



Rural Development and Rural Non-Farm Enterprise Interventions in Jamaica: Policy Lessons from Three Case Studies

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In Jamaica, rural development has been a long-standing issue of concern. However, Jamaica's persistently high level of rural poverty, in contrast to urban poverty, points to the acute social and economic challenges being experienced in its rural areas. This raises questions about the effectiveness of the efforts and policies being employed for addressing the development challenges of the rural poor. Since the early 2000s, Rural Non-Farm (RNF) enterprise development has been promoted as a specific component of rural development projects by governments and donor agencies seeking to enhance income earning opportunities for the rural poor in developing countries. In line with this trend, the Government of Jamaica (GoJ) has undertaken several RNF enterprise development interventions in partnership with international development agencies seeking sustainable solutions to the rural development problem. This brief synthesises the findings from the evaluation of three case studies of RNF enterprise development interventions, all of which were considered to be strategic for rural poverty reduction in Jamaica. The case studies examined the livelihood and enterprise outcomes for the beneficiaries. This brief identifies the lessons learnt and makes recom-

mendations that warrant special attention if future interventions are to produce positive livelihood outcomes. The findings indicate that while each case provided evidence of the potential for the RNF enterprise intervention to enable financial gains for the beneficiaries, the initial income gains were not generally sustainable. Positive enterprise and livelihood outcomes were evident where the interventions supported carefully tailored and sequenced human capacity building initiatives to boost the competencies required for successful enterprise engagement. It was also found that market-access focussed RNF enterprise interventions, when combined with building social network linkages and strengthening communications between the small producers and buyers, enabled better access to information and marketing opportunities, which helped to sustain the enterprises. Ultimately, this brief points to the vital role of a sustainable livelihood evaluation framework as a better evidential basis upon which policy makers, donor agencies and implementing agencies may design more strategic RNF enterprise development approaches to produce sustainable RNF enterprises and livelihood outcomes for the rural poor.

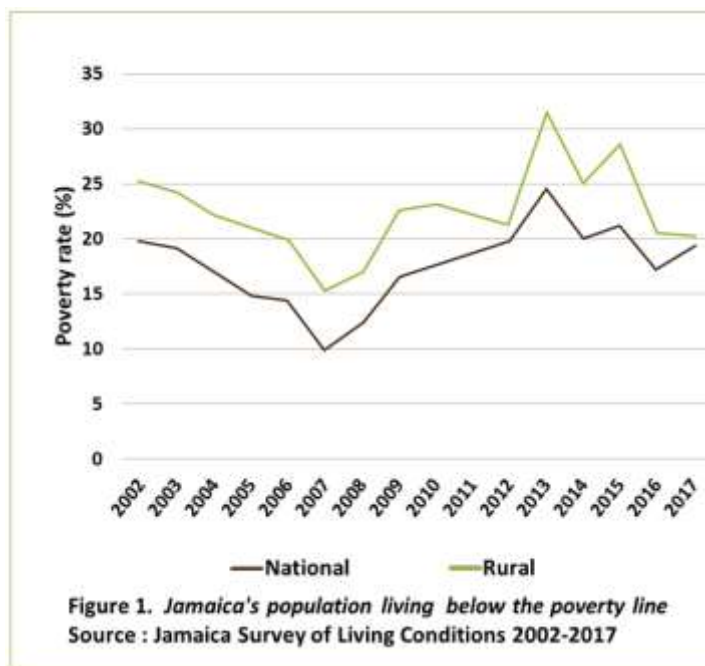
1. Background - Jamaica's Rural Development Dilemma

In Jamaica, rural development has been a long-standing issue of concern given its historical roots in the plantation economy system and the underlying negative structural factors¹ that have engendered a contradictory process of rural change in Jamaica (Weis 2001). Rural development has been defined by Gomes (1985, xii) as “a systematic process in which the control and productive use of resources and opportunities are directed to material and qualitative improvements of standards of living by rural households.” The state of rural underdevelopment and rural poverty in Jamaica was highlighted at the regional and international level from as early as the 1960s.² Nearly six decades since independence in 1962, promoting growth and economic development in rural Jamaica still remains a challenge. Jamaica is a small island developing state with a population of 2.8 million, of which approximately 44% reside in rural areas (STATIN 2017). Data from the Jamaica Survey of Living Conditions (JSLC) indicate that the national poverty rate³ trended upwards from 12.3% in 2008 to 19.3% in 2017, with poverty being consistently higher in the rural areas (STATIN 2017). Over the period 2010-2017, more than 20% of Jamaica's rural population lived in poverty, with the rate trending as high as 31.1% in 2013 (Figure 1).

Those identified among the poorest rural dwellers in Jamaica include agricultural and fishery workers, small producers and entrepreneurs, youth and women with multiple disadvantages including low educational attainment, limited job prospects, poor purchasing power, limited access to social services, poor infrastructure and amenities, seasonality of employment, limited access to capital and credit, and vulnerability to environmental and economic shocks (PIOJ 2009, 2015a, 2017). The prevalence of rural poverty not only points to the acute social and economic challenges that rural persons continue to face, but it also

raises questions about the effectiveness of the policies and interventions that have been employed for addressing the development challenges of our rural poor.

