains delivery of farm inputs in the area. The plan reports that despite the district's proximity to a large market in Nairobi, the cost of transport is very high, resulting in low profits.

3.3. Research Design

Kombo and Tromp, (2006) state that a research design is used to structure the research, to show how all of the major parts of the research project work together to try to address the central research questions. It is an arrangement of conditions for collection and analysis of data in a manner that aims to combine relevance with the research purpose.

In this study, the researcher used exploratory research. According to Ocharo (2009) exploratory research is a preliminary study on an unfamiliar problem about which the researcher has little or no knowledge. The purpose of doing exploratory study is to generate new ideas, to increase familiarity with the problem, and to gather information for clarifying concepts. It does not aim at testing hypothesis. It attempts to see what is there, rather than predict the relationships that will be founded. In this study the target population consisted of Grocery traders and transport operators in Gacharaigu Location. They were found in trading centres where the population concentration of the people tended to be more than in the farms. The questions raised in the study necessitated collection of information through a questionnaire with structured questions. The method was used to avoid too much generalization. The questionnaire was therefore designed to yield mainly quantitative data.

Most of the quantitative data was on income and expenditure in various aspects of the businesses. The respondents indicated the income they generated from their businesses per month. They also indicated how much they spent on essential things like food per day, education, health, clothing in a year, and on shelter and assets in three years. They also provided information on how many people they had employed either on permanent basis or on casual basis.

3.4 Units of Analysis

In this study, units of analysis were the people who did businesses in grocery and transport in Gacharaigu Location of Murang'a County. They were found in market centres namely Kiamara, Nyakahura and Karugia. There were 75 grocery traders and 60 transport operators in the location who formed the universe. The intended sample for this research was 30 grocery traders and 30 transport operators, which was reckoned to be adequate representation of the characteristics of business entrepreneurs in the location.

3.5 Sampling Procedure

The respondents for this study were drawn from Gacharaigu Location. The respondents were those that had engaged in the grocery and transport businesses in the last three to five years. They were spread in the market places in the location, with grocery having a universe of 75, and the transport having a universe of 60. The intended sample was 30 respondents for each of the businesses. Purposive Sampling was used to select the respondents. In Purposive Sampling

"Cases of subjects are hand-picked because they are informative or they possess the required characteristics"(Mugenda and Mugenda, 2003). The duration of three to five years for the business, and the area where it was located in Gacharaigu Location distinguished the respondents into 3 strata of 29, 21,and 25. In order to get the intended sample of 30 respondents, Proportionate Random Sampling was used as follows:

Grocery

Strata	Proportionate Sample	
1.	29/75 x 30 =11.6 Approximate	12
2.	21/75 x 30= 8.4 Approximate	8
3.	25/75 x 30 =	10
Total Sample Size		**30**

In transport, special characteristics distinguished the respondents into 3 strata of 18, 23, and 19. Proportionate Random Sampling was calculated as follows:

Strata	Proportionate Sample	
1	18/60x30 = 9	
2	23/60x30 = 11.5 Approximate	12
3	19/60x30 = 9.5 Approximate	10
Total Sample Size		**30**

Random Sampling was done by writing the names of all respondents in the universe separately for each business on pieces of paper, and mixing them

thoroughly in a bag, then picking the first 30 for each business to form the target group.

3.6 Sources of Data

Primary Data was obtained from the people who operated businesses in grocery and transport in Gacharaigu Location. They were found in market centres of Kiamara, Nyakahura and Karugia. Secondary data was mainly from Murang'a District Development Plans and from the National Poverty Eradication plan 1999-2015. The session Paper No 2 on Development of Micro and Small Enterprises For Wealth and Employment Creation for Poverty Reduction also had a lot of useful information.

3.7. Data Collection Methods and Instruments

A questionnaire was designed to produce quantitative data. Section A of the questionnaire included demographic information of the respondents such as gender and level of education, all of which shed some light into the relationship with the businesses they were engaged in. Section B had questions that provided statistical aspects of the businesses like the level of income and expenditure over a specified period.

The researcher used a structured questionnaire that involved face-to-face interaction with respondents. Interviews involving grocery traders and transport operators were carried out with the assistance of people who had first-hand

knowledge and experience of Gacharaigu Location. These were three assistants, two of whom were university students who happened to be on vacation. One of the students was in his third year of study for the degree of Bachelor of Economics and Statistics and the other one was in the second year of the Bachelor of Commerce program. Both of them were at Kenyatta University. The third assistant was a lady of high school level from Ngunguru secondary school in Nyeri. She was married in Gacharaigu Location and was a mother of two children. The familiarity of these assistants with the area of study facilitated easy access and interaction with the people. It was also easy for them to communicate with the traders and transport operators in the area. This helped in the acquisition of relevant information from the respondents, and in securing insights into the operations of the grocery and transport businesses.

3.8 Data Analysis

In the analysis on income, the researcher chose the highest frequency income bracket, took the mid-figure of the income by adding the lowest figure and the highest in the bracket, and then dividing it by 2. In transport, the highest frequency income bracket with 13 respondents was between KSh 10,000/ and 15,000/- The mid- income therefore was KSh.KSh.10,000 + 15000 / 2= 12,500/- per month. Expenses were calculated based on the highest amount in the bracket, using the average of one month. The most frequent expenditure was used for this analysis as follows:

Food .....Sh 200/- per day …… ……..Ksh 6000/- per month

Education……Sh 5000/- per year……... Ksh 416/- per month

Health…….Sh 5000/- per year……. Ksh 416/- per month

Clothing …….Sh 6,000/-per year… ……. Ksh 500/- per month

Shelter ……..Ksh 10,000/- in 3 years……Ksh 280 per month

Total ……. Ksh 7612 per month

In grocery, the highest frequency income bracket was between KS 5000/- and Ksh 10,000/-. The mid income or average was Ksh 5,000+10,000/ 2 =Ksh 7,500/- per month.

