Peasant Agriculture, Commercial Production and Employment in Kenya

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This paper attempts to assess the significance of commercial crop production to peasant agriculture in Kenya, and the implications it has for rural employment aspirations. The assessment is based on a recent study the author made in the Nyanza Province of Kenya, a study of peasant agricultural production based on analyses of historical data and sample surveys.[1]

It is frequently argued that the employment capacity of small-scale agriculture can be enhanced by realizing the entrepreneurial potential of peasant producers through improving their access to credit, know-how, material inputs, and under-utilized land.[2] Policies focusing on these improvements would set out to increase the intensive and extensive production of cash crops by relying on peasant producers' incentive for profit, and these producers would be encouraged to hire extra labour in order to maximize returns.

In this case, in Kenya, the cash crops would be tea, pyrethrum, coffee, maize, and possibly cotton and dairy enterprises. This has been the conceptual model for development of small-holder agriculture in Kenya, as used by government agencies and lately by the ILO Employment Mission,[3] which recommended a policy for increasing employment and incomes in Kenyan agriculture on these lines. The conception has been taken even further by some observers,[4] who believe that profit maximization in agricultural enterprises is of such prime importance to peasant producers that regional employment models using programming techniques can be applied to peasant agricultural production to assess future rates of employment in agriculture.

However, a close study of the development and existing pattern of peasant economy raises some doubts about the rationale of such arguments and conceptions of peasant incentives. This paper challenges the rationale that peasants generally respond to the profit incentive. It interprets the peasant economy of western Kenya as a composite relationship between a production priority for subsistence supplies and a cautious approach to securing cash incomes by a diversification of sources. This approach appears to relegate the commercial production of cash crops to a position relative to other options for earning cash incomes which are also available outside agriculture.

The paper first aims to show that the peasant's access to land in Kenya is limited relative to the access enjoyed by other classes, and that it is important to understand that the peasants are not merely small farmers. They are frequently referred to as small-holders, but it is erroneous to therefore deduce that they behave as large farmers on a smaller scale. As a social class, the peasants value their land in ways other than as a resource to be employed relative to their labour resources to maximize income. Rather, their land is their basic security in the face of uncertain changes in the cost of living, and this influences their immediate use of land for different functions. These functions are: the security of food supply (subsistence production), maintenance of capital savings (land and livestock), and the yield of cash income (commercial production). These immediate functions are reflected in their long term valuation of land as a vital inheritance for subsequent generations, which in turn appears to be the dominant influence over land acquisition.

Commercial advantage by agricultural capitalism would be an alternative ground for land acquisition. If it could be shown that there was a tendency for an agricultural bourgeoisie to emerge at the expense of a landless class, then this would support the view that commercial options were being exploited to full advantage in small-holder agriculture, for the commercial options have been available for some time.

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This paper does go on to show that there has been a considerable expansion in the production of certain cash crops in Kenya (coffee, pyrethrum, tea, and to a lesser extent, cotton) since controls over peasant production were relaxed. But it concludes that this expansion is not proceeding at the individual level as a profit-maximizing enterprise. Although existing relative input/output costs and returns would appear suitable for this, they are not valued *per se*, in isolation. They are related to opportunity costs in food production and the paper shows the importance of subsistence production as exemplified by its growth relative to the growth in output of cash crops. This preference is even taken to apparently non-profitable levels of production. The introduction of innovations to improve maize yields has encouraged increased production of maize for higher levels of consumption rather than the release of resources for cash crop production.

Cash incomes earned outside agriculture are spread widely amongst the rural peasantry and these are an important and viable alternative to agricultural cash incomes. Although the growth in employment outside agriculture is quite definitely inadequate, non-agricultural earnings are more closely related to changes in the cost of living index than are the actual prices paid for cash crops. Hence the peasant's attitude to earning cash incomes is to diversify the sources as far as possible whilst ensuring that his cost of living is minimized by the highest possible degree of self-sufficiency in production.

Finally, having shown how peasant agriculture is developing in Kenya, it is argued that unless there is a radical change in access to land, and in internal price relationships, the adoption of cash crops by the peasantry based on input/output expectancies cannot be assumed to be the simple answer to rural employment growth.

