

**LOCALIZATION OF SMALL AND LIGHT INDUSTRIES AS A STRATEGY  
FOR ECONOMIC EMPOWERMENT IN KIBWEZI SUB COUNTY, MAKUENI  
COUNTY, KENYA**

**MICHAEL WANYONYI  
NASOKHO**

**A THESIS SUBMITTED IN PARTIAL FULFILLMENT FOR THE AWARD OF  
DEGREE OF MASTERS OF SCIENCE IN GOVERNANCE, PEACE AND  
SECURITY IN THE DEPARTMENT OF GOVERNANCE, PEACE AND  
SECURITY STUDIES, SCHOOL OF HUMANITIES AND SOCIAL SCIENCES  
OF AFRICA NAZARENE UNIVERSITY**

**JULY 2020**

**DECLARATION**

I declare that this document and the research that it describes are my original work and that they have not been presented in any other university for academic work.



10/08/2020

Name: Michael Wanyonyi Nasokho

Date

Reg. No. 17S03EMGP001

This research was conducted under our supervision and is submitted with our approval as university supervisors



09/08/2020

Dr. Duncan Ochieng PhD.

Date



10/08/2020

Dr. Martin Ouma PhD

Date

**Africa Nazarene University**

**Nairobi, Kenya**

## **DEDICATION**

This work is dedicated to my lovely daughter Deborah, sons Seth and Emmanuel together with my wife Susan for their patience and support during my studies. To all Governance scholars who strive to ensure good governance in the world and Kenya in particular.

## ACKNOWLEDGEMENTS

I am first and foremost grateful to God before whom I stand and serve for giving me courage and strength to pursue this academic journey to its completion. I am highly indebted to my supervisors Dr. Duncan Ochieng, Dr. Martin Ouma, the exceptional management, lecturers especially Mr. Samvura and all the administrators at Africa Nazarene University, since each and every moment was a new window of learning opportunity as well as a time to reflect on what was not obvious. I cannot forget the research department of Africa Nazarene University, and I owe my sincere gratitude to the Dean Post Graduate Studies and Director of the Institute of Research Professor Ongiti who has consistently encouraged me to pursue academic excellence to the highest level. Dr. Emily Okuto Chair Department Governance Peace and Security, Dr. Muthomi, Dr. Namanya, Mr. Mutungi and entire department of governance, peace and security for taking their time to guide me through this study. I cannot forget my comrade Salah Maalim Alio, you are a true brother and comrade!

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## ABSTRACT

There is general appreciation of the fact that African countries still face challenges when it comes to enacting policies to develop either economically, socially and politically. This is more so in less performing economies where; trade, urbanization, and decentralization as is the case all over the world is key to assisting these countries develop in many ways. Government is the first and last resort employer because it is through legal government policies that public and private industries can be allowed to operate and empower citizens through job creation. The reason informing the study was to understand how localization of small and light industries as a strategy for economic empowerment will affect the people of Kibwezi Sub County, Makueni County, Kenya. The constitution of Kenya 2010 provides for counties to chart their own economic empowerment capacities under devolution. This puts Kibwezi Sub County in a position where it can implement and effect policies on localization of small and light industries because the available constitutional provisions qualifies Counties to directly interact with both local and international investors. The key sector of agriculture, livestock, health promotion and value chain can be harnessed to industrialize the county. The systems theory by Ludwig Bertalanffy and Behavioral location theory by Cyert and March was adopted in the study. The study utilized descriptive survey design to explain the relationship between the independent and dependent variables. This guided the researcher to obtain information concerning the current status of the research with description based on dependent and independent variables. Study population comprised of 34713 and a sample of 380 was utilized, using Krecjie and Morgan 1970 formula. Questionnaires and key informant interviews and document analysis were the main data collection tools besides secondary data. The research findings indicated that there was a positive relationship ( $R= 0.752$ ) between the variables. From this study it is evident that at 95% confidence level, the values can be relied on to explain economic empowerment Kibwezi Sub County. The study concludes that institutions of governance, challenges of localization of small and light industries and strategies that can improve localization of small and light industries in Kibwezi Sub County, Makueni County are in a position to ensure that Localization of Small and Light Industries as a strategy for economic empowerment is enhanced and this means good policies, which can offer long term solutions such as effective job creation policies, poverty eradication policies, increased cost and controlled land rates.

## **DEFINITION OF TERMS**

- Economic Empowerment** It is the ability to make and act on decisions that involve control over the allocation of resources. It is ability to also make and act on individual choices of people (Golla et al, 2011).
- Governance** It is the exercise of legitimate authority and use of positive and proactive power by the institutions and structures created by people, society or group of individuals for their benefit and realization of their set goals. It can also be a multifaceted compound situation of institutions, systems, structures, processes, procedures, practices, relationships and leadership behaviour in the exercise of social, political, economic, managerial and administrative authority in the running of public or private affairs (Dahal, 2000:73-74).
- Localization of Industries** This refers to a system of taking industries closer to people. It supports infrastructure development which improves movement of goods and services thereby saving on time and other wastages (Dalberg, 2011).
- Policy** It a conscious guideline that help leaders make decisions in order to achieve logical outcome. It is an official

intention, which can be done procedurally (Kotler, 2010).

**Technical**

Refers to practical knowledge and skills acquired through on hands experience especially and industrial level. It can also refer to the sciences either natural or social (Berg, 2015).