The expenses were calculated as follows:

Food……..Ksh 200/- per day ……Ksh 6,000/- per month…….

Education….Sh 5000/- per year……..KSh 416/- per month

Health…….Sh 5000/- per year…….Ksh 416/- per month

Clothing…….Ksh 2,000/-per year……Ksh 500/- per month

Shelter ……Ksh 10,000/- in 3 years…Ksh 280/-per month

Total ……Ksh 7612 per month

Grocery and transport average income ……Ksh 10,000/- per person per month

Grocery and Transport average expenditure……Ksh 7612/- per person per month.

CHAPTER FOUR : DATA PRESENTATION AND ANALYSIS

4.1 Introduction

The results of this study were from 30 grocery traders and 30 transport operators who made up 60 respondents as the sample of the study. They were from Gacharaigu Location of Murang'a County. Sources of analyzed data were the questionnaire completed by a target group of 60 respondents who provided the answers of the questionnaire. Proportionate Sampling was used to select respondents from a sampling frame of 75 grocery traders and 60 transport operators, having an intended sample of 30 respondents in each group, who were randomly selected.

Questionnaire with structured questions was used and most of the questions yielded quantitative data. Grouped frequency distribution tables were used to present frequencies of specified data and the corresponding percentages in various income or expenditure brackets, to determine various levels of income and expenditure for the businesses. Calculations were made on the basis of mid-point of highest frequency income bracket and mid-point of highest frequency expenditure bracket.

4.2 Personal Profiles of the Respondents

Information on personal details was as follows:-

Table 1: Age of respondents

Age	Frequency Transport	%	Frequency Grocery	%
20-30 years	14	48.2	9	30
31-40 years	11	38	9	30
41-50 years	4	13.8.	6	20
Over 50	-	-	6	20
Total	**29**	**100**	**30**	**100**

4.2.1 Age Distribution of Respondents

As in table 1, the study findings showed that majority of those who engaged in the transport business were in the 20-30 year age bracket (48.2%), followed by the 31-40 years age bracket at (38%). Only 13.8% were between 40 and 50 years. None were beyond 50 years.

In grocery, the ages of traders were more evenly distributed than in transport. The 20 to 30 years age- bracket was the same as the 31-40 yeas age bracket at (30%). Similarly the 41-50 years age bracket were the same as those above 50. There were 6, (20%) in each of those two categories.

Table 2: Gender of Respondents

Gender	Frequency Transport	%	Frequency Grocery	%
Male	28	93.3	22	73.3
Female	2	6.7	8	26.7
Total	**30**	**100**	**30**	**100**

4.2.2 Gender Analysis

As shown in table 2, in transport, the male operators were by far the majority at 93%, compared with the female operators who were only 2 (6.7%. In grocery male traders were 73% and the female ones were 26.7%.

Table 3: Education Level

Education Level	Frequency Transport	%	Frequency Grocery	%
Primary School	5	16.7	3	10
Secondary	25	83.3	24	80
Tertiary	-	-	3	10
Total	**30**	**100**	**30**	**100**

4.2.3 Respondents' Level of Education

The study showed that over 80% of both transport operators and grocery traders had attained secondary school level of education. 16.7% of transport operators and 10% of grocery traders had attained primary school level of education, and

only 3 traders (10%) had attained tertiary level of education. This indicates a high literacy level among the respondents, and none of them were illiterate.

Table 4: Marital Status

Status	Frequency Transport	%	Frequency Grocery	%
Single	5	16.7	1	3.3
Married	24	80	29	96.7
Widowed	1	3.3	-	-
Total	**30**	**100**	**30**	**100**

4.2.4 Marital Status

The results of the study in table 3 showed that 80% of transport operators and 96.7% of grocery traders were married. There was a bigger proportion of unmarried transport operators at (16.7%) than the grocery traders at (3.3%). The bigger number of married entrepreneurs could be an indication of people who want to settle down to a family life, which implies readiness for life of responsibility.

Table 5: Number of Children

Number of Children	Frequency Transport	%	Frequency Grocery	%
No Children	1	3.8	1	3.3
1-2	17	65.4	24	80
3-4	7	27	5	16.7
5-6	1	3.8	-	-
Total	**26**	**100**	**30**	**100**

4.2.5 Numbers of Children

The study showed that 24 of grocery traders (80%) and 17 of transport operators (65.4) had one or two children. 7 of transport operators (27%), and 5 grocery traders (16.7%) had three or four children. Of all the people interviewed only 1 transport operator had 5 or 6 children. These figures suggest some effort by entrepreneurs to practice family planning.

Table 6: Ownership of Business

Ownership	Frequency Transport	%	Frequency Grocery	%
My Own	24	80	20	66.7
Family Business	6	20	10	33.3
Total	**30**	**100**	**30**	**100**

4.2.6 Ownership of Business

In the transport business 24 operators (80%) of the respondents indicated that the businesses they were managing were their own, and 6 of them (20%) were operating family businesses. In the grocery business 20 traders (66.7%) owned their businesses and 10 (33.3%) were doing family business.

Table 7: Shelter

Type of House	**Frequency Transport**	**%**	**Frequency Grocery**	**%**
Stone House	7	23.3	10	33.3
Mabati wall and roof	2	6.7	4	13.3
Timber House	15	50	9	30
Mud House	6	20	7	23.3
Total	**30**	**100**	**30**	**100**

4.2.7 Shelter

Table 7 shows that half of the transport operators (50%) live in timber houses, and 23% of them in stone houses. There are more grocery traders (33.3%) living in stone houses, and 30% of them living in timber houses. Most of these houses are on family land rather than personally owned land.