Peasants/Smallholders in Kenya

In colonial times agricultural land in Kenya was divided between the areas scheduled for European settlement and the native reserves. Today the distinction remains, and the former reserves are the only areas where there is freedom to settle, and where there is an open market for land, although today access to this land is difficult in practice.

The scheduled areas have now largely been transferred from European to Kenyan ownership. The total area of the scheduled areas is approximately 3 million hectares, of which 1.6 million hectares are ranches and plantations, still with some degree of foreign ownership. Of the rest, 0.6 million hectares were bought from European owners and incorporated into the 'Million Acre' settlement scheme. The aim of this scheme was to transfer land under single ownership to high and medium density settlement of landless families from the reserves. In practice, the financial cost of participation in these schemes has confined the present ownership largely to families who either had urban savings, or who have successfully moved into fully commercial agriculture. The history of the settlement schemes and the factors behind the present pattern of ownership are described at length elsewhere [6,7,8]. Without making a detailed analysis of the rural class structure of Kenya, it is proposed here that most of the rich peasants, or kulaks, who exist in Kenya are today found in these schemes. (See Colin Leys' thorough analysis of Kenyan society in [8].)

The remaining 0.8 million hectares of the scheduled areas are still large, individually owned farms, today mostly in the hands of Kenyan landlords. Thus there are still legislative constraints on land ownership in Kenya, and in various ways the largest landlords and the emergent kulaks have their access to land protected by statute and by artificial land-values (the price for compensation demanded by the European settlers).

The majority of the native Kenyan population are still restricted to the former 'reserves' for access to their land resources, and it is the population of these areas who are referred to as the 'small-holders'. The majority of households in these areas still operate economically as peasant households with peasant

production systems, in the Chayanovian sense.[9]

Agricultural entrepreneurship in Kenya is still largely the preserve of the larger landholders and kulak classes who have more than favourable terms for access to land often due to earlier successes in either urban businesses or political situations. For the bulk of the small-holder population, agricultural planning is subject to the constraints of a peasant economy. The tendency to forget that the primary concerns of the peasantry are subsistence food supply and the maintenance of inheritable land resources can raise undue levels of expectation on this peasantry to behave purely as commercial farmers.

Within this peasantry there are certainly some households with considerably more land, better incomes, or more visible security than their neighbours, but it is not considered that this represents an incipient class formation within the peasantry, as for example Lenin observed in pre-revolutionary Russia.[10] The more real class formation based on access to land in Kenya is taking place in relation to the differences between the exploitation of land in and out of the scheduled areas. For example, out of the total estimated area of 6.7 million hectares of agricultural land in Kenya,[3] 1.1 million hectares are still owned by only around 1500 owners. On the 0.6 million hectares of the settlement schemes there are approximately 53 000 families,[8] and on the remaining 5 million hectares of the 'reserves' are approximately 1.3 million households. In other words, 0.1 per cent of landowners share an average landholding of 714 hectares, 96 per cent of landowners have an average of 3.8 hectares, and between these two groups there are those previously 'landless', for whom there was originally a specific resettlement scheme, and who are now 3.9 per cent of all landowners and who share an average land area of 11.7 hectares.

Within the 'reserves', amongst that 96 per cent, differences in landholding are very small in relation to those for the country as a whole. In Kisii district it was found that only 3 per cent of the land was occupied by holdings larger than 10 hectares.[1] In Central Province in 1964,[11] only 1.6 per cent of the population had holdings larger than 10 hectares, while 60 per cent of the total cultivated area was occupied by holdings between half a hectare and two and a half hectares in size.

Of course, it would be fair to say that statistics relating to a static situation cannot be used to judge the existence, or otherwise, of a dynamic tendency such as class formation. But the little that is known about time trends in this case does support the static information.