In its Vision 2030 Jamaica-National Development Plan (PIOJ 2015b), the GoJ outlined an ambitious development agenda with four national goals: Goal 1 - Jamaicans are empowered to achieve their fullest potential; Goal 2 - The Jamaican society is secure, cohesive and just; Goal 3 - Ja-



maica's economy is prosperous; and Goal 4 - Jamaica has a healthy natural environment. This agenda has targeted the eradication of poverty by 2030 and highlighted sustained and inclusive growth as priorities. It has recognised the critical role that rural development must play and the need to address the problems of rural poverty and underdevelopment. Since the crafting of the Vision 2030 Plan, the COVID-19 Pandemic has introduced a new dynamic to the rural development dilemma in Jamaica, exposing existing vulnerabilities and creating new ones⁴, which if not addressed in the short term, have the potential to turn

¹ The Jamaican political economist, George Beckford, in his 1972 classic, *Persistent Poverty*, highlighted the dominating influence of the economic, social and political/institutional structures supporting the production and marketing of plantation crops that limited the accessibility of critical resources, infrastructure and amenities to the rural peasant poor in plantation economies across the Third World.

² Rural development was the subject of a 1964 United Nations Educational, Scientific and Cultural Organization (UNESCO) report *Rural Development in Jamaica* as well as the Report of the Caribbean Regional Workshop on Integrated Rural Development held in Jamaica in October 1969 and sponsored by the UNECLAC Caribbean Regional Office.

³ The Planning Institute of Jamaica (PIOJ) measures poverty in absolute terms using a consumption-based method. The PIOJ's poverty measurement is based on calculating a food poverty line that is the monetary value of the minimum food basket and expenditures on basic non-food items required to fulfil a low-income family's basic needs (PIOJ 2017). The most recent poverty line was estimated to be J\$143,687 in 2012.

⁴ The social distancing restrictions and lockdown measures in Jamaica's rural areas not only disrupted social activity and strained the available health, social and administrative services, but also interrupted supply chains, slowed production and sales and exposed the poor digital connectedness that impedes rural access to remote learning and business support platforms.

the impacts of a systemic shock into a more permanent phenomenon of enduring absolute poverty and deep inequality (World Bank 2020). According to the World Bank's Macro Poverty Outlook 2020 for Jamaica, the national poverty rate was projected to rise by 4 percentage points from 19% in 2019 to 23% in 2020, thus placing Jamaica's prospects for sustained, inclusive rural development even further out of reach (World Bank 2021). Hence, our policy makers are now doubly challenged to devise policies and strategies with key elements for rural structural transformation, capacity development and resilience building as well as seek innovative solutions that can withstand the test of new shocks.

2. Making the Case for RNF Enterprise Policy and Strategies in Jamaica

Jamaica's rural development policies have traditionally targeted the agricultural sector as the main driver for achieving rural economic improvement. While acknowledging agriculture's important contribution to rural incomes, employment and food security, and its strong backward and forward linkages with the rest of the economy, there is a growing recognition by development scholars and practitioners of the role of the rural non-farm economy (RNFE) as a significant source of economic diversification and livelihood enhancement (Reardon, Berdegue and Escobar 2001). The RNFE is defined as "all those income-generating economic activities including income in-kind, that are not agricultural but located in rural areas" (Davis and Bezemer 2003, 5). A detailed exploration of the dynamics and role of the RNFE in developing countries by Reardon (2007) indicated that the RNFE accounted for 30% of rural employment in Latin America. The analysis of data from the STATIN 2009 Labour Force Survey showed that more than 60% of Jamaica's rural labour force was engaged as skilled and unskilled wage labour in the service, manufacturing, construction, transportation, finance, hospitality and mining sectors, and self-employed in micro-enterprises involving retail, craft, heritage and agro-processing (Gordon 2018). This RNFE, in Jamaica, is the other "rural reality" in which a significant portion of Jamaica's rural population is engaged, and according to some studies, it has the potential to provide a path out of poverty for rural persons (Sherraden 1991; Boshara, Friedman, and Anderson 1997).

Since the early 2000s, RNF enterprise development has been promoted as a specific component of rural development interventions by international development agencies and governments seeking to expand and diversify income-earning and self-employment opportunities for the rural poor (IFAD 2003; Nagler and Naudé 2014). RNF enterprises are typically small, informal enterprises engaged in the production of basic non-primary consumer goods and services such as agribusiness, trade and retail, tourism, rural industrialisation, construction and mining in rural areas (Nagler and Naudé 2014, 2-3). Promoting the RNFE may in fact align well with one of the strategic priorities of the GoJ's Vision 2030 Long-Term Development Plan, namely, the development of the capabilities of micro-, small- and medium-sized enterprises (PIOJ 2009). The government has furthermore sought to support these enterprises to realise their potential to contribute to economic growth and innovation, as well as reduce the constraints to their development. This support has been concretely expressed in the development of a comprehensive Micro Small and Medium Enterprise (MSME) Policy⁵ that seeks to address the issues that have traditionally affected MSMEs locally and nationally.

In rural Jamaica, RNF micro-enterprise activity has emerged within a historical, economic, socio-political, and spatial/environmental context that presents a range of challenges and constraints to their growth and survival. These constraints include limited skills, educational attainment and entrepreneurial capabilities, limited access to business development services and formal finance, combined with underdeveloped technology, information, communication and transportation infrastructure and distribution channels, plus environmental vulnerability (Petrin 1994; Peterson and Simms 2012; Dunn, Waller and Northover 2013; Gordon 2018). The effectiveness of interventions seeking to support micro-enterprise development and growth among Jamaica's rural poor hinges on the extent to which the interventions address these constraints. Over the last two decades, several RNF enterprise development interventions have been undertaken in Jamaica in partnership with international development agencies. Significant among these were: the USAID/Jamaica Business Recovery Programme (JBRP) Technical Assistance and Grants for reconstruction activities to eligi-