**ABBREVIATIONS AND ACRONYMS**

ADB	Asian Development Bank
ADSE	Ada Consortium and Anglican Development Service Eastern
ANU	African Nazarene University
CBD	Central Business District
CIDP	County Integrated Development Plans
DFRDS	District Focus for Rural Development Strategy
ERS	Economic Recovery Strategy
EAC	East Africa Community
GDP	Gross Domestic Product
GoK	Government of Kenya KRA Kenya Revenue Authority
KNBS	Kenya National Bureau of Statistics
LED	Local Economic Development
MAPSKID	Master Plan for Kenyan Industrial Development
NACOSTI	National Council of Science and Technology and Innovation
NESC	National Economic and Social Council
PPP	Public Private Partnerships
PSDS	Public Sector Development Strategy
SML	SMART Manufacturing Leadership Coalition
SRDP	Special Rural Development Programme
SSA	Sub-Saharan Africa
SSEs	Small Scale Enterprises
UNCATD	United Nations Conference on Trade and Development

## **CHAPTER ONE**

### **INTRODUCTION**

#### **1.1 Introduction**

Policies on Industrialization have in recent times received unmatched attention as a way of achieving a country's social and economic growth (GoK, 2004). This research work looked at ways in which localization of small and light industries, the independent variable can assist in improving the economic status of Kibwezi Sub County residents in Makueni County. The researcher sought to investigate the contribution of localization of small and light industries as a strategy for economic empowerment.

Economic empowerment, the dependent variable is defined by Institutional policies, industrialization and strategies to improve local industries within Makueni County. The chapter presents; the Background of the Study, Research questions, and Significance of the Study, Scope and Limitations of the Study, Delimitation of the Study, Theoretical Framework and Conceptual Framework.

#### **1.2 Background of the Study**

Rodrik (2012). (2012) defines localization of industries as the concentration of industries or a certain industry in a particular area, region or locality, with special relation to territorial division of labour, and further observes that one area or region may tend to specialize in production of only particular commodities thereby fitting in a specific set up. The researcher in this study sought to investigate the contribution of small and light industries in economic empowerment of communities in Kibwezi Sub County.

According to Keir (2018), the availability of raw materials is a major factor that

contributes to localization of industries as was evidenced in industrial localization in the USA. He cites the growth and establishment of Chesapeake Bay for oysters in America, and, which led to growth of Baltimore as the metropolis of the Bay, and which was then doing more than two thirds of oyster-canning business in the United States. These views are supported by Keir (2018) who says that an industry is more productive if it is located near the source of raw materials and unskilled labour. It is easy to generalize therefore and say that as a rule, industries localize near the source of raw materials, and also point out that even industries with heavy, fragile and bulky raw materials, have a tendency to collect factories near the point of origin of their materials. In the case of India in Asia, the industrial sector grew out of a deliberate move by government through policy frameworks to govern and also empower local industries.

According to Ahluwalia (2002), India followed a path that encouraged progressive industrialization through proper planning and for many years with the intention of achieving equitable distribution of resources and development, with preferential treatment to less developed regions. This was achieved through enactment of policies (Ahluwalia, 2002) on investment in industries, specifically designed to influence establishment of industries away from major cities and towards less developed regions.

Policies such as industrial licensing, the location of public sector industries, small-scale industries location policies, the distribution and pricing policies for intermediate industrial inputs and other government location incentives were reviewed with the aim of influencing inter-state distribution industries.

As of 1991, small scale industries (SSEs) accounted for 55% of industrial production, 40% of export production and over 88% of employment in the

manufacturing industry, making it the more progressive sector of India's economy (Deng, 2012). The Indian government then after recognizing the importance of the sector announced policy measures in 1991, to promote, encourage and strengthen small and village (cottage) industries, making an important step in the development of micro and small industries in the country.

The ensuing indication is that localization of industries can easily spur economic growth and development of a region if clear guidelines and policies are put in place by government as seen from the case of India. It is also evident that it is government responsibility to ensure that there is deliberate promotion, encouragement and strengthening of small and light industries as seen in the cottage industries in India.

In the case of Africa, Brenner (2003) posits that Africa's approach to localization of industries is dependent to a greater extent upon the system of governance in place. There is also awareness about the importance and quality of governance and the ability of the system to galvanize governments to develop and implement successful development strategies including localization of industries (Brenner, 2003). For instance, good governance means availability of exit options, a voice and ability to oversee successfully the social economic localization challenges in a given area (Dahal et al, 2000:73-74).

Dahal further assert that this is so because, when discussing localization of industries, from a governance perspective it has to be understood that many of the development and industrial issues are no longer purely handled at the national level. It is a multifaceted compound situation of institutions, systems, structures, processes, procedures, practices, relationships and leadership behaviour in the exercise of social, political, economic, managerial and administrative authority in the running of public or



private affairs.

It is further noted that in most African countries, national governments still carry the responsibility of making sure that there is efficiency in all sectors whether public or private, and how they spend and invest at the county level, policy formulation and coordination and ensuring that there are no social, economic or political challenges that may arise due to territorial differences (Brenner, 2003).

In a nutshell, localization of Small and light Industries in Africa is dependent on the appropriate Local or regional systems and frameworks for skills available at all governance levels. This is different from the former systems which relied heavily on strength of officials from the central/National governments and the decisions they made. In present era, governance systems in most African countries including Kenya, are good for stimulation of local interest in industrialization, enhance involvement of different stakeholders, and empower civic groups and the general populations, thereby facilitating spillovers into different policy areas (Huther & Shah, 1998).

Locally, since 1983, Kenya has made several attempts to pull herself out of a centralized system of governance by developing policies to empower citizens in different areas across the country, through approaches like; District Focus for Rural Development Strategy (DFRDS) Sessional Paper No. 2 of 1992 on Small Enterprise and Jua Kali development in Kenya; Sessional Paper No.2 of 1997 on Industrial Transformation to the Year 2020; The Economic Recovery Strategy (ERS-2003-2007) for Wealth and Employment Creation; the Master Plan for Kenya Industrial Development (Industrial Master Plan,2008); and the Kenya Vision 2030, among other blue prints to try and drive the country towards industrialization (Otuki, 2016).

At the County government level, Makueni County in partnership with other development agencies like Christian Aid, Ada Consortium and Anglican Development Service Eastern (ADSE) is the first in the region to pass regulations on climate change and economic empowerment through establishment of industries, using locally available resources (CIDP, 2019). The national government has recommended Makueni County for its trial at empowerment programmes aimed at wealth creation, with particular interest is milk and fruit processing and horticulture. These are however not sufficient (County Government of Makueni, 2019), in the expansive county.