Changes in land ownership amongst the peasantry of the 'reserves' are still dominated by inheritance, and this usually takes place by subdivision of existing plots. This means that all holdings tend to get smaller over time, and as it is also generally true that larger small-holdings support larger families, so the pressure on land by sub-division tends to be greater on larger plots. There is even a tendency for the reverse of differentiation to prevail in the size of family holding. It has also been noted that persons buying land in the 'reserves' were typically owners of less land than the sellers.[12] Concrete evidence has yet to be seen that any section of small-holder society in Kenya is specifically accumulating land for the main purpose of agricultural entrepreneurship. Yet, on the other hand, since the late 1950s there has been a remarkable increase in the output of marketed crops by the peasantry. The reasons for this are discussed below.

The paper will now turn to a more specific analysis of the relationship between commercial production by small-holder agriculture, and the observed significance of subsistence production and of non-agricultural incomes. Particular reference will be made to small-holder agriculture in Nyanza Province, in the west of Kenya, where the author has concentrated some of his field work. Virtually the whole of Nyanza Province is occupied by small-holders, and the population densities there are some of the highest in Kenya. Particularly high are the densities in Kisii and Kisumu Districts of the province, and these districts have also been the focus of major introductions of commercial crops to the small-holder sector. Cotton, coffee, pyrethrum and tea are grown, and hybrid maize has been successfully introduced. There is, in Kenya, an active extension service, and there are ready supplies of the main material inputs. It is therefore possible to assess the significance of commercial production, in a manner relatively free of the constraints of ignorance, or unavailability.

Small-Holder Production of Commercial Crops

The late 1950s marked a turning point in government policy towards small-holder agriculture in Kenya with the publication of the Swynnerton Plan [13] when the Europeans' hegemony in commercial agriculture was finally broken. From that date, production of tea, coffee and pyrethrum by the small-holder sector increased rapidly in aggregate. It can be seen by the choice of crops that this development occurred largely in the higher altitude, higher rainfall, and *ipso facto* higher potential areas of the 'reserves', where population densities were also highest. Of these areas, Kisii district, although only 2 per cent of the area of all the populated reserves, became one of the most important production areas. Table 1 shows the increases in planted area of the three crops between 1959 and 1971, by small-holders, and the proportion of these planted in Kisii.

TABLE 1

INCREASES IN PLANTING OF TEA, COFFEE AND PYRETHRUM BY SMALLHOLDERS IN KENYA, AND KISII DISTRICT (hectares)

		Coffee planted	*Tea planted*	*Pyrethrum planted*
1959	Kenya	10 500	1 300	3 200
	Kisii District	1 537	50	2 000
	Kisii % Total	14.6%	3.8%	62.5%
1971	Kenya	62 600	20 500	23 600
	Kisii District	6 500	3 230	9 260
	Kisii % Total	10.4%	15.8%	39.2%

Source: Judith Heyer (14) and Statistical Abstracts (15).

The table illustrates as rapid a change in small-holder agriculture as may have occurred anywhere in Africa in recent years. In Kisii District the three crops now occupy about 20 per cent of all cultivated land, and their increased production has increased incomes earned from their sale from Shs. 6.8 million in 1959 to Shs. 59.14 million in 1971. Unquestionably this has been a very important contribution to rural employment.

The expansion of commercial production is impressive in aggregate. Disaggregation of the increases illustrates the nature of the expansion of production. First, each periodic increase has been as much influenced by administrative change as by peasants' volition. Thus, if it had been decided in one year that peasants in area 'A' would be allowed to grow tea, then applications for planting material would only be considered from that area. Once diffusion was progressing well in that area, the administration would then focus attention on area 'B', and there would be a corresponding *en bloc* increase in total planting. In this way much of the increase in planting represents a progressive geographical 'cover' of suitable areas. At the household level, production increases are shared by a large number of small-holders who plant either one or two of the new crops on a fraction of their land.

Heyer[14] shows this in her historical description of the progressive expansion of coffee planting in Kisii between 1957 and 1964. Between these years the amount of coffee planted in Kisii expanded from 1077 hectares to 5204 hectares. But the number of growers increased commensurately, with the effect that the average amount planted per grower remained at 0.12 hectares. Coffee planting reached a peak in 1964, and has not increased since due to the imposition of quota limits under the International Coffee Agreement. During the time of expansion it is clear that there was no significant concentration of production in the hands of a few.