⁵ See Jamaica's *Micro, Small and Medium-sized Enterprise (MSME) and Entrepreneurship Policy* (MIIC 2013) which defines micro-enterprises as those with fewer than 5 employees with total annual sales not exceeding J\$10 million. Small enterprises are defined as having 6-20 employees and a total annual turnover of J\$10-\$50 million, while medium-sized enterprises have 21-50 employees with an annual turnover of J\$51-\$150 million.

ble small and medium enterprises⁶; the World Bank funded Rural Enterprise Development Initiative (REDI) supporting small-scale rural farm and non-farm enterprises by expanding marketing channels for their products⁷; the European Union Banana Support Programme (EUBSP)⁸; the Enterprise Start-up component of the European Union/GoJ Sugar Area Economic Diversification⁹ Programme, and the IDB/GoJ Productive Integration of Micro-enterprise in Jamaica (PIMJ) Project aimed at improving the competitiveness and profitability of remote small-scale rural agro-processing enterprises.¹⁰ In addition, there have been multiple community-based RNF enterprise projects supported through various combinations of public/international agency/private sector partnerships.

3. The Need for Evidence-Based RNF Enterprise Policy and Action Plans

In this policy brief, we raise the concern that RNF enterprise policies, strategies and interventions need to take into account sound research evidence and lessons learnt about the effectiveness of prior interventions (Sutcliffe and Court 2005). On the journey towards achieving rural development goals, evidence-based policy and development interventions informed by rigorously established methodologies are critical resources for ensuring more desirable outcomes and effective allocation of scarce resources. In 2019, the GoJ became a signatory to the IDB-funded CARICOM Results Based Management (RBM) System¹¹, committing to the implementation of a National RBM policy and acknowledging the value of adopting re-

sults-oriented policies and programmes. This implies an acknowledgement of the importance of developing policies, strategies and interventions being informed by *sound evidence*.

Evidence-based policies and practices are especially important for driving interventions whose effectiveness is highly dependent on context and on the implementation modalities employed for delivering the outputs. Rural micro-enterprise policy in the complex social contexts found in rural Jamaica should be based on evidence that emerges from evaluations that address not only the achievement of targeted final outcomes, but also the effectiveness of the interventions' interacting components, or approaches, in terms of how these shape livelihood outcomes for the intended beneficiaries. That is, how well do RNF enterprise interventions enable the delivery of the five critical capital assets (human, social, physical, financial and natural) necessary for livelihood enhancement, resilience and enterprise sustainability? Certainly, in supporting and designing evidence-based policies and strategies for RNF enterprise interventions, policy makers and donors should seek answers to the questions in Table 1 below.

The next section discusses the specific RNF enterprise interventions, the development effectiveness of which has been assessed using a robust methodology that provided answers to these questions.

⁶ The JBRP emerged from a Hurricane Ivan Business and Agriculture Recovery Programme funded by USAID, and implemented by Development Alternatives, Inc/Fintrac and the Jamaica Exporters' Association (JEA) over the period December 2004 to January 2006. One component of the programme involved grants and technical assistance to agricultural and craft micro-enterprises to help to re-establish the businesses (DAI 2006).

⁷ In 2009, the World Bank provided a US\$15 million loan to the GoJ to establish REDI, which aims to improve the lives of Jamaica's rural poor through various methods of economic stimulation, job creation and mobilisation in the agricultural and tourism sectors. Six RNF enterprises were supported under this initiative.

⁸ The Jamaican Ministry of Agriculture's 2007 Report on the EU Banana Support Programme noted that the last phase of the programme focused on economic diversification via a grant in the sum of €1.9 million to finance projects which could support alternative livelihoods in the communities affected by the fallout in the banana industry.

⁹ The Economic Diversification Programme was a component of the Jamaica Accompanying Measures for Sugar (AMS) for supporting the GoJ in its implementation of the Jamaica Country Strategy for the Adaptation of the Sugar Industry. The programme which began in 2009, provided approximately J\$800 million in small grants to displaced sugar workers to establish farm and non-farm enterprises in the Monymusk, Bernard Lodge, Frome, Long Pond/Hampden and St. Thomas Sugar Company sugar-dependent areas.

¹⁰ The PIMJ's main goal was to contribute to the competitiveness of micro-enterprises in Jamaica by strengthening opportunities for micro-entrepreneurs to take advantage of natural market linkages between agriculture and tourism. The project targeted the craft and agro-processing sectors deemed to have the greatest potential for growth with opportunities to produce culturally linked products for local and export markets. The PIMJ was launched in 2006 with a technical cooperation grant of US\$410,000 from the IDB and a matching sum of US\$331,000 from the JBDC (JBDC 2010).

¹¹ In 2012, CARICOM began work to establish a Results Based Management (RBM) System to enable a more results-oriented culture within its Secretariat, regional institutions and individual member states. Member states signed on to a MOU in 2019, committing to support the implementation of the RBM system and the development of national RBM policies. In January 2021, CARICOM, in collaboration with the Independent Evaluation Group (IEG) of the World Bank, officially launched the CARICOM RBM System.