Makueni County Vision 2025 further observes that weak structural, institutional and systemic capacities coupled with informality of the sector has led to scaling down or hampering industrialization all together (CIDP,2019), perhaps, since most of the small industries are informal, and collapse quickly because of internal and external governance failures (Kinyanjui, 2010). The failures of previous attempts at industrialization and economic empowerment of citizens leads to conclusion that a new approach is required to address these challenges.

However, with constitutional provisions for counties to chart their own economic empowerment capacities under devolution, the Makueni County government has in the recent past shown its capacity to partner with investors, when it received a grant from World Bank to implement capital investment and to build capacities for improved devolved service delivery in key sectors namely water, agriculture value chain and health promotion (County Government of Makueni, 2019). This has informed the researcher's motivation to interrogate suitability of localization of industries as a strategy for economic empowerment in Makueni County.

### **1.3 Statement of the problem.**

Small and light industries have been touted as key drivers of economic development of any country (Okpara et al, 2009), however in the Kenyan context, these industries are faced with many problems ranging from financial, management and personnel issues.

Kenya's economic development is dependent on good governance, strategic policies and proper institutional frameworks that can help to spur economic growth (Kimuyu, 2010). Due to policy and institutional failures (Robinson, 2009), efforts geared towards development through blueprints and industrial policies are never fully implemented or abandoned all together depending on the government in power.

According to Kinyanjui (2010), Kenya's Industrial and manufacturing sector stand out as major pillars of the country's vision 2030, and as such they must be given special importance and attention, through proper policies in order to support the country's human needs and also provide materials to spur the engine of growth and development as set forth in the vision 2030.

As an emerging economy within the Eastern Africa region and boasting of average industrialization, Kenya serves both her local and external markets through manufacturing, yielding at least 10% of GDP per year (Kinyanjui, 2010). However, there is acknowledgement that industrialization has not been properly developed to meet the regional needs nor equitably dispersed in Counties across the country to serve the purpose for which it is meant. This was due to failures of the initial strategies such as the strategy for Wealth and Employment Creation and Master Plan for Kenya all of which were not fully implemented.

Investors also do experience problems, when they want to do business because of the many red tapes and bureaucracies that accompany inadequate industrial policies. This makes it hard for prospective investors to move and establish industries where they can get value for their investments contribute to growth of communities and empower citizens (Kimuyu, 2010). In Makueni County, Kibwezi Sub County has the potential to industrialize especially in small and light industries. The county is mostly agricultural and with evidence of fruits and livestock keeping being key economic activities. The Makueni County Vision 2025 however reveals that there exist weak structural, institutional and systemic capacities due to lack of proper governance policies especially on empowerment. The institutional and policy failures of previous attempts at industrialization and economic empowerment of the people leads to conclusion that a new approach is required to realize the goal to empower the people.

This therefore informs the researcher's motivation to undertake a study and investigate the contribution of small and light industries in economic empowerment of communities in Kibwezi Sub County, Makueni County through localization of small and light industries via structural and institutional capacity.

#### **1.4 The purpose of the study**

This study purposed to investigate the contribution of localization of small and light industries on the economic empowerment of Kibwezi Sub County, Makueni County, Kenya.

#### **1.5 Objectives of the study**

Specific objectives of the study were to:

- i. Examine how institutions of governance affect economic empowerment of the

people of Kibwezi Sub County, Makueni County, Kenya.

- ii. Evaluate the challenges of localization of small and light industries in Kibwezi Sub-County, Makueni County, Kenya.
- iii. Analyze the strategies that can improve localization of small and light industries in Kibwezi Sub County, Makueni County, Kenya

## **1.6 Research Questions**

The study used the following research questions

1. In which way do institutions of governance affect localization of small and light industries in Kibwezi Sub County, Makueni County, Kenya?
2. What are the challenges facing localization of small and light industries in Kibwezi Sub County, Makueni County, Kenya?
3. What are the strategies that improves localization of small and light industries in Kibwezi Sub County, Makueni County, Kenya?

## **1.7 Significance of the study**

According to Babbie (2016), significance of study is the importance and relevance of the research. It also reveals how new knowledge gained is going to be applied in order to practically solve problems. The many failed industries that exist are enough proof that not much has been done in the area of industrial development especially small and light industries, to ascertain things like climate of areas, economic viability, and availability of infrastructure, manpower among others. This failure, (Okpara et al, 2009) has led to inefficiency of established industries while others just remain white elephant projects all over the country. Many industries were established with little regard to laws; guidelines

transport facilities, electricity concerns, raw materials and technical skills which led to reliance on expatriates who cannot even train locals and when they leave, the entity collapses.

Broader policy measures also tend to further encourage inefficiencies for example centralization of industries in one industrial area (Viona,2012), which encourages shortages of products because of the distances between source of raw materials and the location of the industry which often lead to increased pressure to increase prices for products, something that affects returns on investments. Viona further explains that continual introduction of many tough laws and regulations which although well meant to spur growth, they negatively affect small and light industries.

The study interrogated localization of small and light industries at county level; specifically, the case of Kibwezi Sub County, Makueni County. The study provided empirically tested answers on how localization of small and light industries as a strategy for economic empowerment can economically improve the lives of people in Kibwezi Sub County, Makueni County Kenya. The study can be well used by policy makers, researchers and the community in identifying possible areas for industrialization by highlighting institutional policies affecting small and light industries in Kibwezi Sub County, Makueni County and how they contribute to economic empowerment of the local community.

Policy makers are in a position to understand new approaches about empowerment of citizens through localization of small and light industries, while researchers can be able to critique and appreciate the knowledge gaps for further studies especially in institutional governance. Communities especially in Kibwezi Sub County, Makueni County benefits

from improved lifestyles and service delivery because of their involvement in deciding which specific industries are beneficial to the community.

This provides an appreciation of the relationship between strategies employed for economic empowerment and growth of local small and light industries in Kibwezi Sub County, Makueni County. To this end, the study provides recommendations to researchers as well as policy makers on best practices and approaches that may improve industrialization through development of small and light industries in Kibwezi Sub County, Makueni County, Kenya. The findings would influence policy development and implementation.