Expansion of tea planting is proceeding in a similar way. Tea planting started in 1957/8, and expansion continues today. Again, expansion has been by a progressive introduction into different parts

of the district, and by a progressive adoption by new growers. In 1965 there were 960 hectares, and today there are 6500 hectares of tea in Kisii. Statistics available from Kitutu division of Kisii show that the expansion in acreage has again been accompanied by a similar increase in the number of growers, with the result that the average amount planted by small-holders has remained at 0.3 hectares over the last ten years.

Pyrethrum was originally introduced on an area-by-area basis, but since 1967 it has been grown in most parts of Kisii District. By 1968 there were 5100 hectares and 36 000 growers. Since then, price changes have been the biggest influence over the area planted, with the planted area increasing abruptly to over 9000 hectares in 1971, after the price had risen from Shs. 2.93 per kilo to Shs. 4.40 per kilo. The change in area was made up of a 25 per cent increase in the number of growers, and a 70 per cent increase in the average area that each small-holder planted. This elastic response to a price change illustrates the importance of price changes relative to other conditional changes such as credit or extension improvements. The expansion of pyrethrum cultivation was at the expense of the more traditional grain, finger millet, rather than maize (see below), and as with the tea and coffee expansion, whilst the overall increase in the amount of pyrethrum grown was considerable, actual individual planted areas per grower still only average 0.2 hectares.

To conclude this review of the development of commercial agriculture in Nyanza, it is necessary to outline the history of cotton production, which centres on Kisumu District, and which contrasts with the history of commercial crop growing in Kisii. Cotton was first introduced to peasant producers as early as 1920 as it was one of the few crops for which peasant production offered no competition with the European agricultural sector of the country. It was hoped that cotton production would generate a sufficient basis of rural incomes as to increase the yield of local taxes. The growth of production is shown in Table 2.

TABLE 2

GROWTH OF COTTON PRODUCTION IN NYANZA AND WESTERN PROVINCE, KENYA 1925–1960

Year	*Output of cotton lint (tons)*	*Approx. hectares*
1925	223.5	4 000
1930	170.0	5 600
1935	1385.7	24 800
1940	2056.2	37 600
1945	879.1	16 000
1950	1400.6	26 000
1955	2011.5	35 000
1960	2214.4	36 000

Source: H. Fearn (16).

The table shows that expansion of cotton throughout the whole western part of Kenya, of which Kisumu District is only a part but for which separate records are not available. However, the district cotton area has never exceeded 10 per cent of the overall total.

Expansion was rapid until the Second World War, but during the last thirty years cotton production has not expanded, despite recurrent and heavy doses of administrative enthusiasm and of extension efforts. Although research trials have been conducted to find solutions to optimal agronomic practices, such as short-term and drought-resistant varieties, date of planting, and optimal planting intensities in mixtures (Kisumu peasants traditionally plant all crops with a high degree of crop-mixture), typical peasant yields have never exceeded 200 kilo per hectare. Today, it would seem that cotton production has stagnated completely.

There are larger areas of uncultivated land in Kisumu District than in Kisii District, but cotton has

to compete with maize and sorghum for labour at time of planting, which is a limiting factor, in view of rainfall uncertainty and the need for timeliness in planting. The opportunity cost of food-grains foregone is higher at local market prices than the expected cash incomes from cotton, and the net income earnable from even as much as one hectare of cotton could be earned from casual labour in less than two months at minimum rates. These would appear to be very real considerations which affect commercial agriculture in Kisumu District.

It has been shown that from 1960 onwards there has been a significant change in peasant agriculture in Kisii District with rapid expansion in areas planted with coffee, tea and pyrethrum. Whilst the total expansion looks large, it represents only small individual planting by many producers. Individual peasants still plant larger areas of food crops and it needs to be noted that in the period under discussion the introduction of hybrid maize enabled a doubling of yields. Thus, although commercial crop production has increased, there is no evidence to show that this increase has been at the expense of subsistence agriculture. In Kisumu District subsistence agriculture has always remained predominant.

