

**The Role of Non-farm Activity on Rural Household Income Level: The case of Dabat Woreda, Amhara Region, Ethiopia,**  
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**Abstract**

*The study was conducted in north Gondar administrative zone, Dabat district, Woken kebele. The objective of the study focused on the role of nonfarm activities for rural house hold income level. The study aimed to assess the role of nonfarm activities on the rural house hold income generation. The study used cross sectional research design that was both quantitative and qualitative form. The collection of data involved both primary and secondary data sources to obtain the objective of the study. A total of eight villages of Woken Kebelle were selected purposely. China, Tenseye, Agoshimado and Banora were the four villages which had a total of 2000 households.*

*The sample size involved a total of 30 respondents which were selected with probability proportion sampling technique from the four village's households. Systematic random sampling procedure was employed to select these sampling respondents from the total household. From each village both qualitative and quantitative data were collected from primary and secondary data sources. In the interview, schedule was prepared to collect primary data from the sample respondents at household level. The secondary data was from set and hand materials. The data that was obtained from primary data such as, interview, question and focus group discussion was analyzed by simple description of words and narration forms. The data that was obtained from secondary data sources, such as questionnaires/survey, annual reports, soft copies from the internet and websites, and recorded documents were analyzed using simple descriptive statistics frequency distribution table, mean, percentage. The result showed that nonfarm practices or user engaged in daily labor of nonfarm activities. The 15%, 15%, 15% or 45% of nonfarm practices involved in petty, trade masonry, and other activities respectively. The analysis showed that more than 75% of the nonfarm activity users received more than 60 Birr per day. On the other hand, 20% of non-users farmers received more than 40 Birr per day. Only 10% of nonfarm users can receive less than 30 Birr per day.*

**Key Words:** Nonfarm Activity, Diversification income

## **1. Introduction**

### **1.1 Back Ground of the Study**

Over the last three decades the non-farming activities or economy has been gaining a wider acceptance in issue of rural development due to its positive implication in poverty reduction and improve income level (Reardon, 2000; Ells, 2001; Davies 2003). Participation in rural non-farming activity is one of the livelihood strategies among poor rural households in many developing countries (Maduma and webst, 2005). For developing countries like Ethiopia depending merely on agriculture could not provide sufficient livelihood opportunities to rural people. Rural non-farming activities can play a prominent role in reducing rural poverty and improve income level. The rural nonfarm sector play a vital role in promoting growth and welfare by slowing rural to urban migration, providing alternative employment for those left out of agriculture and providing or improving household income level through diversification (Lanjow, 2009).

In the study of Baretetol (2001), nonfarm activity is typically positively correlated with income and wealth in rural area of Africa. The positive wealth nonfarm correlation may also suggested that, those who began put in land capital faced an uphill bottle to overcome entry barriers and steep investment requirement to participate in nonfarm activities was not helpful in avoiding poverty.

In poor rural areas, some households made a positive choice to take advantage of opportunities in the rural nonfarm economy, rising income and opportunities of farm, reduce the supply of labor on farm. However, households were pushed into the nonfarm factors due to lack of opportunities on farm (Davis, 2009). In Amara regional state of north Gondar zone agriculture could not provide sufficient livelihood opportunities or income level to the rural area. Because of this rural farmers used this nonfarm activities or different nonfarm activities to reduce rural poverty and to get sustainable livelihood development.

### **1.2 Statement of the Problem**

People live in Woken Kebelle of Dabat district are excessively engaged in agriculture. Agriculture is the main source of income and employment, but it has been highly constrained by various reasons; lack of rainfall, high amount

of soil degradation, lack of awareness of the farmer about nonfarm activity and about the use of new technologies for agricultural production are some of the factors that affect farmers income. For example, low cropping, use of modern and traditional fertilizers, lack of awareness of farmers about modern livestock production system decreases from time to time. In this area, there is also increased population size and decrease farm land. In addition to this, there is no detail research on the level household income in this specific kebele.

Generally in this Kebelle, there is low production and productivity from farming activity or agriculture and also there is low level of income generation. Because of this, there is high food insecurity and famine. In order to improve the level of income of the rural area, farmers must use or promote this nonfarm activities.

### **1.3 Objective**

#### **1.3.1 General Objectives**

The general objective of this study was to assess the role of nonfarm activity on rural household income level.

#### **1.3.2 Specific Objectives:**

- To identify the role of nonfarm activities to increase rural household income level.
- To identify different types of nonfarm activities in the study area.
- To identify reasons of farmers that leads to participate in the nonfarm activity.

### **1.4 Research Question**

- What is the role of nonfarm activity in the rural household income level?
- What are the different types of nonfarm activities that are engaged in the study area?