### **1.8 Scope of the Study**

Marylin and Goes (2013) define scope of the study as the parameters under which the study will be conducted. The study was carried out in Kibwezi Sub County, Makueni County in Kenya. Kibwezi Sub County was chosen because most of the small and light industries within the county are located there, and which are the area of interest in the study. The agricultural economy of the area, sisal plantations, horticulture, small business enterprises owned by individuals and also the availability of Chyulu National Park, resource that encourages growth of tourism industry in the county.

It was imperative that any country that wishes to effectively respond to modern problems of how to create wealth reduce poverty revolutionize technology and global value chains; together with the compounding effects of climate change and green economy must have proper governance policies targeted at industrialization. The study looked at transformation of production and supply chain (mechanization and automation), Public Private Partnerships, emerging markets and yield return as the dependent variables. The

study was confined to policy issues that encourage localization of industries in Kibwezi, Sub County being representative of the entire county. This will inform further studies by scholars with an interest to carry out research in the same field.

The study was conducted for a specified period of three months that was May 2020 to July 2020 and at the same time was limited to only three objectives; to examine how institutions of governance affect economic empowerment of the people of Kibwezi Sub County; to evaluate the challenges of localization of small and light industries in Kibwezi Sub-County, Makueni County and to analyze the strategies that can improve localization of small and light industries in Kibwezi Sub County, Makueni County, Kenya.

### **1.9 Delimitation of the Study**

According to Simon (2011), delimitations refer to those issues or things that can happen and confine the study to defined boundaries. Delimitations are the researchers dividing line that gives control to things like choice of objectives, research questions, study variables, theoretical perspectives used and selection of population.

The study only covered Kibwezi Sub County within Makueni County. Kibwezi Sub County was chosen because it had most of the small and light industries within the county, and which was the area of interest in the study.

The sample was sufficiently representative since all regions were included in the study. The study focused on the business community, industry manager's, directors, County administrators and employees in industries while investigating the effect of localization of small and light industries in empowering of the people of Kibwezi Sub County, Makueni County. Only three specific objectives were utilized in the study. The study was also carried out with a time limit of a period not more than three months from March



2020.

### **1.10 Limitations of the study**

Kothari (2014) posits that limitations are incidences and issues that restrict the study into distinct surroundings. Limitations are obstacles that a researcher cannot control.

The most significant limitation of the study was that the study was carried out only in one county out of the forty-seven counties in Kenya. To overcome this limitation, the research recommends that the same study to be conducted in other remaining sub counties in Kenya.

The study faced the challenge of Kibwezi Sub County's acceptance of the letter of authorization because the county commissioner was not available due the Covid19 pandemic. The researcher had to wait until the following day to get assistance from the assistant county commissioner who received the letter. Also some respondents were casual in their response to research questions. To overcome this limitation, the researcher explained to the respondents on the importance of the study to themselves, their Sub County, county and government in general. Data collection through key informant interviews and questionnaires had limited validity of conclusions due to overrating or underrating by respondents. The researcher had to show the respondents the importance of providing accurate information to questions posed as this will help their county benefit in terms of localization of small and light industries. The research was only limited to three specific objectives; hence information collected was not exhaustive. To overcome this limitation, the researcher recommended further studies to explore other objectives other than the ones utilized in this study

## **1.11 Assumptions**

Assumptions are those things that seem to be out of the researcher's control and if they do not exist, then the research will be irrelevant (Simon, 2011). The research was conducted on the assumption that the respondents were a true representation of people of Kibwezi Sub County, Makueni County and that the responses obtained stood the test of confidentiality and reliability to guarantee fidelity. The researcher further assumed that the respondents were available and willing to respond to questions without being biased.

The research was informed by the Systems Theory as propagated by Ludwig Bertalanffy (1940) and Behavioural location theory by Cyert and March (1952).

## **1.12 Theoretical Framework**

### **1.12.1 The Systems Theory**

Among the first pioneers of the systems theory is the 18th-century German philosopher Hegel (1770-1831) who stressed that the parts of a system are interrelated cannot therefore be understood in isolation from the whole if a governance system is to remain successful.

According to Hutchins (1996), the economy in which industrialization is a part can be seen from a perspective of the demands in society as a whole, and which may require urgent attention through production of utility and aiming at dealing with difficulties in a sub-system through pattern maintenance. In order to maintain a particular pattern of development, there are several systems of governance with different components that are dependent and connected to each other.

According to Watson and Reigeluth (2008), systems theory is a tool for economic development and empowerment of people through various means because its

formalization and acceptance was a culmination of the works of multidisciplinary scholars, who agreed that science had become reductionist and therefore organizing relationships processes between entities of a system while emphasizing that organization, involvement and putting together areas of mutual economic concerns and processes that take place at the various levels of the system of government are very important for development purposes. Systems of government are characterized by intricacies when it comes to their purposes, processes and how they impact on social development. Therefore, systems perspective allows us to look into the “what” as well as the “how” of the phenomenon (Banathy, 1996).

In this study, the investigation is on how localization of small and light industries as part of a system of government can lead to empowerment of people in a given region or location. Watson & Reigeluth (2008), while discussing economic empowerment posits that there have to be changes in a system change meaning; moving from one paradigm to another through various approaches including looking at how a particular system operates, learn from it and move to the one that can yield desired outcomes.

In the Kenyan scenario, it means moving away from a centralized approach to development in all aspects and embrace local empowerment of communities. In their thinking, system change means creating a completely different and new system of governance instead of all the time trying to change some sections of the current governance system.

Implementation and localization of small and light industries will pervade all levels of the system, namely, informal industries commonly referred to as *juakali*, District Focus for Rural Development Strategy, Vision 2030 and Kenya industrial Estates at the national

level as the drivers of industrialization.