Table 8: Mode of Transport

Type of Transport	Frequency	Percent
Motor Cycle	15	50
Taxi Car	6	20
Pick –Up	2	6.7
Lorry	4	13.3
Mkokoteni	3	10
Total	**30**	**100**

4.2.8 Mode of Transport

Out of 30 transporters 15 (50%) had motor cycle as their mode of transport. 6 of them (20%) owned taxi cars, 4 of them (13.3%) owned lorries, 3 of them (10%) owned mkokoteni, while 2, (6.7%) owned pick-ups. The motor cycle is by far the most popular mode of transport that is dominating the transport sector. 46.7% of the operators are between 20 and 30 years of age. None of them is above 50 years. The proliferation of the motor cycle as a mode of transport is a new development in Kenya since year 2002 when the government opened the door for Chinese investors in this sector. The government has played a big role in facilitating the youth with loans for income-generating projects. The motor cycle project is one that has attracted the youth, and it is gaining momentum because of the way it gets to some places, which are not easily accessible by the big vehicles.

4.3 Business effect on household Incomes

Table 9: Average Monthly Net Profit of the Transporters and Grocery Traders

Ksh	Frequency Transport	%	Frequency Grocery	%
0-5,000	5	16.7	7	23.3
5,001-10,000	10	33.3	21	70
10001-15000	13	43.3	1	3.3
Over 15000	2	6.7	1	3.3
Total	**30**	**100**	**30**	**100**

The questionnaire requested the respondents to indicate which income bracket per month out of four was applicable to them. This was question 13 for both transport and grocery businesses. The results of the study showed that 43.3% of the transport operators had a monthly net income of between KSh10,001 and 15,000/- per month. In grocery 70% of the grocery traders had a profit of between KSh 5,001/- and 10,000/- per month. Only 2 transport operators and 1 grocery trader got above KSh 15,000/-

4.4 Ability to Meet Basic Needs

4.4.1 Food

Table 10: Daily Expenses on Food From Business Earnings

	Frequency			
	Transport		Grocery	
KSh	**N=30**	**%**	**N=30**	**%**
0-200	17	56.7	15	50
201-300	7	23.3	10	33.3
301-400	5	16.7	3	10
Above 400	1	3.3	2	6.7
Total	**30**	**100**	**30**	**100**

The study showed that 17 transport operators (56.7%) and 15 grocery traders (50%) spent up to Ksh 200/- per day on food for their households. 7 transport operators (23%) and 10 grocery traders (33.3%) spent between Ksh 201and Ksh 300/- per day on food. 5 transport operators (16.7) and 3 grocery traders (10%) spent between KS 301/- and KSh400/- per day on food. Only one transport operator 3.3% and 2 grocery traders (6.7%) stated that they spent more than Ksh 400/- per day. All the amounts of money stated is from business earnings.

Table 11: Additional Income For Food Expenditure

Sources	**Transport N=27**	**%**	**Grocery N=30**	**%**
Farming	18	66.7	20	66.7
Other Business	3	11.1	4	13.3
Employment	5	18.5	3	10
Savings	1	3,7	3	10
Total	**27**	**100**	**30**	**100**

The findings of the study point out that the rural non-farm activities are closely inter-twined with the farm activities. In the grocery business, 20 respondents (66.7%) indicated that their other sources of income for food was farming, while in transport 18 out of 27 (66.7%) got it from farming. 4 out of 30 transport operators indicated that their spouses were earning their income from casual employment. 18 out of 30 grocery traders had their spouses earning from employment. Six of grocery traders had other businesses, which included transport as their other source of income. Because of lack of proper book-keeping in the farm and in the non-farm businesses, it was difficult to establish the precise portion on food that came from the business. However, the farm and non-farm contributed towards the welfare of the households and thereby contributing towards reduction of poverty.

4.4.2 Education

Table 12: Annual Expenses on Education From Business Earnings

KSh	Frequency			
	Transport		Grocery	
	N==30	%	N=30	%
0-5000	20	66.7	20	66.7
5001-10,000	4	13.3	4	13.3
10,000-15,000	1	3.3	1	3.3
Above 30,000	3	6.7	5	16.7
Total	**30**	**100**	**30**	**100**

20 of transport operators (66.7%) and a similar number of grocery traders stated that they spent up to Ksh 500/- on education of their families in a year. Only 6.7% of the transport operators and 16% of the grocery traders indicated that they spent above Ksh 30,000/- in a year.

Table 13: Additional Income For Education

Sources	Transport N=21	%	Grocery	%
Farming	15	71.4	18	69.2
Employment	2		2	7.7
Bursary	2	9.5	-	-
Savings	2	9.5	3	11.5
Other Business	-	-	3	11.5
Total	**21**		**26**	

15 of the 21 respondents (71.4%), and 18 of the grocery respondents (69.3%) stated that they supplemented their expenditure on education from farming. The other respondents got their additional incomes from employment, bursary, savings and other businesses.

4.4.3 Health Care

Table 14: Annual Expenditure on Health Care From Business Earnings

	Frequency			
Ksh	**Transport**		**Grocery**	
	N=30	**%**	**N=30**	**%**
0-5000	29	96.7	29	96.7
5001-10,000	-	-	1	3.3
10001-15000	1	3.3	-	-
Above 15,000	-	-	-	-
Total	**30**	**100**	**20**	**100**

On health care both transport and grocery businesses 96.7 % indicated that they spent up to Sh 500/- per year on health.

Table 15: Additional Expenses on Health

Sources	Transport N=30	%	Grocery N=30	%
Farming	20	66.7	19	63.3
Employment	5	16.7	5	16.7
Savings	3	10	1	3.3
NHIF	2	6.6	5	16.7
Total	**30**		**30**	**100**

The findings showed that over 60% of both transport and grocery businesses supplemented their income towards medical care from farming. 16.7 of them supported it from the employment earnings.