### **4.3 Significant of the Study**

The information generated from this study is useful to rural farmers who live in Woken Kebelle. It is also useful in the formulation of appropriate policies on the nonfarm activity through cooperative to promote farm households and

increase small holders' income. In the study area, critically examining and addressing those specific research objectives help the extension workers to generate and disseminate nonfarm activity in order to raise or increase the income of the farmers and to achieve food security in. The role of nonfarm activity must be studied. The study is also useful for the society to create awareness about nonfarm activity to solve constraints and to motivate the society to increase the utilization of nonfarm activity in high percentage. The study can also support the farmers to understand the role of nonfarm activities and the availability of different nonfarm activities in their area. This study is very essential to support farmers to use those nonfarm activities, to increase their income level, to fulfill their basic needs and to live in better living standard conditions.

## **1.6 Scope and Limitation of the Study**

### **1.6.1 Scope of the Study**

The study focused on nonfarm activity by taking 30 sample respondents from the four villages. The data was collected from interviewees of Kebele Cooperative Officials and respondents. This study restricted itself to identify the role of nonfarm activities at household level and adoption of nonfarm activity in Woken Kebele of Dabat Woreda.

### **1.6.2 Limitation of the Study**

The study was conducted in Dabat Woreda Woken Kebele at household level. The Kebele has 8 villages, but the study focused on only 4 villages. The result of the data was obtained from the four villages, 30 sampling respondents, may not represent the whole households of the Kebele, Moreover, due to shortage of budget and time the study focused on some respondents from the total household and some villages from the total village of Woken Kebele.

## **2. Methodology**

### **3.1 Description of the Study Area**

Woken Kebelle is one of the Kebeles found in Dabat Woreda of north Gondar zone of Amara regional state of Ethiopia. Woken Kebelle is bordered with Dequa (south), Funote Selam (east), China (North) and Abitera (west) direction. The different national census have reported that the total population of Woken is estimated about 40,000. Out of these 26,000 of the population were males and 14,000 were females. The majority of the habitants (99%) are Christians, while 1% of the population are Muslims. The altitude of Woken ranges from 1180-2100 M.A.S.L. A survey of the land of this Kebelle shows that 45.5% of the land is cultivable, 44% was under alluvial crop, 6.1% pasture 2.8% forest area, and the remaining 2.8% swampy of muddy and degraded or unusable. Wheat, bean and barley are important cash crops in the area. The climate is classified into Weinadega (85%) and Dega (15%) zone. The major soil type found in Woken area is fertile.

### **3.2 Data Type and Data Sources**

In this research, both qualitative and quantitative data were collected from primary and secondary data sources. The main source of primary data were sample respondents from total households through interview, focus group discussion and the secondary data was collected from published and unpublished documents, kebele official reports and bulletins from different governmental and nongovernmental offices found in the Kebelle.

### **3.3 Sample Size and Techniques**

For the achievement of the objective of this study, purposive sampling technique was used to select north Gondar zone from the Amara region, Dabat Woreda from north Gondar zone, and Woken Kebelle from Dabat Woreda. Convenience sampling was used to get respondents from the area. The selected respondents were used to identify the role of nonfarm activity on rural household income level. And also four village areas were selected with purposively sampling technique from the total number of villages in Woken Kebelle. This was because other village areas were not comfortable to collect the data and to conduct the research. That means the areas are very far from the selected villages. 30 sample respondents were selected from the total household using non random sampling method. That means purposive

sampling technique was necessary since some respondent were using both farming and non-farming activity. So in order to know the role of nonfarm activity, to know the farmers that use only farming activity and to those who use both farming nonfarm activities, convenient and purposeful sampling was necessary.

### **3.4 Methods of Data Collection**

The data for this study was collected from both primary and secondary data source. The primary data was collected from the respondents through participant observation because it helped me to collect data simply by observing the respondents during deep interview. This method was optimal for collecting data on individual personal histories, perspectives and experiences about nonfarm activities. There was also group discussion. The respondents were divided into different groups and share their ideas with each other during this time the respondents raised several new ideas about nonfarm activities and their advantages. The secondary data of the study was collected by assessing recorded documents, annual reports and internet sources..

### **3.5 Methods of Data Analysis**

After collecting the required information from primary and secondary source, the data analysis was carried out. The qualitative and quantitative data were analyzed by different methods. The data that was obtained from primary data, was analyzed by simple description of words, narrations, whereas the data that was obtained from secondary data such as annual report, internet sources and recorded documents were analyzed using simple descriptive statistics such as: frequency distribution, tables, mean and percentage.