LIVELIHOOD ASSETS TO BE ASSESSED	RELEVANT VARIABLES	QUESTIONS TO BE ANSWERED REGARDING LIVELIHOOD OUTCOMES
HUMAN CAPITAL	-Education -Technical skills -Vocational skills -Business skills	✓ Have participants acquired education, training or skills which put them in a stronger position to grow their enterprises and pursue other livelihood strategies?
PHYSICAL CAPITAL	-Ownership and access to real property, tools, equipment and productive assets	✓ Are persons materially better off with better access to the equipment and tools required to improve their productivity?
FINANCIAL CAPITAL	-Earnings -Savings, -Access to credit -Investment	✓ Are persons better off financially and/or able to save and access the finances needed for sustaining the enterprises?
SOCIAL CAPITAL	-Membership, support and relations of trust in term of linkages, affiliations and networks developed	✓ Are persons in a stronger position to lobby, negotiate and access resources through improved network linkages?
NATURAL CAPITAL	-Access to Natural Resources	✓ Do persons have better access to and control over natural resources?
RESILIENCE (as a composite, synthetic characteristic of the capital assets)	-Reduced vulnerability, economic and psychological security (or as a composite of access to and ownership of livelihood capitals)	✓ Are persons better able to cope with economic and environmental shocks?

Table 1: Summary of livelihood assets and related questions to be answered when assessing the effectiveness of RNF enterprise interventions

4. Methodology: The Assessment of Development Effectiveness

A multiple case study method (Yin 1981) was designed to provide rich descriptive data that was useful for: *a*) identifying and explaining a range of textured outcomes indicative of livelihood and enterprise sustainability as well as *b*) providing important insights about the effectiveness of the implementation modalities for enabling livelihood and enterprise outcomes for the beneficiaries. The traditional approach to the assessment of development effectiveness is through systematic reviews using monitoring and evaluation frameworks to assess project management and organisational performance for cost effectiveness and efficiency and to assess impacts in terms of achievement of planned objectives after five years (Kindornay and Morton 2009). At the core of the case studies was a conceptualisation of development as the sustained improvement in the livelihoods of individuals *due to improved capabilities and access to livelihood assets* (Chambers 1983; Sen 1993; Scoones 1998; Bebbington 1999). This perspective of development therefore necessitated an evaluation of de-

velopment effectiveness that focussed on livelihood outcomes for the intended beneficiaries, and this in turn required an additional lens for assessing effectiveness and development outcomes for the rural beneficiaries, especially given the complex context in which micro-enterprise activity is pursued in rural Jamaica.

The Sustainable Livelihoods Framework introduced by Chambers and Conway (1992) highlights the importance of *a*) the forms of capital assets that people can draw on to pursue livelihood activities (human, social, physical, financial and natural), *b*) the opportunities and constraints arising from institutional structures and their approaches (e.g., RNF enterprises interventions, their modalities/approaches and the support they provide), *c*) the context within which people pursue their livelihoods and *d*) their vulnerabilities, in shaping livelihood outcomes for the rural poor (see Figure 2).

It is these core premises and associated theoretical concepts together with an implicit theory of change underpinning RNF enterprise development interventions that

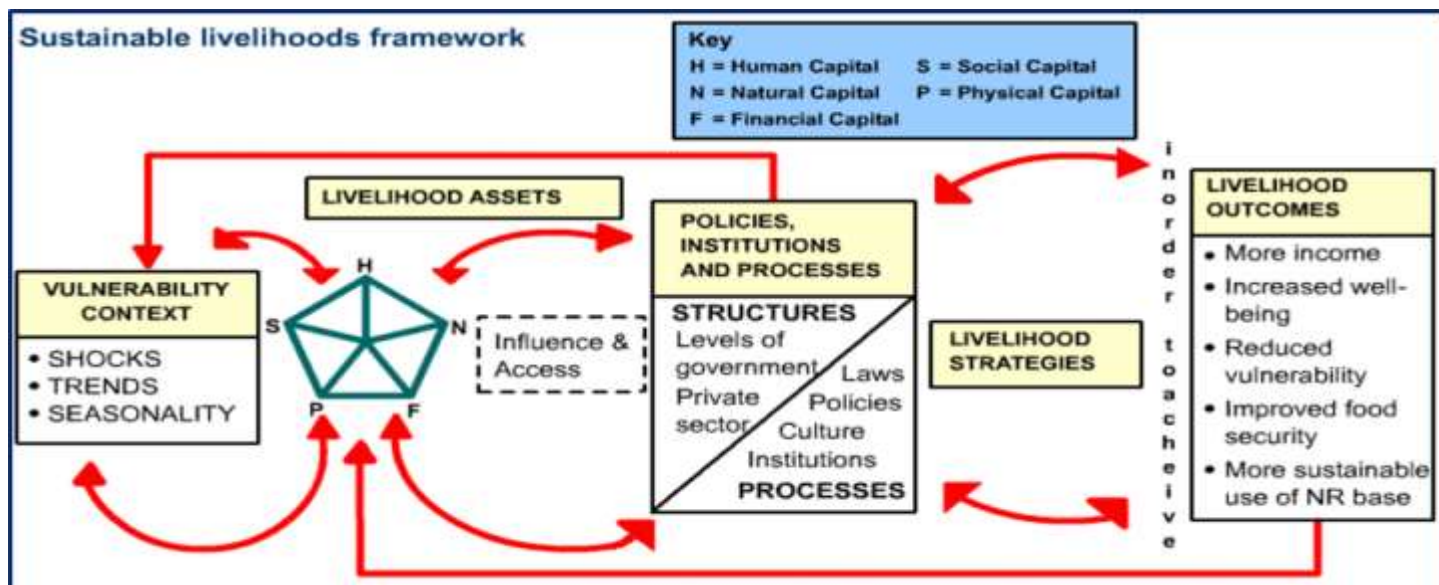


Figure 2: *The Sustainable Livelihoods Framework*

Source: DFID Sustainable Livelihoods Guidance Sheets, Section 2.1

informed the conceptual framework that guided the assessment of development effectiveness in the case studies. The studies therefore examined whether the intervention's outputs enabled improved capabilities and access to critical livelihood assets, whether positive changes were being manifested and whether those changes resulted in the achievement of sustainable enterprises and livelihoods. The main research questions for the case studies were:

