

The Impact of Non-Agricultural Activities on Poverty Reduction in Rural Communities: A Case of Sumbawanga Rural District, Tanzania

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ABSTRACT

Agriculture is central to Tanzania's rural economy, but its underperformance drives many households in Sumbawanga Rural District to seek non-farm activities to combat poverty. This study investigates the impact of such activities on poverty reduction. It identifies drivers pushing farmers towards non-agricultural work, like low farm earnings and land scarcity, and explores how these activities affect household income. Data from 195 farming households reveals non-farm activities contribute significantly to income, ranging from 43% to 50%. Despite Tanzania's decreasing poverty rate (25.7%) in 2020, around 26 million still live in extreme poverty. The study suggests promoting non-agricultural endeavours like carpentry and animal husbandry to diversify income sources and alleviate poverty. Overall, it highlights the importance of non-farm activities in rural prosperity and recommends their integration into poverty reduction strategies.

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1.0 Introduction

The agricultural sector in Tanzania, which has traditionally been the main employer in rural areas and the backbone of the rural economy, is facing challenges in terms of performance. Currently, the agricultural sector contributes about 29.1% of the GDP, 65.5% of employment, 65% of raw materials to the industrial sector, and 30% of export earnings (URT, 2017). From 12,007,839 households in Tanzania (11,659,589 in Mainland Tanzania and 348,250 in Tanzania Zanzibar), 7,837,405 households (65.3 percent) were involved in agricultural activities (URT, 2020). As a result, rural households are increasingly engaging in non-agricultural activities to protect themselves from poverty, both in terms of income and non-income aspects (AloboLoison, 2015). Non-agricultural activities in rural areas have the potential to provide employment opportunities for the youth who would otherwise migrate to cities in search of work, offering short-term employment prospects (Ochieng, 2020).

In Tanzania, the non-farm sector has emerged as an important income source and a strategy for poverty alleviation in rural households, although agriculture remains the primary livelihood activity (Katega & Lifuliro, 2014). Around 65% of rural households in Tanzania participate in both agriculture and non-agriculture activities, with a significant increase in the proportion engaged in non-agricultural activities (Bongole, 2016). There has been a shift from farming to non-farm activities; between 2002 and 2012, the share of the rural population engaged in agricultural activities decreased by almost 10 percentage points (Diao et al., 2019).

Given the growing importance of non-farm activities in rural Tanzania, there is a need to study their relationship with rural livelihoods. Research is required to understand the driving factors that enable rural households to participate in non-farm activities, explore the linkages between non-farm and farm activities, and assess the significance of non-farm activities as a livelihood strategy in specific districts, such as Sumbawanga (Katega & Lifuliro, 2014).

However, the contribution of rural non-agricultural activities to poverty reduction has been overlooked, leading to a lack of data and information on their role in rural development (Ayoo, 2016). This neglect has hindered the formulation of clear policies to promote rural non-farm activities and has limited their growth potential, despite their capacity to alleviate poverty and enhance agricultural production. (Bongole, 2016).

This study investigates the relationship between agricultural activities and rural Tanzania's livelihoods, with a particular focus on rural households in Sumbawanga rural district. It aims to identify the factors that drive rural households to engage in agricultural activities, explore the connection between agricultural and farm activities, and assess the significance of agricultural activities as a livelihood strategy. The study addresses the lack of research and data on the role of rural non-agricultural activities in poverty reduction, highlighting the potential of these activities to contribute to rural development and improve agricultural production. Unlike previous studies, this research emphasises the impact of agricultural activities on the well-being and poverty reduction of participating households in Sumbawanga District, while also proposing strategies for enhancing their performance.