A shift in investments as a matter of policy, where every County can have an industrial park for both foreign and local investment is theorized by the researcher. The challenges are to be seen through localization of small and light industries which is part of the larger whole, as a strategy for economic empowerment of Counties through industrial reforms (the larger whole).

Localization of small and light Industries is analyzed by looking at the purpose and value that an industry can bring, broadly in the context of improving the economic situation and empowering Counties economically. The policy behind localization as a system of governance can therefore be formulated at the National level but its implementation done by County governments. It is interplay of complex relationship between national government policy, that formulates what is to be done coupled with the bureaucracy in the implementation process (the how), and influenced by the environmental factors at the County level that causes lack of balance in the in the governance system. This is where intervention is needed in order to ensure that these industries can pick up and stand on their own unlike the *juakali* industries which were not given due attention.

However, this theory like any other does not lack in shortcomings. Rosen (1991) points out that system theory works in such a way that whatever can work now may not be relied upon to work next time or in another context like for instance when policies change. Rosen (1991) further says that a systems theory is generalized taking us into a situation where one is confronted with narrow systems that cannot be dealt with at localization or industrialization.

Conclusively, the researcher opines that the theory may be difficult to implement

due to bureaucracies that accompany governance systems. For example, it may work well for everyone when starting the industries in a small way, but with time and realization of growth, things may become more complex. This ultimately makes it hard to get a systems overview which takes in everything because Legal governance entities like Counties may start to be slow in sharing information with national government and consequently affect their relationship and interdependence. The theory does not espouse challenges that come with development of a particular region, like diseases, pollution, crime among others.

### **1.12.2. Behavioural Location Theory**

The second theory is Behavioural location theory as originated by Cyert and March (1952) who questioned the then existing theories of location of industry which supported the assumptions of profit maximization, economic empowerment of regions and perfect knowledge as being the basis for location of industry. This theory asserts that individual behaviour of government leaders determine a lot when it comes to location of an industry with an orientation towards the process rather than the outcomes. The ultimate goal is to have functional systems in place and not just profits.

The theory was supported by Pred (1967), who in his Behavioural matrix posits that some decisions makers are better than others depending on their behaviour or view of available information. He argues that the decisions based on the spatial margin of profitability are often given due consideration based on factors such as rent and labour.

Kanter's Structural Theory of Empowerment (1977, 1993), while supporting Cyert and March (1952) clearly explains the concepts and terms associated with empowerment of people and communities. Kanter's view of Economic empowerment is that, it is the

empowering of people and sections of society that were previously disadvantaged for example due to administrative legacies like colonialism or dictatorships. Empowerment means realization of basic opportunities for populations either directly or with the assistance of leaders through whose behaviour, deliberate attempts are made to stop any action that may deny access to opportunities for development of people. Key element within Behavioural Location theory is the availability of empowerment structures that enables people to realize their goals, arguing that access to and interaction with empowerment structures has positive impact attitudes, behaviour and general dispositions of people and their development (Spence Laschinger & Wong, 1999).

Rosen (1991), while critiquing the theory argues that a business person cannot gather all the information and knowledge desirable in a given place, and further asserts that when information is placed before an individual, it is not possible for that person to correctly interpret and process such information; and consequently individual likes and dislikes will play a role in the final decision to establish an industry in an area. The theory also lays emphasis on the motives behind location of an enterprise or industry.

It is a common scenario to see firms making choices for location after deciding to relocate to other places (Glanz & Bishop, 2010) with the aim of adjusting in order to fully satisfy the needs of such an industry.

According to Rosen (1991), there are three concepts to this theory namely, spatial cognition concept, mental maps concept and regional images concept. Spatial cognition according to the theory is regarded as the base upon which entrepreneurs decide the location of their businesses. The value placed on areas where an industry is to be located is given consideration (Noar & Harris, 2007).

According to Noar and Harris (2007), behavioural location perspectives can be used when discussing decision making processes and the influence that decision makers have regarding the choice of location for establishing an industry or business.

This means the theory is helpful to county leadership in solving people's economic challenges by making decisions that favour localization of small and light industries as a way of economically empowering people of Makueni.

The weakness of this theory is that it takes the firm to be the so called black box a kind of system whose structure no one knows. The inferred behaviour is that of input and output characteristics, where the investors' interest stops at factory gate. The theory says little about concerns that may arise out lack of land and infrastructure and dwells majorly on the behaviour of business leaders and policy makers.