- I. *What were the livelihood outcomes of RNF enterprise development interventions for the intended beneficiaries?*
- II. *How effective were these interventions in delivering the critical capital assets required for enabling sustainable enterprise growth and wealth creation among the rural poor?*
- III. *What were the key factors influencing the livelihood outcomes of these interventions and have these factors enabled or constrained the achievement of positive livelihood and enterprise outcomes?*
- IV. *What designs helped to provide pathways out of poverty for the rural poor engaged in RNF enterprise activities?*

The case study assessments were carried out over the period 2012-2017. For each case study, the first stage of the research involved an assessment of livelihood outcomes for the beneficiaries based on data acquired mainly by means of a livelihood questionnaire administered face-to-

face to the targeted beneficiaries. The mostly open-ended questions were designed to elicit the information on the status of key indicators representing the beneficiaries' access to and ownership of the different forms of human, physical, financial and social capital assets that contributed to more secure livelihoods and sustainable enterprises, before and after the intervention. Due to the relatively small numbers of direct beneficiaries involved, as is typical of local rural micro-enterprises, survey respondents were purposively selected to include all accessible direct beneficiaries from the available sample frames.

The second stage of the evaluation involved the use of elements of the OECD/DAC evaluation criteria for *relevance, effectiveness and impact* (OECD 2002) to assess the appropriateness of the RNF enterprise interventions' designs and approaches for mediating access to the livelihood assets deemed necessary for enabling and sustaining the beneficiaries' enterprises. The approach involved combining data from secondary sources, data from the livelihood surveys incorporating the voices of the beneficiaries and data from interviews with key informants from the relevant implementing agencies. This provided *an explanatory analysis of what worked and what did not work over the short to medium term, providing early signals of the sustainability of the enterprises and the livelihood*

outcomes for the beneficiaries, consistent with a critical realist approach to evaluation (Pawson 2002). The interventions, evidence and lessons from these assessments are presented in the following sections.

5. Summary of the Selected RNF Enterprise Development Interventions

Based on the clusters of donor/GoJ-supported RNF enterprise interventions executed in Jamaica over the last two decades (2000-2020), three illustrative interventions were purposively selected due to an intrinsic interest in focusing on a few significant cases of GoJ/donor-supported RNF enterprise interventions that would: *a)* capture the diversity of RNF enterprise-based activities in which Jamaica's rural poor are engaged, *b)* provide details of the enterprise intervention mechanisms targeting the rural poor, and *c)* allow for an in depth assessment of the emergent enterprise and livelihood outcomes from which useful lessons for RNF enterprise intervention policy and strategy could be drawn.

The following interventions were selected for the case

studies on the basis of the selection criteria — *scope and scale, poverty profile of the beneficiaries, currency and accessibility to the participants*:

1. *The EU/GoJ RNF Enterprise Start-up Programme in the Monymusk Sugar Dependent Area, 2010.*
2. *The Treasure Beach Women's Group Benevolent Society Promotion and Training Project, 2011.*
3. *Interventions in the Lime Tree Garden Peanut Processing Enterprise, 2008-2011.*

Box 1 below summarises the three interventions, their scope, objectives and the poverty context surrounding the enterprises and the beneficiaries. Each of these selected interventions was considered to be representative of the intervention model being employed in a wider national programme and strategic to rural poverty reduction efforts in Jamaica (*scope and scale*), located in a rural space where poverty is significant and where the need for positive livelihood outcomes was critical (*poverty profile*), was completed at least two years before the case study assessment (2012-2017) (*currency*), and provided reasonable accessibility to the beneficiaries.

Box 1: Summary of the Cases

Case #1. The EU/GoJ RNF Enterprise Start-up Programme, 2010 - A sub-component of the European Union/ GoJ's **Economic Diversification Programme** in the rural parish of Clarendon within the Monymusk Sugar Dependent Area (SDA). The PIOJ (2009) classified most of the Monymusk SDA as having a high incidence of poverty, with between 21% and 30% of the households falling below the poverty line and facing a number of challenges including youth unemployment, low educational attainment (with less than 50% having completed high school) and job losses due to the 2009 layoffs of sugar workers following the loss of the EU sugar protocol and subsequent divestment of the Monymusk Sugar Factory.

This intervention which was managed by the Ministry of Agriculture and Fisheries' Sugar Transformation Unit was specifically intended to support the development of self-employment opportunities through the establishment of start-up micro-enterprises in the non-farm sector

as a means of providing alternative livelihood opportunities for the former sugar industry wage earners. It involved the disbursement of individual enterprise start-up grants of J\$150,000-\$170,000 in the form of tools, equipment and building material for constructing the retail outlets, groceries and other basic supplies for stocking the shops as well as business training delivered through intermediaries. This intervention which took place over the period January to December 2010 targeted 30 ex-sugar workers who established mainly grocery shops/bars in their communities. Data for the case study was gathered between July and September 2012.