4.4.4 Clothing

Table 16: Annual Expenditure on Family Clothing from Business Earnings

	Frequency			
Ksh	**Transport**		**Grocery**	
	N=30	**%**	**N=30**	**%**
0-2,000	4	13.3	10	33.3
2001-4,000	1	3.3	1	3.3
4,001-6,000	21	70	3	10
Above 6000	4	13..3	16	53.3
Total	**30**	**100**	**30**	**100**

Table 17: Other Sources of Income for Expenditure on Clothing

Sources	**Transport**	**%**	**Grocery**	**%**
	N=30		**N=30**	
Farming	22	73.3	20	66.6
Savings	3	10	3	10
Other Business	2	6.7	2	6.7
Employment	2	6.7	3	10
NSSF	1	3.3	-	-
Loan	-		2	6.7
Total	**30**		**30**	**100**

73.3% of transport operators and 66.6% of grocery traders supplemented their income to buy clothing from farming. Other sources were from their savings and employment.

4.4.5 Shelter

Table 18: Expenditure on Shelter From the Business Earnings in Three Years

	Frequency			
KSh	**Transport**		**Grocery**	
	N-30	%	N-30	%
0-10,000	27	90	20	66.7
10,001-20,000	2	6.7	7	23.3
20,001-30,000	1	3.3	2	6.7
Above 30,000	-	-	1	3.3
Total	**30**	**100**	**30**	**100**

According to the study, the personal details of the respondents indicated that 10 grocery traders (33.3%) have stone houses, compared with 9 transport operators (30%). The rest of the respondents have timber, mabati or mud houses. The land on which they live is mostly family land and not necessarily their own, with private titles. That is one major issue when it comes to poverty reduction, because they cannot mortgage such land when they need to get a loan. There is a quarry nearby where the residents of Gacharaigu get the stones for building. The maintenance costs of these buildings are minimal, and they are from the business earnings. Regarding expenditure on construction or maintenance of houses, 90%

of transport operators and 66.6% of grocery traders stated that they spent up to Ksh 10,000/ in a year.

Table 19: Other Sources of Income to Support Construction or repair of a Shelter

Source	**Frequency Transport**	**%**	**Frequency Grocery**	**%**
Farming	23	76.7	25	83.3
Other Business	2	6.7	2	6.7
Savings	12	40	11	36.7
Employment	11	36.7	9	30
Total				

48 out of the 60 respondents, (80%) stated that the additional income that they spent on construction or repairs of their houses came from farming. 38.3% indicated that they had savings with Sacco or banks, and that they were eligible for loans, which they used to construct or to improve their shelter. Others mentioned employment of themselves or their spouses as their source of additional income.

4.5 Contribution to Household Assets

Table 20: Selected Household Assets

Assets	Transport N=30	%	Grocery N=30	%
Land	3	10	1	3.3
Generator	1	3.3	1	3.3
Motor Cycle	2		1	3.3
TV	6	20	6	20
Radio	10	33.3	10	33.3
Furniture	8	26.7	8	26.8
Vehicle	-		1	3.3
Goat	-		2	6.7
Total	**30**		**30**	**100**

The study attempted to establish whether or not the grocery and transport businesses had enabled the households to acquire assets. The assets included land, motor vehicles, and items like television sets, radios, computer and house furniture. The breakdown of details is attached as an Appendix 3.

Table 21: Sources of Additional Income for Acquiring Household Assets

Sources	Transport N=30	%	Grocery N=30	%
Farming	19	63.3	20	66.6
Savings	3	10	3	10
Other Business	3	10	2	6.7
Employment	2	6.7	3	10
Loan	3	10	2	6.7
Total	**30**		**30**	

Farming contributed more than 60% of the additional income that supported the acquisition of household assets.

Table 22: Value of Assets Acquired in 3 Years

N30	Transport	N30	Grocery
Total Amount Ksh	6,054,550	Total Amount Ksh	3,419,700
Average Amount	201,818	Average Amount	113,990

The findings of the study indicated that 30 transport operators acquired assets worth Ksh 3,419,700/- in a period of 3 years. 30 grocery traders acquired assets worth Ksh 6,054,550/- in three years. The possible explanation of higher expenditure by grocery traders in acquiring assets in three years is that the grocery traders were generally older people who were better established in business than in the case of transport operators. 63.3% of the transport operators and 66% of the grocery traders supplemented their business income from the farm incomes. It is

important to note that both businesses have enabled the owners to acquire assets that have the potential to generate more income. Such assets include cows, goats, chicken, land, power saw, pick-up vehicle, generator, water pump, and motor cycle. Animals are used to generate income through the sale of meat and milk. The manure they produce improves the agricultural produce. The entrepreneurs are therefore able to feed their families better, and are able to meet the basic needs of their households. Farm machinery facilitate doing farm work better and more easily than it would be if it was done manually. Sometimes the machines like power saw are let out to other people at a fee, thus helping in generating more income for the households.

4.6 Employment Creation

Table 23: Numbers of Permanent and Casual Employees

Business	**Employers**	**Permanent Employees**	**Casual Employees**
Transport	8	2	12
Grocery	7	3	9
Total	**15**	**5**	**21**

The findings indicate that, in a period of 3 years, 7 grocery business traders had engaged a total of 3 permanent employees and 9 casual employees. The kind of jobs they were doing entailed assisting in carrying things from the back store to the front counter, and helping in the packaging of items that the customers had bought, as well as cleaning and dusting items on the shelves. These were

generally the ones that were employed permanently and they received monthly wages. Casual employees were mainly engaged in homesteads where they tended the farms and they were paid either on daily basis or on weekly basis.