The Importance of Subsistence Production

In general, peasant small-holders attempt to grow enough maize, and/or millet and sorghum to meet the expected family food consumption needs. This is a widely accepted constraint of peasant agriculture, and it is generally explained as sound economic behaviour in the face of risk. It is important to illustrate this constraint with the use of examples. In Kisumu District the biggest risk peasants face is the irregularity of rainfall, a very common risk in savannah agriculture in East Africa. The unrealiable yields suffered in irregular rainfall regimes constitute an even greater economic risk with reference to relative prices. Another basic condition facing peasant agriculture is the wide difference between official buying prices offered for surplus grain harvests and local market selling prices, a difference that varies seasonally so that to buy maize in July a Kisumu peasant would have to pay three times the official price.

Subsistence production is also sound economic behaviour in the face of certainty; for it is now a virtual certainty for the peasant that his terms of trade with the industrial world will always worsen. If UNCTAD temporarily elevates price levels in international trade it is no guarantee that the terms of trade to the peasantry will improve. As long as he consumes the products of the developed world through the intermediary of his native urban bourgeoisie (the 'service' sector), and as long as his main marketable produce is raw material proceeding through the same chain, the law of surplus value would appear to make it inevitable that increasingly more of his own output exchanges for less of his purchased consumption.

Thus, in Kisumu District, not only do the peasantry try to cultivate all the grains they may need for consumption, in which many fail due to unreliable rainfall and diminishing land resources, but they also appear to be aware that cotton incomes give lower returns to their labour than a chance piece of casual labour in other sectors. The situation facing cotton growers in Kisumu, compared with commercial agricultural options in other areas, is particularly bad. Cotton yields seldom exceed 200 kilograms per hectare, and maize yields are on average only 700 to 1000 kilograms per hectare, and then one year in four the rains fail so badly that there is always a need to back up maize cultivation with considerable planting of sorghum. From the available data it is possible to show that there has been a long historical basis of price relationships in Kisumu that give cotton cultivation very poor substitution rates of return in terms of maize cultivation foregone and in terms of the time needed to spend in casual labour to secure the same income. Table 3 shows these substitution rates over the whole period of cotton growing in Kisumu from 1930 to the present day.

TABLE 3

SUBSTITUTION RATES BETWEEN THE INCOME FROM ONE HECTARE OF COTTON, THE COST OF MAIZE YIELD FOREGONE, MONTHS OF CASUAL LABOUR AT URBAN WAGE RATES, 1930–75

Year	*Cotton price (kg)*	*Maize price (kg)*	*Monthly urban wage (shs.)*	*Cotton income/ha*	*Cost of buying maize yield foregone*	*Value of cotton income in terms of months of casual labour*
1930	0.25	0.10	30.00	50.00	70.00	1.6
1940	0.33	0.10	35.00	66.00	70.00	1.8
1942	0.26	0.10	40.00	52.00	70.00	1.3
1944	0.34	0.10	40.00	70.00	70.00	1.7
1950	0.70	0.14	50.00	140.00	98.00	2.8
1955	1.27	0.40	69.00	254.00	217.00	3.7
1975	1.90	1.00	215.00	380.00	700.00	1.8

Sources: H. Fearn (16), N. Leys (17), Lord Hailey (18), and District Agricultural Reports of the Ministry of Agriculture.

The relationships shown here indicate that the cost of not being self-sufficient in grains is rising at a higher rate than the returns from cotton. Hence the relative unattractiveness of growing cotton as a contribution to meeting the cost of living. But cash incomes still have to be secured and, measured in returns to labour, these are easier to secure in casual labour than in commercial crop production. However, the labour market is limited, and therefore cotton still continues to be grown by those households who cannot meet their income needs in other ways, including households with elderly or female heads.

If there are rather obvious reasons why cotton is not a viable basis for a development of commercial agriculture in Kisumu, there are less obvious reasons for limitations to the popularity of cash crops in Kisii, where pyrethrum alone can give net incomes of Shs. 6000 per hectare. This kind of per hectare income represents the cost of buying almost twice the amount of maize, at market rates, that a hectare could produce in Kisii. And it is over twice the income that urban casual labour could give over twelve months. Yet pyrethrum, tea (Shs. 3000 per hectare feasible net income), and coffee, only occupy about 30 per cent of the area of peasant holdings in Kisii, whilst maize and millet occupy 40 per cent, and grazing land 30 per cent. The growth rates in production of pyrethrum, tea, and coffee, whilst remarkable, are overshadowed by the growth of maize production of which little is exported from the district.