Case #2. The Treasure Beach Women's Group Benevolent Society (TBWGBS) Promotion and Training Project, 2011 – One of several initiatives implemented in Jamaica by the World Bank supported Rural Economic Development Initiative (**REDI**). **REDI** aims to promote small-scale rural farm and non-farm enterprises by expanding marketing channels for locally produced goods and services. The TBWGBS operates a commercial retail outlet, the Treasure Hunt Craft Shop, which sells craft and gift

items produced by rural women craft producers from the community. Treasure Beach is a small rural fishing and tourism-based community with a number of small hotels, cottages and restaurants and a population involved mainly in fishing, tourism, agriculture and craft production. The PIOJ's 2008 Poverty Indicators Mapping Report indicated that between 11.5% and 21.8% of Treasure Beach's population were below the poverty line with high levels of youth and female unemployment and low educational attainment. The craft shop and its small-scale craft producers suffered from low sales and the seasonal tourism markets and sought REDI's assistance to expand their markets, increase sales and diversify their products (JSIF 2013).

The intervention was co-financed through REDI's Business Support Grant of J\$1,470,500 (70%) with the remaining 30% (J\$650,000) provided by the TBWGBS. The intervention's components included the refurbishing and re-organisation of the craft shop's sales counter and display areas, the development of promotional material, support for participation in promotional events and a series of training workshops. These were delivered between January and December 2011. The intervention targeted 24 direct beneficiaries. Data gathering for the case study took place between June and November 2014.

Case #3. Interventions in the Lime Tree Garden Peanut Processing Enterprise in St. Ann, 2008-2011 - The Peanut Processing Enterprise is a small-scale community-based agro-processing facility operated by 10 local persons. The processors faced many constraints including low

sales and limited management and marketing skills that hindered their efforts to sustain production. During 2008-2011, the peanut processing facility received enterprise development support through three programmes implemented simultaneously. At the time of the interventions, the peanut factory was the only enterprise producing value-added products and non-farm employment opportunities in the Lime Tree Garden farming community of 551 persons. The PIOJ's Mapping Poverty Report (PIOJ 2008) ranked Lime Tree Garden among the poorest rural communities in Jamaica with 46.9% of the population estimated to be living below the poverty line. The interventions involved: *a*) the Productive Integration of Micro-enterprise in Jamaica (PIMJ) Project executed by the Jamaica Business Development Corporation (JBDC) as part of a larger IADB/GoJ programme aimed at improving the competitiveness and profitability of remote small-scale rural agro-processing enterprises. The JBDC provided business development support in the form of product safety training, trademark registration, business plan development, packaging, labelling and marketing initiatives to improve market accessibility of the peanut-based products; *b*) the GoJ's Rural Agricultural Development Agency's technical advisory and extension services providing production and management advice; and *c*) Noranda Jamaica Bauxite Limited funding the maintenance and replacement of the processing plant's equipment and tools on an annual basis. Data for the analysis of livelihood and enterprise outcomes for the peanut processors was gathered between June and December 2015.

6. Main Findings

The assessment of the development effectiveness of the RNF enterprise development interventions revealed several important findings. In general, the aggregate cross-case findings suggested that all three interventions enabled income gains for the beneficiaries, although to varying extents. The surveyed craft producers involved in the REDI Promotions and Training intervention in Treasure Beach reported post-intervention fortnightly incomes averaging J\$33,952, or 42.3% higher than before the intervention. The surveyed ex-sugar workers in Monymusk who received the EU/GoJ RNF enterprises start-up grants reported average fortnightly incomes having increased by 37% to J\$17,130.43. The Lime Tree Garden Peanut processors reported mean fortnightly incomes having increased

from J\$4,700 in the pre-intervention period to J\$6,700 after the intervention, an increase of 42%. Notwithstanding, the sustainability of the income gains for the start-ups and the agro-processors, in particular, was threatened by irregularity of earnings and limited savings and reinvestment in the enterprises. Importantly also, broader human, social and physical livelihood capital gains and enterprise growth were not equally enabled by the interventions.

Findings from the EU/GoJ RNF Enterprise Start-up intervention in the Monymusk sugar dependent area revealed a failure by the project managers to identify appropriate enterprise start-up opportunities for the ex-sugar wage earners with limited education and entrepreneurial experience. This resulted in the establishment of "survivalist" retail start-ups in districts with low market demand. The

intervention's key objective to enable potentially viable non-farm business opportunities for these beneficiaries was not achieved, with only 9 of the 23 beneficiaries interviewed with start-ups still in operation at the time of the investigation, partly due to the beneficiaries' limited entrepreneurial skills and the executing agency's internal capacity constraints. Gender-related outcomes were also evident in this case study with female ex-sugar workers having higher start-up survival rates and investing more time in the home-based enterprises than the males who devoted more time to farming.

The beneficiaries of the EU/GoJ RNF Enterprise Start-up intervention in Monymusk and the GoJ/IDB PIMJ interventions in the Lime Tree Garden Peanut Processing Enterprise demonstrated limited uptake of the training delivered mainly due to a misalignment between the training initiatives and the beneficiaries' educational attainment, capabilities and training needs. Assessment of the EU/GoJ RNF Enterprise Start-up intervention revealed a narrow focus by the intervention on the delivery of physical capital inputs to establish the retail outlets with 19 of the 21 beneficiaries interviewed having scant recall of the content of training received. The assessment of GoJ/IDB PIMJ intervention in the peanut processing enterprise revealed a heavy focus on market accessibility initiatives and found that despite all 10 peanut processors' having participated in multiple training modules provided by the intervention, their most glaring deficiencies i.e., inadequate business management and marketing skills, persisted. Incoherent project design, short training delivery timelines and narrow focus reduced the effectiveness of the training intended to build the beneficiaries' capacities to manage and grow their enterprises, hindering the development effectiveness of these two interventions.