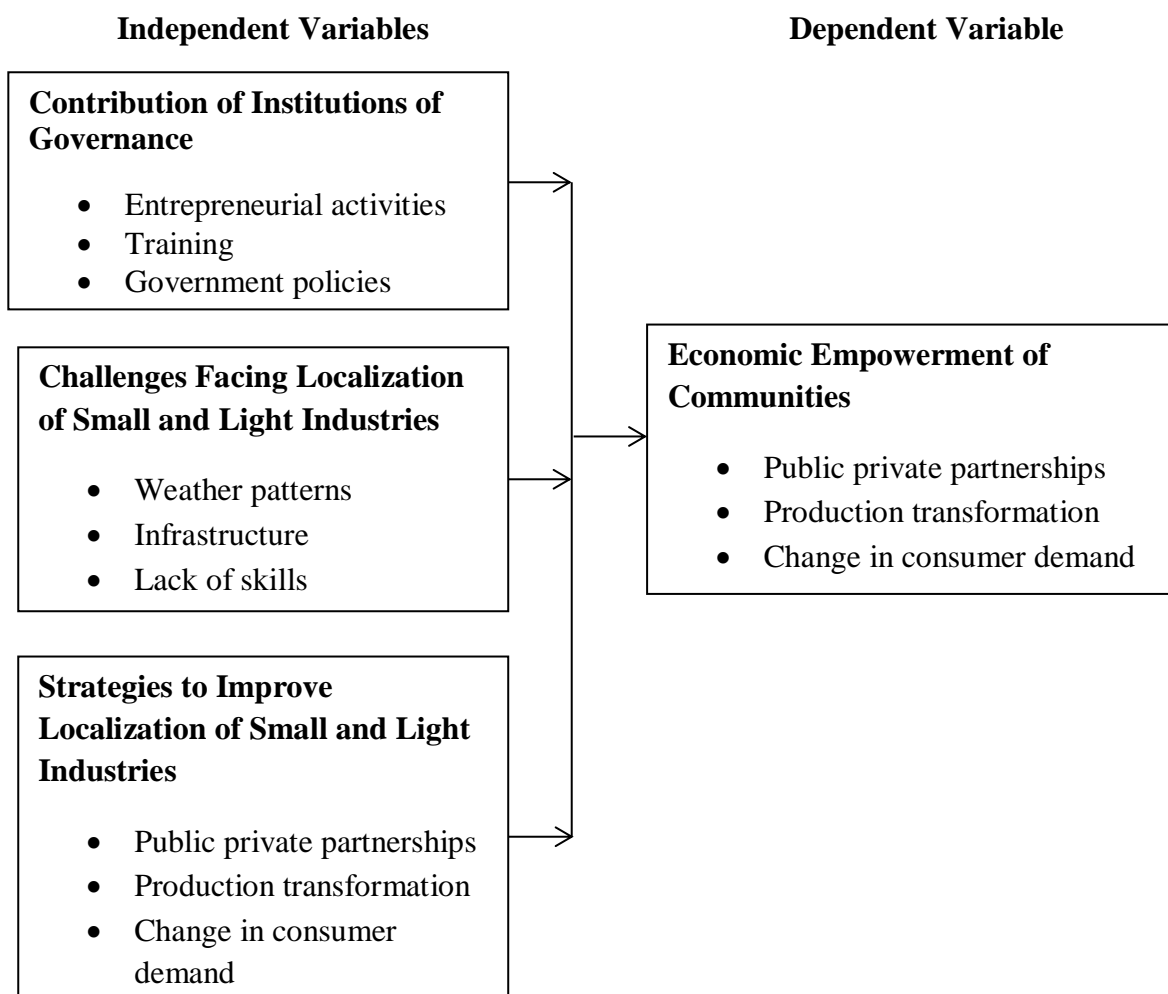
### **1.13 Conceptual Framework**

This model is a simplified presentation of the variables, their relationships and causality as seen in Figure 1.1 below. In the study, it was the researcher's view that structural change, patterns of development and self-sustaining growth at the County level was a reflection of economic empowerment. The researcher looked at the variables in terms of structural change which included structural factors such as governance policies and regulations; Institutional policies, Education and culture, geographical factors like land, population and also climate. On the part of patterns of development, the researcher looked at capital both human and technological, changes in consumer demand and socio economic factors such as urbanization and migration.

The directors of industries were the policy makers and were there to ensure that the industries were running and produced desired goods. The managers ensured that

discipline to the core mission of the industry was adhered to, and in order to achieve this, workers were required together with business people who supplied raw materials to the industries. All these combined led to the desired call of economically empowering the people and County.

Independent variables were measured based on localization of small and light industries in Kibwezi Sub County, Makueni County and included self-sustaining growth, transformation of production and supply, for instance mechanization and automation enhanced Public Private Partnership and feasible emerging markets.



**Figure 1.1 conceptual framework**

Source: Field Data (2020)



## **CHAPTER TWO LITERATURE REVIEW**

### **2.1 Introduction**

This chapter utilized empirical literature on localization of small and light industries, using three specific objectives of the study, which was expressed through global, regional, national and local perspectives and provides an account of reviewed literature and identifies the knowledge gaps which the study intended to fill.

### **2.2 Empirical Literature Review**

According to Holosko (2006), empirical literature review is the repeated observation of facts or phenomena, where established research methodologies are applied to answer the question of interest. Empirical literature on localization of Small and Light Industries spurns the Global, regional and local perspectives. In this study, the researcher looked at literature on Effects of Localization of Small and Light Industries on empowerment, Challenges of Localization of Small and Light Industries and Strategies to Improve Localization of Small and Light Industries.

#### **2.2.1 Effects of Localization of Small and Light Industries on empowerment**

Globally, Keir (2018) established that localized industries in America started because of the presence of raw materials, power and unskilled labour, while others originated in particular places because markets were near and few industries were allowed as a matter of policy to choose a desirable location that was strategic. He further posits that cities such as Chesapeake Bay and Baltimore, in the United States of America grew because of Oyster production in the area; meaning that industries as a rule are situated where raw materials are easily found.

Hornych, and Rosenfield (2009) while examining the influence of localization and urbanization economies as well as the impact of city size on development in Germany capitals from 2003 to 2007, found out that little has been done in this area in of localization of industries in Germany, but instead, it is the interregional sustenance strategy and the characteristics of the federal system that advances urban growth.

In India, a study on determinants of localization of small and light industries was conducted (Khan, 2011) which focused on three variables of factor prices, utility services, market access and international trade. The study found out that Wage levels have a negative impact on localization of small and light industry decisions (Marthers & Slater, 2014), and that government guideline of electricity for example impacts industry localization motivations to assimilate, showing that Small and Light Industries need nearness to electricity, markets and government involvement in order to thrive.

Winckler (2015) while investigating localization of industries and job creation in the states of the Gulf Co-operation established that government plays a big role in policy formulation to ensure that economic empowerment takes place in any locality and consequently create jobs for citizens. He further observed that lack of combined effort by government and investors to address the challenges of job creation through localization of small and light industries, led countries to face economic, social and security problems.

Dinh and Monga (2013) established that Light industries including agribusiness were an important pillar that spurred economic growth and development in most countries that succeeded economically such as China, Mauritius, the Asian tigers and Vietnam.

Lommel speaking in Localization Industry Standards Association (2013) points out that in order for an industry to succeed in the current challenging environment, there

should be an embrace modifying locally made products to give them the local look and feel. He explains that successful localized industries depend on making necessary technical, financial, governance and other policy decisions that facilitate localization of small and light industries.