In the sample survey it was found that different crops grown on peasant holdings occupied proportions of land as shown in the following Table 4 where the data are arranged according to different strata of size of holding.

TABLE 4

STRATIFIED LAND-USE PROPORTIONS IN MWOGETO SUB-LOCATION, KISII DISTRICT (sample based)

Size-groups (hectares)	*0–0.9*	*1.0–1.9*	*2.0–2.9*	*3.0+*	*Total sample*
Maize	35	29	28	28	28
Finger-millet	13	11	10	9	11
Pyrethrum	5	11	10	10	10
Tea	2	7	13	7	8
Coffee	17	14	14	7	13
Grazing	28	28	21	35	28
Other	—	—	4	4	2
Total	100%	100%	100%	100%	100%

It can be seen that although the proportion of land used for food crops is markedly higher on the smallest holdings, there is also a fairly constant relationship in which food crops occupy as much or slightly more land as the cash crops on all sizes of holdings, even the largest.

This apparent priority for complete self-sufficiency in maize exists in a situation where hybrid maize is grown almost universally, and where very high yields are achieved. One tenet of conventional wisdom on agricultural improvements for the peasantry is that, if higher yielding innovations can be introduced in food crop production, whilst using the same resource base, land and labour can be released for cash crop production. Hybrid maize, introduced in Kisii in 1965, has doubled yields, yet since then the area planted with maize has increased faster than it has for any other crop.

As all maize sales outside the district (i.e. maize not used as food by the peasantry of the district), passes through the parastatal marketing board, it is possible to see how much of the increased yield is sold and how much is consumed. In fact, when the area planted with hybrid maize increased from 14 000 hectares in 1969 to 28 000 hectares in 1972, and output of all maize from 80 000 to 136 000 tons in the same period, the average sales per head only increased from 3.9 kilograms to 7.1 kilograms whilst the amount consumed increased from 115 kilograms per head to 172 kilograms, a remarkably high absolute increase. It would seem that the introduction of hybrid maize, far from releasing resources for expanded production of commercial crops, actually encouraged the absorption of more of these resources with the main aim for small-holders of becoming more self-sufficient at higher levels of consumption.

Looking to the future, it is reasonable to expect that as population increases food crop production will compete even more strongly for resources and that despite high potential financial returns cash crop production will stabilize. Future changes in land tenure could, in theory, be dominated either by greater fragmentation by inheritance or by accumulation and increasing differentiation based on commercial farming. But the evidence is that land is still overwhelmingly valued as a secure basis for subsistence, and the most important legacy to bequeath to the next generation. As large areas of agricultural land in the nation are not freely accessible (the scheduled areas), so the pressure on land in the 'reserves' is increased, and this tendency is intensified.

The evidence on trends in land tenure exists in the records for transactions in land. All transfers noted in the Kisii land register were sub-divisions of larger holdings between a larger number of new owners, whose names were new to the register. The evidence also shows that the trend should continue in the future as shown by the relative family sizes on different sizes of holding observed in the sample survey. It was observed that the larger the holding the more sons in the family who were entitled to inherit the land. This is shown in Table 5.

TABLE 5

SAMPLE OBSERVATIONS OF NUMBER OF SONS ON HOLDINGS OF DIFFERENT SIZES

Size of holding (hectares)	0–0.9	1.0–1.9	2.0–2.9	3.0+
Average sons per household	1.96	2.89	3.58	5.0

This would suggest that the scale of differentiation in land holding may even be reduced in the future as the larger holdings should be subject to a greater degree of fragmentation than the smaller ones.