2.0 Materials and Methods

2.1 Study Area

Sumbawanga District Council, established in 1984, is located in southwestern Tanzania. It covers an area of 8,871 square kilometres and shares borders with Kalambo District Council, Songwe Region, Lake Rukwa, Nkasi District Council, Sumbawanga Municipal, and Katavi Region. The district has a population of around 494,330 people, 27 wards, 4 divisions, 1 constituency (Kwela), and numerous villages and hamlets. The local economy is predominantly agricultural, with approximately 90% of the population engaged in farming activities such as cultivating maize, paddy, beans, finger millet, groundnuts, cassava, and sunflower (URT, 2023). Fishing in Lake Rukwa provides livelihoods for about 9% of the population, while a small

percentage is involved in beekeeping and other activities. The per capita income in Sumbawanga District Council is estimated to be 1,080,000 Tanzanian shillings, with agriculture accounting for the majority of the income (URT, 2023).

Sumbawanga Rural District was selected as a study area because of the socioeconomic conditions faced by its predominantly peasant population. These conditions include the rising costs of agricultural production, particularly fertilisers, and the low prices of agricultural outputs, especially maize (URT, 2023). As a result, the local population views non-farm activities as an alternative strategy to maintain household income security. By exploring the relationship between non-farm activities and livelihoods in this context, the study aimed to shed light on the potential of non-agricultural sectors to alleviate poverty and provide sustainable income opportunities for rural households in Sumbawanga District.

2.2 Sample Population

The study employed a multi-stage sampling procedure. First, the purposive sampling technique was used to select a target population of five wards whose households participate in various economic activities in the study area. Second, simple random sampling was used in the survey to select participants in the study, which focused on both households—female and male. The interviewed households involved those that were engaging and not engaging in the nonfarm activities.

The five wards selected included Kaengesa (28,917), Mpui (14,831), Kalambanzite (20,786), llemba (26,078), and Laela (23,729), with a total population of 114,341, in which a sample size was determined.

There are several methods for determining the sample size of respondents from a finite population. However, this study employed a straightforward formula derived from Kothari's formula (2004:179), as follows:

$$n = \frac{z^2 \times p \times q \times N}{e^2 (N-1) + z^2 \times p \times q}$$

Where:

P = Sample proportion of successes; n = size of sample,

Z = the value of the standard deviate at a 95% confidence level e = acceptable error (the

Precision) Thus, N=305,846, p=0.5, q=0.5, z=1.96, e=0.05

Therefore,

This sample size was allotted to five Tibias" using proportionate stratified sampling formula. Through this formula each Tabia was fairly represented as follows: 1. Sample size for Mesebo $1172 \times 190 = 30\ 7342$ 2. Sample size for Arato $2022 \times 190 = 52\ 7342$ 3. Sample size for Didba $1532 \times 190 = 40\ 7342$ 4. Sample size for Chelekot $1192 \times 190 = 31\ 7342$ 5. Sample size for M.genet $1424 \times 190 = 37$

2.3 Data Collection Methods

A number of techniques were used in this study in order to acquire the required information, which is reliable and valuable. In this study, the data collection technique involved conducting interviews with households and key informants using structured and unstructured questionnaires, as well as employing observation methods.

2.3.1 Structured Interviews

According to Todaro (2004), a structured interview is a data collection method that asks each person in the study area the same question, assuming that any differences in answers are real and not the result of the interview situation itself. The criterion for selecting this method is its ability to allow for comparability among responses, ensuring uniformity across all respondents.

2.3.2 Unstructured Interviews

An unstructured interview was used exclusively for the interview that involved the key informants. The selection criteria for this method were based on two key facts. First, the method allows the respondents to express their views flexibly; second, the method is found to be well-suited to the key informant because of their level of knowledge on non-agricultural economic activities in the study area.

2.3.3 Observation

Observation serves as a valuable method within the study area, particularly in the acquisition of data pertaining to household asset ownership and the quality of primary residences. Furthermore, this method is instrumental in validating the presence of nonfarm activities within the study areas, according to district council officials' recommendations.

2.4 Data Analysis

Data compilation, editing, classifying, and inserting in Excel and SPSS were performed after field work. To analyse quantitative data, descriptive statistics were used and presented as percentages and frequencies.