In transport business, 8 operators had engaged 2 permanent employees and 12 casual employees. The term ‘permanent employee’ was loosely used to refer to the people who were attached to the specific transport, but the mode of payment was partly a commission based on the earning of the day, and party based on an agreed amount per month. This was mainly so for looking for passengers and also for carrying their goods. The other employees who were casual were engaged in farm work. The total number of employees in the last three years was adding up to 26. If this trend continued in another three years, there would be 52 people employed through these micro and small enterprises. The people who were employed will improve the standard of living of their families, thereby contributing towards reduction of poverty

CHAPTER FIVE: SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This concluding chapter provides a summary of research findings on the role of micro and small enterprises in poverty reduction. The broad purpose of this research was to establish whether grocery and transport businesses in Gacharaigu Location had contributed to poverty reduction through increased household incomes, provision of household basic needs i.e. food security, education , medical care, adequate shelter, employment creation and acquisition of household assets. The chapter also makes the relevant conclusions and recommendations on the measures to be taken in order to improve the status of the businesses enterprises.

One thing that was common amongst the entrepreneurs was that nearly all of them supplemented their business incomes with farm and other incomes to meet their needs. The other point is that their homes were on the family land. Not all of them had individual land ownership. In fact most families lived on land which was less one acre in size.

5.2. Summary of Findings

This section is a summary of findings of the study. It is presented in line with the stated objectives of the study.

5.2.1. Impact on Household Incomes

The study showed that the grocery and transport businesses had a positive impact on the household incomes. This was based on the average monthly income of Ksh 10,000/- per person against an average monthly expenditure of Ksh 7612/-. This income of the entrepreneurs is substantial, considering that most of them live in their homes or family homes, and they spend minimal amounts on housing and transport to go to work. This is especially so when compared with their counterparts in the urban areas. However the rural set-up has a low cash flow especially in the grocery business due to lack of industrial enterprises.

5.2.2. Household Ability to Meet Basic Needs

The findings of the study established that grocery and transport businesses had enabled the households to meet their basic needs i.e. food, education, medical care, clothing and shelter. The income from the businesses was higher than expenditure on the basic needs. Although the respondents admitted that some of the income came from their farm, it means that they had something to spare for buying other essential goods for their households.

5.2.3 Employment Creation

The study findings indicated that increased income strengthened the capacity to create employment. In a period of 3 three years. 28% of the businesses had generated employment of 26 workers. If this trend continued at the same rate, in another three years there would be 52 people employed through micro and small

enterprises. This would impact the lives of the households of the employees, and progressively help them to move out of poverty.

5.2.4 Asset Acquisition

Acquisition of assets worth Ksh 9,474, 250/- in three years by 60 entrepreneurs was an indication that grocery and transport businesses helped to enhance household asset acquisition. The animals and machines that these entrepreneurs acquired strengthened the capacity to generate extra incomes for their households. These increased incomes translated into improvement of the standard of living, which is an aspect of poverty reduction.

5.2.5 Personal Profiles on Respondents

The study showed that majority of the entrepreneurs were young people, mostly between 20 and 30 years. It is more pronounced in the transport business where 86% of the operators were below the age of 40. Again in transport, the male had dominated the business at 93.3% with half of them using motor cycles as the mode of transport. The female entrepreneurs were more in the grocery business at 26%. Generally, the female were more engaged in farming and in taking care of the children. In education over 80% of the 60 respondents had attained high school level of education. This is a high literacy level among the residents of Gacharaigu Location., which suggests that education gives a capability capacity to engage in business. Education is therefore a factor in contributing towards the reduction of poverty.

5.3 Conclusion

The conclusion of the study is that the micro and small non-farm enterprises have a role to play in poverty reduction.

5.4 Recommendations

The micro and small non-farm enterprises in the rural areas may be struggling enterprises, but they have a big role to play in poverty reduction. What the entrepreneurs need is to improve their business skills so that they can strengthen their income base, which in turn will improve their standards of life. The recommendations are:

1. **Household income**

   The government should engage qualified officers at the county level with the mandate to educate and instill basic business skills and practices to the grocery traders and transport operators with the aim of empowering them to raise the income of their households.

2. **Household ability to meet basic needs**

   At the county level there should be programs for community participation in the awareness activities on essential basic family needs, which include food and nutrition, health care, education, utilization of public utilities and shelter. This will help the business people to organize their priorities in using the

income from their businesses in a way they can raise the standards of their households.

3. **Enhancing Asset Acquisition**

   Government and financial institutions should be commended for the role they have played to facilitate loans for micro and small businesses, especially in the acquisition of motor cycles, and as such, they should continue providing soft loans for the expansion of the micro small nonfarm enterprises.

4. **Creation of Employment**

   County authorities should streamline the trade licensing procedures and make them user- friendly and efficient. This will encourage and empower the grocery traders and transport operators to expand their businesses. This will lead to creation of employment, thereby helping to contribute towards poverty reduction.

5. **Enhancing asset acquisition**

   Government and financial institutions should be commended for the role they have played to facilitate loans for micro and small businesses, especially in the acquisition of motor cycles. They should continue providing soft loans for the expansion of the micro small nonfarm enterprises

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APPENDIX I: QUESTIONNAIRE FOR GROCERY TRADERS

Please answer all questions

SECTION A -Personal Details

1. Full Name (Optional)

   _____

2. Date of Birth_____

3. Sex (Tick One) (1) Male [ ] (2) Female [ ]

4. Highest Formal Education Attained (Tick One)

   1. No Education [ ] 2 Primary [ ]

   3. Secondary [ ] 4 University [ ]

5. Other training program/s attended_____

6. Marital Status (Tick One)

   1. Single [ ] 2 Married [ ] 3. Widow/Widower [ ]

   4. Other [ ]

7. Number of children_____

8. Owner of Enterprise (Tick one)

   1. My own [ ] 2. Family business [ ] 3. Employee [ ]

9. House (Tick One)

   1. Stone House [ ] 2. Mabati Wall and roof [ ]

   3. Timber house [ ] 4. Mud house [ ]

10. Nature and location of business Premises (Tick One)

    1. Home-based [ ] 2. Shopping centre [ ] 3. Mobile Activity [ ]

11. Time of Existence of Business (Tick one)

    1. 1-3yr [ ] 2. 4-6yr [ ] 3. 7-9yr [ ]