The Importance of Non-Agricultural Incomes

In assessing the potential of commercial agricultural options to generate incomes in rural areas it is important to try and see these options from the view-point of the peasantry. If it is true that other

sources of income are more valuable, and reasonably widespread amongst the peasantry, then one would not expect that the mass of peasant households would view cash crops as such a prime source of income, as do agricultural administrators. In Kenya non-agricultural incomes are important to a large number of peasant households. Extended family obligations, a large civil service and a well-developed business and trading sector make non-agricultural incomes available to a broad spectrum of the rural population. Thus, although it is frequently stated that over three-quarters of the population of Kenya rely on agriculture for their incomes, their incomes are actually a composite quantity from a variety of sources.

It could be expected that Kisii District, of all the districts of Kenya, has an income base most solidly dependent on local agricultural production. Historically, the people of Kisii, the Gusii, were the least involved of all tribal groups in Kenya in supplying migrant labour to the colonial economy—to the large farms and the towns. Isolation, and a relatively strong passive resistance to colonial rule were behind this.[19] Today this is reflected in the relatively small proportion of Gusii tribesmen who are found outside the home district compared to the urban migrations of other tribal groups. Of the five largest tribal groups in Kenya, the Gusii have the highest proportion, 94 per cent, of their number concentrated in their home district. Moreover, within the home district urban development is a relatively minor phenomenon. Although they are the fifth largest tribe the township of Kisii is only the tenth largest in Kenya, excluding the metropoli of Nairobi, Mombasa and Kisumu. Apparently, the number of people from Kisii district who live in urban areas is relatively few. And although future developments in commercial agriculture may be under question, the present scale of agricultural production is relatively high with Kisii peasants earning some of the highest peasant agricultural incomes in Kenya. However, the sample survey in Kisii District, conducted wholly amongst peasants whose homes were agricultural holdings, shows that only 42 *per cent of the aggregate sample income was earned from the sale of agricultural products.*

Fifty-six per cent of the aggregate income was earned directly by family members in a wide variety of non-agricultural occupations, and 57 per cent of households had access to such incomes. The sources of these incomes were varied, and many were directly related to local raw materials, for example, brewing, basket making, pottery and petty trading in the market place. Others were more widely related to the general level of wealth in the area; they came from employment or self-employment in local shops, hotels and butcheries, and in local transport—taxies, lorries and buses. Eighteen per cent of the whole sample had access to these latter incomes, which constituted 30 per cent of the aggregate non-agricultural earnings. Other sources that contributed to the general level were small-scale industry —timber felling and charcoal burning—and the public sector—the teaching, police and administrative branches of the civil service. Such sources contributed an amount equal to three-quarters of the value of incomes from agriculture, and were available to 17 per cent of the sampled households.

If non-agricultural incomes were unexpectedly high in Kisii District, they were almost the only significant source of income amongst the rural sample taken in Kisumu District. It has already been indicated that cotton in Kisumu District has failed to make any impact on rural earnings. Ninety-one per cent of the incomes earned by the sample studied in Kisumu were from outside agriculture. The range of the different types of income sources were similar to that described for Kisii District, but the importance of urban-based incomes was very much greater. Not only is agricultural productivity low in Kisumu District, but there has been a longer tradition for people from the district to seek employment in the urban areas of Kenya. This applies particularly to the young men of the district many of whom work permanently outside western Kenya. Because of this there is a high remittance component in rural incomes in Kisumu—13 per cent of the aggregate sample income.

The lack of commercial agriculture in Kisumu District may be partially attributable to the importance of subsistence production, but even subsistence production fails to meet more than 50 per cent of food requirements of the bulk of households and parts of the urban incomes are used to support a

flourishing import of basic foodstuffs into the district. In some respects it appears that peasant agriculture in this district is so poor that rural households could be more properly described as displaced urban households as they rely so heavily on urban incomes.

Although the importance of urban incomes is being underlined here, it must not be supposed that urban opportunities are limitless. Urban employment is certainly not increasing at anything near the rate of population increase but renumeration in urban employment is continually increasing its status in relation to the meagre earnings from agriculture possible in the district. This is borne out by the rapid growth in the population of Kisumu town in relation to a much slower growth of wage employment in the town over recent years. The average annual growth in wage employment has been just under 2 per cent per annum, and the population growth rate of the town has been more nearly 6 per cent, half of which represents an influx of people from the rural areas. However, urban wage rates have increased at a rate sufficient that the average share of the total wage-bill per head of urban population has remained more or less constant. This would indicate that not only are urban wages supporting a large number of rural residents but that many of the latter are migrating to the town to live with relatives there in the eventual hope of becoming employed themselves.