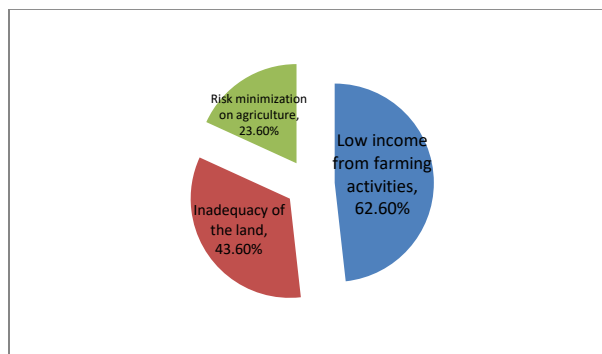
3.0 Results

3.1 Factors Influencing Household Participation in Non-Farm Activities

There are a variety of factors that contribute to rural households' non-farm participation. According to Ellis (2007), households in rural areas may choose to participate in non-farm activities in response to emerging economic opportunities or economic hardship. According to Figure 3.1, 62.6 percent of households in the present study decided to supplement their low income from farming activities by participating in non-farm activities. Land inadequacy (43.6%) and efforts to reduce the likelihood of crop failure as a result of unpredictable rainfall (23.6%) were two additional factors mentioned.

Figure 3.1

Factors that Caused Households to Participate in Non-Farm Activities



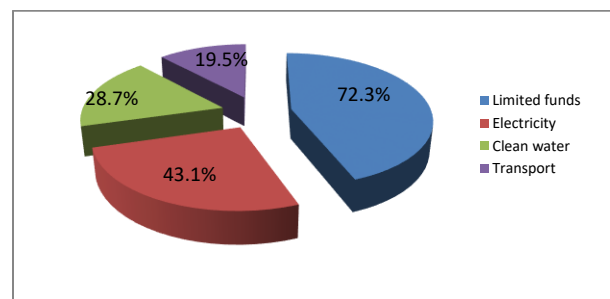
(Totals exceed 100 percent due to multiple responses)

3.2 Constraints on Performance of Non-Farm Activities

Various factors influence the operations and expansion of rural non-farm activities. According to the World Bank (2014), one of the biggest obstacle for entrepreneurs in rural areas is lack of capital and also poor basic infrastructure. The study found that the most common constraint to the success of non-agricultural activities is limited funds for ongoing operations, mentioned by 72.3 percent of respondents (refer to Figure 3.2). The availability of electricity was the second most common constraint, stated by 43.1% of respondents. Additionally, clean water availability (28.7%) and inefficient transportation to and from markets (19.5%) were also mentioned as constraints.

Figure 3.2

Factors Affecting the Performance of Non-Farm Activities



(Totals exceed 100 percent due to multiple responses)

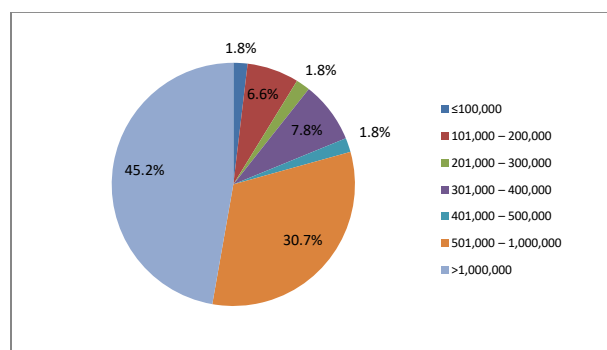
3.3 Contribution of Non-Farm Activities to Poverty Alleviation

3.3.1 Income Obtained from Rural Non-Farm Activities

Many studies in Sub-Saharan Africa agree that non-farm activities account for a significant portion of rural household income (Lawi et al., 2022). By asking respondents to estimate the amount of income earned from activities other than farming and other sources in the previous year, the study gathered data on household income. Figure 3.3 depicts the estimated annual earnings from activities other than farming, despite the poor earnings records of the households surveyed. It shows that 45.62 percent of households made more than Tshs 1,000,000, and 30.7% made Tshs 500,001–1,000,000 from activities other than farming. Tshs 990,556 is the estimated average

income. The average annual income from rural non-farm enterprises earned by rural households in Tanzania is approximately Tshs 145,431 (Diao 2018); however, these earnings in the study villages are significantly higher.