    4. 10 plus yr [ ]

SECTION B: GROCERY BUSINESSES

12. Name ten items which are commonly bought at the grocery shop

    1. _____
    2. _____
    3. _____
    4. _____
    5. _____
    6. _____
    7. _____
    8. _____

INCOME

13. What is the estimate net profit that you have earned from the business in a month? (Tick One)

Kshs 0-5000	1	
Kshs 5001 – 10000	2	
Kshs 10001 – 15000	3	
Above Kshs 15000	4	

14. Name the things that you have bought using the business profit in the last one year?

No.	Item	Value
1.		
2.		
3.		
4.		

15. What is average amount of money that you bank in a month?

Kshs 0-2000	1	
Kshs 2001 – 4000	2	
Kshs 4001 – 6000	3	
Above Kshs 6000	4	

ABILITY TO MEET BASIC NEEDS

(a) FOOD

16. What is the estimate that your family spends on food in a day? (Tick one)

Kshs 0 - 200	1	
Kshs 201 – 300	2	
Kshs 301 – 400	3	
Above Kshs 400	4	

17. How much of the money for food comes from the business?

Kshs 0 - 100	1	
Kshs 101 – 200	2	
Kshs 201 – 300	3	
Above Kshs 300	4	

18. Name other sources from which you get food for the family

i. _____
ii. _____
iii. _____
iv. _____

(b) EDUCATION

19. How many members of your family have been in educational institutions in the last one year?

Primary	1	
Secondary	2	
University	3	
Training college	4	

20. What is the estimate of family expenditure on education in the last one year?

Kshs 0-10000	1	
Kshs 10001 – 20000	2	
Kshs 20001 – 30000	3	
Above Kshs 30000	4	

21. How much of the money spent on education in the last one year was from the business?

Kshs 0-5000	1	
Kshs 5001 – 10000	2	
Kshs 10001 – 15000	3	
Above Kshs 15000	4	

22. What other sources of income support the expenditure on education?

i. _____
ii. _____
iii. _____
iv. _____

(c) HEALTH CARE

23. What was the expenditure that was directed towards medical care in the last one year?

Kshs 0-10000	1	
Kshs 10001 – 20000	2	
Kshs 20001 – 30000	3	
Above Kshs 30000	4	

24. How much of the expenditure on the health care came from the business in the last one year?

Kshs 0-5000	1	
Kshs 5001 – 10000	2	
Kshs 10001 – 15000	3	
Above Kshs 15000	4	

25. What other sources of income were used for healthcare?

i. _____
ii. _____
iii. _____
iv. _____
v. _____

(d) CLOTHING

26. Estimate the expenditure on family clothing in one year

Kshs 0-2000	1	
Kshs 2001 – 4000	2	
Kshs 4001 – 6000	3	
Above Kshs 6000	4	

27. How much of the expenditure for clothing came from the business in the last one year?

Kshs 0-1000	1	
Kshs 1001 – 2000	2	
Kshs 2001 – 3000	3	
Above Kshs 3000	4	

28. What other sources of income have supported the family clothing in the last one year?

1. _____
2. _____
3. _____
4. _____

(e) SHELTER

29. How much have you spent on the construction or repair of a house in the last three years? (Tick one)

Kshs 0-10000	1	
Kshs 10001 – 20000	2	
Kshs 20001 – 30000	3	
Above Kshs 30000	4	

30. How much of the expenditure on construction or repair of a house came from the business? (tick one)

Kshs 0-5000	1	
Kshs 5001 – 10000	2	
Kshs 10001 – 15000	3	
Above Kshs 15000	4	

31. Name other sources of income that you have used to construct or repair a house?

1. _____
2. _____
3. _____
4. _____

ASSET ACQUISITION

32. What household assets have you acquired in the last three years? (e.g. Land, vehicle, household items like TV, radio, computer, furniture etc).

No.	Item	Value (Kshs)
1.		
2.		
3.		
4.		

33. How much of the expenditure on assets came from the business? (tick one)

Kshs 0-5000	1	
Kshs 5001 – 10000	2	
Kshs 10001 – 15000	3	
Above Kshs 15000	4	

34. What other sources of income did you use to acquire these items

1. _____
2. _____
3. _____
4. _____

EMPLOYMENT CREATION

35. In the last three years have you employed anybody to work in your business? (tick one)

	No	Yes	Number
Casual			
Permanent			

36. If Yes, (No. 35) indicate how much you have spent on casual and permanent employees in your business in a month?

		Casual	Permanent
Kshs 0-5000	1		
Kshs 5001 – 10000	2		
Kshs 10001 – 15000	3		
Above Kshs 15000	4		

37. If Yes, (No. 35) how much money for paying employees comes from the business?

		Casual	Permanent
Kshs 0-2000	1		
Kshs 2001 – 4000	2		
Kshs 4001 – 6000	3		
Above Kshs 6000	4		

38. What other sources of income have you used to pay workers?

    1. _____
    2. _____
    3. _____
    4. _____

39. What are the challenges that you have faced in the business and what are your suggestions?

	Challenges	Suggestions
1		
2		
3		

APPENDIX II: QUESTIONNAIRE FOR TRANSPORT OPERATORS

Please answer all questions

SECTION A -Personal Details

1. Full Name (Optional) _____
2. Date of Birth_____
3. Sex (Tick One) (1) Male [ ] (2) Female [ ]
4. Highest Formal Education Attained (Tick One)