In contrast, the Treasure Beach craft producers involved in REDI's Treasure Beach Women's Promotion and Training intervention reported improved livelihood and enterprise outcomes on several fronts. The market access intervention model employed by REDI involved systematic pre-project engagement with the craft enterprise and its craft producers. Pre-project activities carried out by REDI in-

cluded detailed needs and capacity assessments which informed a coherent intervention design geared to addressing the craft enterprise and producers' multiple constraints, namely limited skills, poor social network linkages and limited market access. This REDI intervention not only improved the operations and sales of the enterprise, but effectively enhanced the capacities and knowledge of the craft producers through a series of workshops which exposed them to new skills, tools and practices. Importantly, the involvement of the Treasure Beach Women craft producers in the on-going workshops hosted by the operators of the craft shop led to strengthened social network linkages, greater access to market information and opportunities for collective marketing. This led to increased output and annual sales for the small craft enterprise from J\$173,410 in 2010 to J\$1,005,470 by the end of 2014, a substantial 580% increase. Many of the craft producers reported strengthened relationships of trust with the craft shop operators and increased awareness of marketing opportunities. These results support the contention that strengthened social network linkages provide a competitive advantage for groups or individuals in the pursuit of their livelihood activities (Burt 2000). Across all cases, however, the livelihood assets gained by the beneficiaries *were not sufficient* to lift them all out of poverty.¹² In particular, income gains described at the beginning of this section were insufficient to provide for beneficiaries beyond their basic needs, constraining their ability to grow the enterprises and reduce their vulnerability.

7. Key Lessons and Policy Recommendations

Some important lessons have emerged from the experiences and livelihood outcomes of the beneficiaries from the case studies. These lessons and suggested policy measures are intended to guide policy makers, donor agencies and local executing agencies in their efforts to assist the rural poor to find viable pathways out of poverty through their engagement in sustainable and adequately remunerative micro-enterprise activities. Pertinent general lessons learnt from these cases and relevant policy recommendations for government action follow.

¹²In reference to the PIOJ's National Poverty Line estimated at J\$143,687 in 2012.

Lesson #1. *Interventions supporting economic diversification through the establishment of rural enterprise start-ups require sound knowledge of the local business environment. Therefore, development agencies must prioritise assisting the beneficiaries to **identify viable enterprise activities** with prospects for accessing highly remunerative markets in the rural economy.*

Policy Recommendation: Ensure that State and Non-State Development agencies possess the appropriate institutional and individual capabilities to support RNF enterprise start-ups.

Governments and donor agencies promoting RNF enterprise start-ups must ensure that designated executing agencies possess the appropriate institutional and individual capabilities, i.e., the skills, knowledge and expertise for identifying new enterprise start-up opportunities and developing these into lucrative enterprises for small-scale producers and retailers. Action plans and strategies promoting particular types of RNF start-ups for the rural poor must be informed by thorough investigation into the range of opportunities that present themselves in the local rural environment and the factors that constrain the sustainability and survival of RNF enterprises. It is acknowledged that there is potential for the rural poor to establish RNF start-ups linked to sectors such as tourism, agriculture, construction and mining and also based on responsible use of the cultural heritage and natural resource base e.g., water and woodland. However, recommendations for such engagements must be based on thorough assessments by the executing agencies of local and national demand for the goods or services to be produced, physical and financial resource requirements and availability, entrepreneurial and management skill requirements and beneficiary capacity constraints.

Lesson #2. *Income gain as the **single measure** of the development impact of rural enterprise interventions is of **limited value**. The assessment of the **sustainability** of the income and other livelihood capital gains provides a more accurate gauge of the transformative impact of the interventions in terms of livelihood and enterprise outcomes.*

Policy Recommendation: Adopt a holistic evaluative approach in establishing the objectives of RNF enterprise interventions of development agencies.

Local executing agencies and donor agencies should adopt a **holistic approach** in establishing the objectives of RNF enterprise interventions and in assessing their development effectiveness. The focus ought not to be limited to the achievement of income gains from increased output and sales. Instead, the aim should be to capture the **transformative effects** of the intervention by assessing the **sustainability of the financial gains** as indicated, for example, by savings and reinvestments in the enterprise and assessing whether critical social, human and physical capital assets were gained and were able to **provide the means by which additional livelihood assets might be accumulated in the future** to enable more sustainable livelihood and enterprise outcomes. Sustainable livelihood principles should be reflected in national RNF enterprise policies and action plans. This should lead to the adoption of more strategic and flexible intervention modalities for enabling access to the capital assets required for supporting remunerative and sustainable enterprises.

Lesson #3. *For effective capacity-building, the **skills, knowledge and resource gaps** of RNF enterprise intervention beneficiaries must be identified **early** in the project cycle, given the known limitations of rural participants in terms of their educational attainment, entrepreneurial experience and physical and financial assets, especially for new entrants establishing start-ups. Successful livelihood and enterprise outcomes are achieved when intervention designs are skill level appropriate and internally coherent.*

Policy Recommendation: Proactively engage with intended beneficiaries using participatory processes to carry out needs assessments and other pre-project activities to identify critical needs.

Local executing agencies should **proactively engage** intended beneficiaries using **participatory processes** to carry out needs assessments and other pre-project activities to identify critical needs and the skill, capacity and material resource gaps that need to be addressed for successful RNF enterprise engagement. Executing agencies supported by donor agencies should incorporate the concept of

internal coherence in RNF enterprise intervention design to help **develop more needs-driven intervention approaches** and to help bridge the gap between outcomes and activities. This requires, as a first step, rigorous assessment of beneficiary needs, constraints and vulnerabilities. This should then be followed by the identification of the range of livelihood assets and enterprise support services required, identification of the agents with the capacities to deliver them and the design of appropriate delivery modalities with adequate timeframes for delivery. Early identification of beneficiary needs and capabilities and the means of addressing them will **contribute to more coherent project design and intervention modalities** as well as ensure that all beneficiaries are engaged not only as the end-users of enterprise support initiatives but as active participants in their design.