Figure 3.3
Annual Household Incomes from Non-Farm Activities



3.3.2 Use of Income from Rural Non-Farm Activities

Non-farm activities can not only provide rural residents with greater security, but they may also offer non-farm pathways to higher living standards (Rantšo 2016). Participating respondents used income from non-farm activities in a variety of ways, according to this study. According to findings in Table 3.1, most of the households (99.3%) spent their non-farm income on expanding non-farm activities like purchasing farming inputs and for domestic and other unidentified uses. Other uses included building and/or repairing homes (52.4%) and buying furniture.

Table 3.1
Use of Income from Rural Non-Farm Activities

Use of non-farm income	Percent
Agricultural inputs	99.3
Domestic use	99.3
House building and/or renovation	52.4
Furniture	52.4
Other uses	99.3

Totals exceed 100 per cent due to multiple responses

4.0 Discussion

The findings reveal that low farming income, land inadequacies, and efforts to minimize agricultural risks drive households to participate in non-farm activities. Non-farm activities provide a crucial supplementary income source, significantly contributing to household income and poverty reduction. The findings indicate that non-agricultural activities play a vital role in improving rural livelihoods and reducing poverty, consistent with previous studies (Ellis 2007; Lawi et al. 2022). Discussions with respondents highlighted the necessity of skills for certain non-farm activities, suggesting a need for tailored training programs. Constraints to the performance of non-farm activities were primarily financial, with limited funds being the most significant barrier. This aligns with the World Bank's (2014) findings on the obstacles faced by rural entrepreneurs. The lack of basic infrastructure, particularly electricity and clean water, also hampers the success of non-farm ventures. Addressing these constraints could enhance the performance and sustainability of non-farm activities, leading to greater poverty reduction.

The contribution of non-farm activities to household income is substantial, with many households earning significant portions of their income from these activities. This highlights the importance of promoting non-agricultural activities as a viable strategy for poverty alleviation. The diverse uses of non-farm income, including investments in farming inputs, household improvements, and other essential needs, demonstrate the multifaceted benefits of non-farm activities for rural households.

Overall, the study underscores the potential of non-farm activities to enhance rural livelihoods and reduce poverty. Integrating these activities into broader poverty reduction strategies and addressing the identified constraints could significantly improve the economic well-being of rural communities.

5.0 Conclusion

The study identifies low income, lack of land, and farming risks as reasons for farmers to engage in non-agricultural activities. It emphasises tailored training for farmers with varying socioeconomic

characteristics and encourages non-agricultural activities such as carpentry and animal keeping helping reduce poverty. The evidence from focus group discussions supported the idea that non-agricultural activities rather than farm activities alone were effective in reducing poverty. Participants highlighted that households with non-agricultural activities experienced increased income. Overall, the study highlights the importance of non-farm activities in rural prosperity and recommends their integration into poverty reduction strategies.

6.0 Recommendations

The study recommends providing tailored training for farmers based on their varying socioeconomic characteristics to equip them with the necessary skills for engaging in non-farm activities. It is critical to encourage and support non-agricultural activities like carpentry, animal husbandry, and poultry keeping as alternative sources of income generation. To increase their productivity and income, agricultural extension officers and stakeholders should actively support farmers engaged in both farm and nonfarm activities. Additionally, nonfarm activities should be expanded to similarly challenged areas, taking into consideration the socio-economic differences of farmers to ensure the effectiveness of these activities in poverty reduction. Addressing constraints such as limited funding, electricity availability, clean water, and transportation will improve the performance of non-farm activities. Finally, integrating non-farm activities into broader poverty reduction strategies will help diversify income sources and alleviate poverty in rural communities.

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