   1 No Education [ ] 2 Primary [ ]

   3. Secondary [ ] 4 University [ ]
5. Other training program/s attended_____
6. Marital Status (Tick One)

   1. Single [ ] 2 Married [ ] 3. Widow/Widower [ ]

   4. Other [ ]
7. Number of children_____
8. Owner of Enterprise (Tick one)

   1. My own [ ] 2. Family business [ ] 3. Employee [ ]
9. House (Tick One)

   1. Stone House [ ] 2. Mabati Wall and roof [ ]

   3. Timber house [ ] 4. Mud house [ ]
10. Nature and location of business Premises (Tick One)

    1. Home-based [ ] 2. Shopping centre [ ] 3. Mobile Activity [ ]
11. Time of Existence of Business (Tick one)

    1. 1-3yr [ ] 2. 4-6yr [ ] 3. 7-9yr [ ] 4. 10 plus yr [ ]

SECTION B: TRANSPORT BUSINESS

12. Mode of transport

1. Bicycle [ ] 2. Motor cycle [ ] 3. Taxi Car [ ]

4. Pick Up [ ] 5. Lorry [ ] 6. Mkokoteni [ ]

INCOME

13. What is the estimate net profit that you have earned from the business in a month? (Tick One)

Kshs 0-5000	1	
Kshs 5001 – 10000	2	
Kshs 10001 – 15000	3	
Above Kshs 15000	4	

14. Name the things that you have bought using the business profit in the last one year?

No.	Item	Value
1		
2		
3		
4		

15. What is average amount of money that you bank in a month?

Kshs 0-2000	1	
Kshs 2001 – 4000	2	
Kshs 4001 – 6000	3	
Above Kshs 6000	4	

ABILITY TO MEET BASIC NEEDS

(a) FOOD

16. What is the estimate that your family spends on food in a day? (Tick one)

Kshs 0 - 200	1	
Kshs 201 – 300	2	
Kshs 301 – 400	3	
Above Kshs 400	4	

17. How much of the money for food comes from the business?

Kshs 0 - 100	1	
Kshs 101 – 200	2	
Kshs 201 – 300	3	
Above Kshs 300	4	

18. Name other sources from which you get food for the family

1) _____
2) _____
3) _____
4) _____

(b) EDUCATION

19. How many members of your family have been in educational institutions in the last one year?

Primary	1	
Secondary	2	
University	3	
Training college	4	

20. What is the estimate of family expenditure on education in the last one year?

Kshs 0-10000	1	
Kshs 10001 – 20000	2	
Kshs 20001 – 30000	3	
Above Kshs 30000	4	

21. How much of the money spent on education in the last one year was from the business?

Kshs 0-5000	1	
Kshs 5001 – 10000	2	
Kshs 10001 – 15000	3	
Above Kshs 15000	4	

22. What other sources of income support the expenditure on education?

1) _____
2) _____
3) _____
4) _____

(c) HEALTH CARE

23. What was the expenditure that was directed towards medical care in the last one year?

Kshs 0-10000	1	
Kshs 10001 – 20000	2	
Kshs 20001 – 30000	3	
Above Kshs 30000	4	

24. How much of the expenditure on the health care came from the business in the last one year?

Kshs 0-5000	1	
Kshs 5001 – 10000	2	
Kshs 10001 – 15000	3	
Above Kshs 15000	4	

25. What other sources of income were used for healthcare?

1) _____
2) _____
3) _____
4) _____

(d) CLOTHING

26. Estimate the expenditure on family clothing in one year

Kshs 0-2000	1	
Kshs 2001 – 4000	2	
Kshs 4001 – 6000	3	
Above Kshs 6000	4	

27. How much of the expenditure for clothing came from the business in the last one year?

Kshs 0-1000	1	
Kshs 1001 – 2000	2	
Kshs 2001 – 3000	3	
Above Kshs 3000	4	

28. What other sources of income have supported the family clothing in the last one year?

1) _____
2) _____
3) _____
4) _____

(e) SHELTER

29. How much have you spent on the construction or repair of a house in the last three years? (Tick one)

Kshs 0-10000	1	
Kshs 10001 – 20000	2	
Kshs 20001 – 30000	3	
Above Kshs 30000	4	

30. How much of the expenditure on construction or repair of a house came from the business? (tick one)

Kshs 0-5000	1	
Kshs 5001 – 10000	2	
Kshs 10001 – 15000	3	
Above Kshs 15000	4	

31. Name other sources of income that you have used to construct or repair a house?

    1) _____
    2) _____
    3) _____
    4) _____

ASSET ACQUISITION

32. What household assets have you acquired in the last three years? (e.g. Land, vehicle, household items like TV, radio, computer, furniture etc).

No.	Item	Value (Kshs)
1.		
2.		
3.		
4.		

33. How much of the expenditure on assets came from the business? (tick one)

Kshs 0-5000	1	
Kshs 5001 – 10000	2	
Kshs 10001 – 15000	3	
Above Kshs 15000	4	

34. What other sources of income did you use to acquire these items

1) _____
2) _____
3) _____
4) _____

EMPLOYMENT CREATION

35. In the last three years have you employed anybody to work in your business? (tick one)

	No	Yes	Number
Casual			
Permanent			

If Yes, (No. 35) indicate how much you have spent on casual and permanent employees in your business in a month?

		Casual	Permanent
Kshs 0-5000	1		
Kshs 5001 – 10000	2		
Kshs 10001 – 15000	3		
Above Kshs 15000	4		

If Yes, (No. 35) how much money for paying employees comes from the business?