## **4. Result and Discussion**

### **4.1. Demographic (Socio-Demographic) Characteristics Of Sample**

A total of 30 respondents participated in the study as sources of data on the income level of nonfarm activities in the rural household. The socio-demographic characteristics of the respondents were summarized in the following table.

**Table 1: Socio-demographic Back-ground of Respondents in Woken Kebele**

Variable	Category value	Frequency	Percent
Sex of respondents	Male	22	73
	Female	8	27
Age distribution	20-29	6	20
	30-39	7	23
	40-49	8	26
	>50	9	30
Marital status	Married	30	100
	Single		
Educational level	Illiterate	8	26
	Read and write only	8	26
	1-4 grade	8	26
	4-8 grade	6	20

Source: own survey 2009

#### 4.2. The Role of Nonfarm Activities on Rural Household Income Level

**Table 2: The Role of Nonfarm Activities of Rural Household Income Level**

Level of income per day	Frequency		percent	
	User	Non user	User	Non user
20-30	2		10	0
0-50	3	2	15	20
>60	15	2	75	20
total	20	10	100	100

Source: own survey 2009.

Table 2 shows that from the total of 30 respondents, 20 respondents were engaged in nonfarm activities. The analysis shows that more than 75% of the nonfarm activity users could receive more than 60 Birr per day. On the other hand, 20% of non-users farmers could receive more than 40 Birr per day. Only 10% of nonfarm users could receive less than 30 Birr per day. On the other hand, 60% of non-user farmers could receive less than 30 Birr per day. Farmers that engaged in nonfarm activities could get or received high income than farmers that were not engaged in nonfarm activities.

In general, the analysis or data shows that the nonfarm activities are very important to increase the daily income of households and it leads to improve food security or it helps the farmers to eat three times a day.

## The Major Types of Nonfarm Activities

**Table 3: The Major Types of Farm Activities**

Types of Nonfarm Activity	Frequency	Percent
Petty trade	3	15
Masonry	3	15
Daily labor	7	35
Pottery	2	10
Ponny	2	10
Other activities	3	15
Total	20	100

Source: Own survey (2009).

Table 3 Shows that 35% of the respondents engaged in daily labor of nonfarm activities. The other 15%, 15%, 15% or 45% of the respondents involved in petty trade masonry and other activities respectively. Only 20% of respondents were involved in pottery and tannery nonfarm activities respectively. In general the analysis table shows that most nonfarm practices or user respondents involve in daily labor. So the daily labor was the main nonfarm activities in the study area.

**Table 4: Reasons of Farmers that Leads to Participate in the Nonfarm Activities**

Reasons of farmers that leads to participate in the nonfarm activities	Frequency	Percent
Insufficiency of income from agriculture	5	25
Growing family size	3	15
Decline land size, soil fertility and productivity	3	15
Seasonal nature of agriculture labor	4	20
Shocks (rain failure, short rainy season and flood	3	15
Favorable demand for goods and services	1	5
Possession of special skill	0	0
Others	1	5
Total	20	100

Source: Own survey (2009)

As shown above, the majority of farmers involved in nonfarm activities because they believed that agricultural income alone was not sufficient to assure food security. About 25% of the farmers participated in nonfarm activities and this tells that there was insufficient income from agriculture. In addition to this, farmers mentioned push factors that lead them to participate in nonfarm activities for example, 15% mentioned that growth of family size,

and shortage of land and natural disasters forced them to do so.. 20% said seasonal nature of agricultural labor, and 5% indicated favorable demand for goods and services, such as lack of electricity and market place in their village and so on. While there was no farmers participated to get possession of special skill one can observe that farmers participated basically due to push factors.

## **5. Conclusion and Recommendations**

### **5.1 Conclusion**

The study attempted to investigate the link between nonfarm employment and income level, and whether this nonfarm activities had positive role on household income level. The study indicates that nonfarm activities provided farmers more income to buy their basic needs, such as: food, clothes, shelter as well as health care. There were different types of nonfarm activities that farmers could use and these nonfarm activities had their own advantages for farmers. Most of them did daily labor types of non-farming activities. There were different reasons that pushed farmers to use nonfarm activity, but the top reason that pushed farmers to use nonfarm activity was insufficient income from farming activities.

### **5.2 Recommendations**

Based on the above conclusion the following recommendations were forwarded:

- Farmers should use nonfarm activities to fulfill their needs of possession of special skills and to get favorable goods and services.
- There are many different types of nonfarm activities in the study area but the farmers mainly used daily labor types of nonfarm activities, but the farmers should use all nonfarm activities available in their surroundings.
- In the study area, there are several extension workers and these extension workers can raise farmers awareness about non-farm activities and should advise them how to use both farming and non-farming activities together..

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