Lesson #4. Building the skills and capacities that will ensure successful enterprise engagement by rural dwellers with limited educational attainment is fundamentally a long-term and on-going process. The predominant profile of the beneficiaries of rural enterprise interventions is that they are of low educational attainment with low skill levels including digital literacy skills. Across all the case studies, less than 50% of the beneficiaries involved in the interventions had completed high school. Short-term, time-constrained, standard capacity-building initiatives are not sufficient to deliver the required competencies for engagement in sustainable enterprise activity.

Policy Recommendation: Adopt a progressive delivery of carefully tailored, skill level-appropriate and sequenced capacity-building initiatives over more realistic and extended timelines.

National policy for enhancing rural skills and capacities for effective RNF enterprise engagement should highlight and prioritise approaches to training and mentoring that involve the **progressive** delivery of **carefully tailored**, skill level-appropriate and sequenced capacity-building initiatives over more realistic and **extended timelines**. RNF enterprise policies and action plans should also support access to remote micro-business support services and on-going training to build participants' capabilities, competencies and business skills in a manner that they can easily understand and internalise. This necessitates advo-

cating digital training and IT support for participants to access customised and flexible remote business support services at their own pace and at convenient times. Access to digital business support services will also help create much-needed opportunities for rural entrepreneurs in areas such as telemarketing, e-fulfilment services, logistics, management of supply and marketing arrangements, helping to close the digital divide that has been so exposed by the COVID-19 Pandemic. Providing better access to business support services and targeted training to develop digital skills must be part of an overall policy to build resilience and reduce the vulnerability of rural micro-entrepreneurs, especially in light of the certainty of future shocks. Governments and donor agencies supporting RNF enterprise initiatives need to include digital literacy as part of the basic capacity development package and adopt more flexible budgeting and delivery timelines to achieve the desired learning outcomes.

Lesson #5. Social network linkages among producers and markets are critical for enabling rural producers to organise themselves to take advantage of marketing opportunities. REDI's strategy of building, strengthening and sustaining producer group networks alongside other market development activities significantly improved the effectiveness of its market-based approaches and produced positive livelihood and enterprise outcomes long after the intervention ended.

Policy Recommendation: Promote network linkages in RNF enterprise interventions for improving market access and strengthening producer group support systems.

Donor-funded RNF enterprise interventions for improving market access should incorporate network linkages approaches and the **strengthening of producer group support systems** as important elements of market access approaches. This means moving beyond conventional business promotion and product market accessibility initiatives to helping the producers establish horizontal social network linkages (e.g., building relations and trust between producers, facilitating collective learning and the sharing of skills and resources, sharing market and finance information, facilitating collective action), assisting them to overcome common constraints to pursuing business opportunities. Strengthening social network linkages

also involves providing access to more secure and reliable connectivity services to unlock opportunities for managing supplies and accessing markets. Strong network linkages will help small-scale producers to gain access to information and marketing opportunities and counter problems of asymmetric information and high transaction costs. The advantages of strong network linkages are being currently demonstrated by small-scale rural producers with available connectivity and direct linkages to suppliers and buyers via cell phones. These are the entrepreneurs who have managed to keep doing business, although at a slower pace, despite the disruptions caused by the pandemic.

8. Conclusion

The lessons and policy recommendations offered in this policy brief can contribute to the development of more informed and effective rural enterprise intervention strategies capable of supporting more viable pathways out of rural poverty. However, in light of the limited income and livelihood gains highlighted in these case studies, if rural enterprise development is to be an important vehicle for creating wealth and stimulating the rural economy, policies and intervention strategies must be coherent and rooted in a participatory approach. More importantly, the developmental design of these intervention strategies must take seriously the persistently difficult social, economic, geo-political, institutional and environmental context in which rural livelihoods have to be sustained in Jamaica. As has been demonstrated in the case studies, the predominant characteristics of beneficiaries of rural enterprise interventions include low educational attainment, limited skills development, asset scarcity, poor access to business development services and physical infrastructure and extreme vulnerability. These characteristics are manifestations of the structural legacies of exclusion and mar-

ginalisation of rural people (Beckford 1972; Weis 2001). This is being emphasised especially since policy makers and international donors need to have a more realistic picture of the local rural context in which RNF enterprises have emerged in Jamaica, particularly in terms of the institutional and individual capacity constraints.

In light of the profound developmental challenges introduced by the COVID-19 pandemic, transformational rural development strategies today require a broader overarching policy of growth with equity in rural areas as well as the promotion of disaster-resilient socio-economic systems and sustainable livelihoods approaches in order to effectively create authentic development pathways for rural persons wrestling with multi-dimensional poverty. At the micro-economic level, rural enterprise policy and intervention strategies must also prioritise identifying capability gaps, enabling beneficiaries to gain basic business start-up knowledge, financial literacy, management and marketing skills in a manner that they can understand, and strengthening network linkages and other support systems to enable and maintain market and supply channels. Rural enterprise policies must also support the establishment of rural-based institutions and accelerate digital solutions for virtual access to research and business advisory services to support the delivery of on-going advisory and technical services that can *be made accessible to even the most remote rural producer*. The proposed policy measures will enable the potential for more transformative and sustainable rural livelihood and enterprise development outcomes and for better progress towards the achievement of the GoJ's 2030 national development goals.

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