Harrison, Lin and Xu (2012), found out that the manufacturing sector has three levels namely; low technology industries like food and beverages, leather, wood processing textiles and simple metal products and lastly high technology industries like chemical and pharmaceuticals products, automobiles and machinery; meaning Africa cannot be competitive in high technology manufacturing but in low technology sector which has small and light industries.

Most countries in Africa are natural resource dependent with about 75% of their population depending on these resources. The major areas of production include the agricultural sector, livestock production, horticultural production, tourism, forestry, and fisheries; all of which are the backbone of these countries (UNDP, 2013). However, the discovery of mineral wealth especially oil, gas and rare earth elements in some countries is expected to usher these countries' economies into the league of major income earners. This discovery is a major economic determinant as it will boost the GDP greatly more so in countries like Kenya and specifically the mining sector and mineral exports, which are expected to rise to the top four of the country's export earners behind coffee, tea floriculture and tourism. This is something African countries should be proud of bearing in mind that exports from these products and foreign exchange from the tourism sector have experienced significant decline in the recent past (KCSPOG, 2014).

Khan (2011), established that determinants of localization of small and light

industries in South Africa were grounded on the industry sector being located in regions based on descriptive variables that define local manufacturing costs as well as obstacles and opportunities across potential locations. For example, Pretoria and Durban achieved growth, gained reputation and growth in financial institutions, infrastructure and opportunities for business and employment.

South Africa's localization of small and light industries has a unique prospect to not only catch-up with industry leaders in the industrialized nations, but also to use industrial gains for a leading position in the global arena (Lee & Mathews, 2013). South Africa's context shows a low-cost strategy which endeavors to achieve this goal, although still industrialization seems to be missing out, with few products realized in the market.

In the recent past, Kenya has discovered an expanse of minerals in many regions. These includes discovery of oil reserves by Tullow Oil located in the remote Turkana County in the North Western Kenya (GoK, 2012a), Coal in the Mui basin in Kitui County, gold deposits in the Lolgorien area of Narok County and in Homa-bay County (Kinyanjui, 2010). Natural gas reserves in Malindi County, niobium and rare earths in Kwale County, and Base Titanium's Kwale County's Mineral Sands at the National level (Hamisi, 2011). This has added to an already existing expanse of soda ash, crude oil, uncommon earth metals, coal, steel metals, gold, limestone, gypsum, manganese ore, fluorspar, diatomite, titanium, chromite, silica sand limestone, cement and gemstone, among others (GoK, 2012a).

The ability of Kenya to manage and govern these resources and to redistribute the benefits for development to the far local level could be the key to boost the economy. By so doing, it could avoid the resource problems associated with such ventures as witnessed

in other countries (Kagwe, 2013). The need to create wealth and jobs especially at the county level in small and light industries is already recognized. It is therefore expected that the growth and establishment of small and light industries will encourage emergence of subsidiary industries and services across the counties in Kenya. The investigation in the research was an effort to link localization of small and light industries, and the role of county government in helping empower citizens; more specifically in Kibwezi Sub County, Makueni County. The study reveals that local industries have not helped much to empower the local people in Kibwezi sub county due to lack of proper policies on localization of small and light industries.

### **2.2.2 Challenges of Localization of Small and Light Industries**

Researches from various regions across the world reveal that small and light industries have not been properly positioned when it comes to understanding their contribution to development. Many industries lack understanding of even basic guidelines on policy and issues to do with the law when making their decisions when they want to establish such industries (ILO, 2013). This has oftentimes led to misunderstandings between law enforcers and small and light industry sector players because of lack of access to timely, simplified, reliable and relevant information on market location opportunities, production technology and government regulations. Small and light industry sector is therefore powerless in the face of increased competitiveness, something that compromises survival of most of the industries and leading to their eventual collapse.

In China empowerment of economic activities dates back to 1978 when economic decentralization was introduced, which provided local governments robust motivation to defend their excise duty by protecting indigenous companies and industries from

undeserved competition from outside (Lin & Liu, 2010). The findings of a study done on the challenges impacting Chinese provinces towards localization of small and light industries other than the known factors like having resources, exterior economies and cumulative returns to scale show that, local protection is captured by way of all-inclusive pointers of regional manufacturing level trade hurdles, calculated based on inter provincial trade movements.

Essentially, the country's local industries are able to produce and sell goods at lower prices than their competitors-thereby realizing more margin of sales and market goodwill coupled with benefits from knowledge spillover such as technology, management and specialized suppliers (Lin & Liu, 2010).

In Kenya, lack of access to credit is a major challenge inhibiting the growth of small and light industries and this is particularly so for small entrepreneurs. Acquisition of financial services is limited due to lack of tangible security, appropriate legal and regulatory framework that does not recognize innovative strategies for lending to small and light industry owners (Hamisi, 2011). Lack of infrastructure and incentives to invest are among the major reasons as why small and light industries are unable to perform in many regions in developing economies (Akwani, 2007).

Poor infrastructure has been identified as a serious cause that limits gainful commercial activities. Bad roads in most areas make it expensive for the manufacturers to produce and also market the goods, something that leaves them at the mercy of competitors. Other infrastructural problems include lack of access to land, feeder roads, power and other services. Most of the land associated difficulties confronted by people revolve around tenure, title deeds and intrusion onto their working area by other

developers (Stroyan, 2012).

Big financial establishments see small and light industries owners as individuals that can only add to risks faced by their institutions, and therefore not worth engaging in long term loaning facilities. This scenario leads to only a handful of businesses qualifying for credit from such institutions, with the problem being more pronounced in the rural areas where banks are few and far apart. The laws governing financial institutions do not strongly support borrowers with a low financial base, and these compounds the problem for small and light industries (Fariza, 2012).

Notwithstanding the increased number of microfinance lending facilities, performance of small and light industries has continued to be severely inhibited, mostly in the countryside because of their low resource base and lack of volume to act on various financial requirements (Hamisi, 2011). On the other hand, commercial banks have the ability because of their resource base but also lack expertise and willingness to deal with upcoming ventures especially small and light industry industries.