Conclusion

It has been argued that some of the recent emphasis placed upon intensified cash crop production by small-holders is over-optimistic in its hope of increasing rural employment. Examination of the relative importance attached to subsistence production shows that it is competing heavily with cash crop production for scarce productive resources. It has been shown that even when potential returns from cash crops are so high that they can yield an income greater than the outlay necessary to purchase maize produced by the same resource combination, peasants still limit their involvement in specialized cash crop production.

It is suggested that one of the reasons for this is that there is a preference by the peasantry to utilize scarce land resources to improve levels of consumption from self-sufficient production, rather than to increase commercial production. This indicates a negative, or restrained, attitude to involvement in the market economy, and is also a reflection of the state of agricultural marketing in Kenya. The parastatal Maize Marketing Board controls movements of the country's basic food crop in such a way that the normal operative channels are from rural to urban areas. There is little effective bulk movement from different rural areas and officially marketed maize is only available to rural consumers in a completely processed and packaged form for which the marketing margin is high. Movements of unrefined maize between rural areas are confined to marketplace traders who operate on a scale too small to benefit from economies of scale. This creates uncertain conditions of price-level and supply in the local market places in areas of small-holder agriculture, and consequently encourages maintenance of a high degree of self-sufficient production.

Another significant failing of agricultural marketing lies in the uncertainty of the actual earnings to the producer of cash crops. Although the officially prescribed price for a crop may be reasonable, and follow price concessions on the international market, the marketing agencies have a reputation for unreliability in paying the producer his full entitlement due to mismanagement, lack of producer participation and a lack of control over the marketing deductions that local branches of marketing agencies can make from the officially prescribed price.

These uncertainties behind the marketing of cash crops also contribute to the tendency to diversify sources of income, and particularly to seek access to non-agricultural incomes, despite the growing limitation in opportunities for this. For, although they are limited, the levels of these incomes follow the cost of living index of basic material consumption (soap, paraffin, clothing, hardware, etc.) more

closely than do the price levels of cash crops.[20]

Clearly the small-holders of Kenya are a distinct peasant class who do not view agriculture as their only source of cash income but rely on it to maintain levels of consumption. In this way they value land highly as a vital asset for subsequent generations because access to agricultural land is so differentiated between the areas set aside for large-scale farming and the areas where the peasantry live.

In the opinion of the author there are severe limitations to changes that can occur in rural employment resulting from policies concentrating on research, extension and credit. These changes could only come about under a more equitable system of land tenure in the framework of an agricultural pricing policy linked to peasants' production costs and more generally to price levels in other sectors. To propose radical land reform as a solution under the present Kenyan government would probably be unrealistic, but the author would like to think that at least a better system of price guarantees, price subsidies, and rational distribution could be feasible and would contribute to greater specialization in agricultural production within the context of Kenya's present class structure.

Footnotes

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20 The author calculated the changing relationship between the prices of coffee, tea and pyrethrum, and urban wage rates, and the retail cost of a hypothetical 'peasant shopping basket', for the years 1960, 1967, and 1974. A standard annual shopping basket was proposed of 24 k of meat on the bone, 24 k of sugar, 12 litres kerosine, 20 bars of soap, 10 metres of cheap cloth, 50 packets of cigarettes. The retail cost of this basket in the three years was compared with (a) the kilograms of coffee, tea and pyrethrum a peasant could sell to buy the 'basket' at those years' crop price levels, and (b) the days of work at minimum daily rates in the same years to buy the same basket. The Table shows the comparison.

Year	*Coffee cherry (kg)*	*Tea (kg)*	*Pyrethrum (kg)*	*Days of paid work*
1960	289	276	62	65
1967	475	419	88	50
1974	1300	570	137	59

(N.B. price levels are for Kisii District, wage rates for urban areas.)
It can be seen that in fourteen years the basket's price increased to twice the amount of tea and pyrethrum, but remained about the same amount of work as a labourer.