		Casual	Permanent
Kshs 0-2000	1		
Kshs 2001 – 4000	2		
Kshs 4001 – 6000	3		
Above Kshs 6000	4		

36. What other sources of income have you used to pay workers?

1) _____
2) _____
3) _____
4) _____

37. What are the challenges that you have faced in the business and what are your suggestions?

	Challenges	Suggestions
1		
2		
3		

APPENDIX III: ACQUISITION OF ASSETS FROM THE BUSINESS EARNINGS

Respondent	Grocery Traders	Totals per person	Cost	Respondent	Transport Operators	Totals per person	Cost
1.	Furniture Goat Chicken Radio	11,000	5,000 3,000 2,000 1,000	1.	Furniture Television Radio	29,000	20,000 8,000 10,000
2.	Furniture Radio	10,800	10,000 800	2.	Radio camera Goat Furniture	25,000	1,000 5,000 4,000 15,000
3.	Furniture	10,000	100,000	3.	Motor cycle Radio Goat Chicken	86,700	80,000 1,000 4,500 1,200
4.	Television Furniture Radio DVD	43,000	8,000 30,000 1,000 4,000	4.	Goat Furniture	14,000	4,000 10,000
5.	House Goat	604,000	600,000 4,000	5.	Radio Sheep Furniture	14,000	1,000 3,000 10,000
6.	Television	15,500	8,000	6.	Motor cycle		90,000

	DVD Goat		4,000 3,500		Goat Chicken	96,000	4,000 2,000
7.	Water tank Furniture	35,000	20,000 15,000	7.	Furniture Goat Radio	15,300	10,000 4,500 800
8.	Purchase of property	1,800,000	1,800,000	8.	Furniture Generator Calf	37,000	20,000 8,000 9,000
9.	Motor cycle Furniture	95,000	80,000 15,000	9.	Furniture House	620,000	20,000 600,000
10.	Goat Chicken Radio	5,200	3,000 1,200 1,000	10.	Radio DVD goat	9,000	1,000 4,000 4,000
Sub-Total	**2,629,500**					**946,000**	
11.	Furniture Calf Television Radio DVD	48,800	30,000 8,500 8,000 800 2,500	11.	Radio Furniture Chicken Cow	23,000	700 3,000 7,000 6,000
12.	Chicken Cow Furniture	18,000	1,000 7,000 10,000	12.	Radio Bicycle Furniture	5,100	600 2,500 2,000
13.	Cow Goats	44,300	12,000 8,000	13.	Radio Furniture		700 3,000

	Sheep Furniture Radio		3,500 20,000 800		Building materials	33,700	30,000
14.	Pick up Motor cycle Land TV Radio	2,283,000	700,000 70,000 1,500,000 7,000 6,000	14.	Furniture DVD Radio	6,800	3,500 2,500 800
15.	Motor cycle Power saw Furniture TV Radio	112,500	70,000 15,000 20,000 7,000 500	15.	Motor cycle Land Furniture TV DVD Radio	158,500	70,000 30,000 16,000 7,000 2,500 3,000
16.	Cow TV Radio Goat Furniture	52,000	8,000 8,000 3,000 3,000 30,000	16.	Land Furniture Television Bicycle Radio	272,000	250,000 10,000 7,000 3,000 2,000
17.	2 motor cycle TV Radio Furniture	155,700	140,000 7,000 700 8,000	17.	Furniture Cow DVD Radio	54,300	30,000 20,000 3,500 800
18.	Furniture	27,600	10,000	18.	Television		7,000

	Cow Radio Furniture		12,000 600 5,000		Radio Furniture Barber shop	22,700	700 3,000 12,000
19.	Vehicle Cow Goat Furniture TV Radio	325,150	300,000 5,000 2,500 12,000 5,000 650	19.	Land Motor cycle Furniture Radio	386,500	300,000 70,000 16,000 500
20.	Chicken Rabbits Furniture Radio	6,100	1,000 600 3,500 1,000	20.	Land Motor cycle Computer Radio	489,500	400,000 70,000 12,000 7,000 500
Sub-Total	**3,073,150**					**1,452,100**	

21.	Television DVD Furniture Goat Chicken	32,000	8,000 4,000 15,000 4,000 1,000	21.	Radio Furniture DVD Chicken	25600	800 12,000 2,600 3,000
22.	Furniture Radio	15,800	15000 800	22.	Land Furniture		300,000 30,000

					Radio	330800	800
23.	Television Furniture Radio Cow Chicken	 32,500	7,000 15,000 500 7,000 3,000	23.	Furniture DVD/generator Television Motor cycle Cow Chicken Radio	 149800	40,000 25,000 8,000 70,000 8,000 6,000 800
24.	Radio Furniture Water pump Cow DVD	 39,200	700 7,000 16,000 12,000 3,500	24.	Water pump Land Furniture TV Radio	 335800	12,000 300,000 15,000 8,000 800
25.	Cow Chicken Water pump Furniture Radio	 43,700	7,000 7,000 7,000 12,000 700	25.	Furniture Goat Chicken Radio	 22500	15,000 4,500 2,000 1,000
26.	Water pump Cow Chicken TV & Radio		16,000 12,000 10,000 8,000	26.	Furniture Television Radio DVD	 43500	30,000 8,000 1,000 4,500

	Generator Furniture	 69,000	8,000 15,000				
27.	Radio Calf Furniture Bicycle	 29,300	800 9,000 15,000 4,500	27.	Furniture TV DVD Radio Goat	 37300	20,000 8,000 4,000 800 4,500
28.	Goat Calf Furniture Radio	 25,800	3,000 7,000 15,000 800	28.	Furniture Radio	 16000	15,000 1,000
29.	Cow Furniture Radio	 32,800	7,000 25,000 800	29.	Cow Goat Chicken Television Furniture Radio	 49300	8,000 3,500 4,000 8,000 25,000 800
30.	Furniture Goat Television Radio	 31,800	20,000 3,000 8,000 800	30.	Goat Chicken DVD Radio	 11000	4,500 1,000 4,500 1,000

Sub-Total	**351,900**			**1,021,600**
Combined totals	**6,054,550**	**3,419,700**		
Grand Total	**9,474,250**			