According to Kottler (2009), growth and development of small and light industries is negatively affected by lack of proper policies regarding technological development, high land prices. The incorporation of commercial training into the country's curriculum, introduction of

Possible small and light industry entrepreneurs to contemporary professional organization expertise and the development of an atmosphere that allows growth and development of businesses, is the main problem. The old style way of vocational and technical training has not been able to deal with the problem (Kottler, 2009), because there is no provision in their training for evaluating the programmes when business starts, during

growth and its ability to endurance so that it is established the extent to which their curricula are being driven by the demand, their importance and whether or not they can deal with the prerequisites of the proprietors and beneficiaries at the same time.

Kenya's small and light industries are characterized by lack of technology, proper governance structures, policy frameworks and institutions that do not clearly support change and a drive towards modernization of economic activities in the country, especially in the area of industrial development and technological expertise (Nicholls, 2010). There is also lack of information on existing technologies and their potential to increase trade. The working environment generally is unsupportive and this informs the importance of the section while investigating the challenges of localization of small and light industries in Kibwezi Sub County, Makueni County, Kenya.

### **2.2.3 Strategies to Improve Localization of Small and Light Industries**

According to Kvint (2016), strategy is a general plan geared towards achieving one or more goals under uncertain conditions. Strategy is important because there is never enough resources to achieve envisaged goals by people, organizations or government. In the world today, prospects to spur growth and development range from the global, regional and local levels which if tapped can encourage localization of small and light industries in any place and especially in Makueni County. The utmost prospect and requirement is to survey and describe both the formal and informal setting of the area with data collected to establish the availability of business, number of people in the area and per household and which can be absorbed as workforce among others, that can be achieved with assistance from the Kenya Bureau of Statistics in partnership with relevant stakeholders.



Business stakeholders must also map out local products of international quality which is believed to be dominated by the informal sector (World Bank, 2012). It is critical to consider those firms that may be supportive when it comes to production of quality goods that not only qualify for the local consumers but also the international market level. This approach will inform stakeholders on the availability and existence of the goods from those firms, which will guide in facilitating access to markets and especially at the global level.

According to Kotler (2009), there is an increase in wages in most Asia countries whereas China has had a steady wage increase for the past ten years at their coastal factories. This scenario leaves the country vulnerable and less attractive as an industrial hub and therefore some manufacturers may opt to relocate to other places like Bangladesh, Cambodia and even Africa which appears to be a continent that is yet to industrialize (2013). According to statistics (ILO, 2013), Africa's wage levels are quite low as compared to those of China, with for instance Ethiopian wage levels said to be a quarter of those in China for unskilled workers. The apparel and textile industry sector has made East Africa a region of focus for localization of small and light industries because of the high demand of textile products in the region (ILO, 2013).

According to Poon (2014), there is a shift in global economic relations because of China's unconventional approach to business relations especially in the South-South economic flows essentially creating a shift in global power in the area of economic development and poverty alleviation, especially for China herself.

Growth models that places the economy in favour of China's investment (World Bank, 2017), which is central to its determined scramble up the manufacturing value chain has been noticed in the ongoing research; which revealed that there is possibility of China

drifting towards signs of native industrial competencies mainly in intermediate skills in production, and this provides an opening for other emerging nations to bargain for improved chances for local investment, awareness and governance structures that support local industries.

Gumede (2015) asserts that industrialization in South Africa was quite negatively affected by the global economic recess of 2008/2009, but the government countered the challenges by developing models of localization of industries in the country to support the economy. The global recess was countered through programs and training that was geared towards layoffs as compared to retrenchment and those affected were empowered to start small scale industries (Gumede, 2015), for instance through the expansion of cooling centers to deal with changing temperatures and rainfall patterns, and development of programmes that targeted production of machines that conserve heat in the winter and disperse heat in the summer.

This was achieved through establishment of a committee that comprised various government ministries and institutions, that responded to issues of climate change bringing together several city officials, the academia and ordinary citizens who identified and dealt with best suitable responses to the challenge and thus generating employment in the country (Lin & Liu, 2010).

According to Ikiara G. (2017), it is fundamental for Kenya to deal with problems of opening regional common markets, where goods to East Africa Community have been in decline and the industrial division ought guide policy makers with regard to development of best local strategies which can be applied to address these concerns or other issues, for instance by way of diplomacy through trade and industrialization

ministry. The government should make sure that there is access to regional markets for Manufacturers through partnership with other organizations like Trade Mark East Africa, whose work is to encourage market access for East Africa Community member countries Small and light industry sector through the central government can be actively involved in policy initiatives at all levels and ensure that the concerns of small and light industries are not left out during policy formulation process (Kagwe, 2013). Local developments that affect the region for instance infrastructure like the Northern Corridor and the Lamu Port–South Sudan–Ethiopia Transport Corridor can be boosted so that small and light industries can leverage on.

Key financial resources should also be enhanced in order to establish and empower small and light industries in Kenya, which should be accompanied with the development of an online industrial financial support portal where merchant banks can post funding prospects for the sector (Journal of Economics and Sustainable Development, 2015). This is so because lack of funds can limit growth and development of the industries. Small and light industries can also be assisted by way of being linked to alternative financial institutions which can help them raise funds for intended projects, with government playing a lead role in making it easier for small industries to operate legally.

According (GoK, 2004), government should ensure that costs that should be paid once are reduced because registration could be a barrier to localization of small and light industries. The registration process from informal to formal should be simplified with little barriers on the way, so that there is evidence of facilitation from government for small and light industries to have the firm's transit and be formally registered.

According to Hope (2014), the county government is mandated to develop policies

and initiatives that will go a long way to help growth in the county and improve the living standards of people. It is believed that devolution will help counties to mobilize resources that can promote local investments. Such investments may promote development of local industries within those counties which in turn may work to bring about attainment of economic stability and economic empowerment of the local population.

Industrialization of Kenyan economy has always been a major goal for policy makers since independence and more so, from the mid-1970s. The country at the time faced more socio-economic challenges which were mostly associated with a slowdown in the country's economic performance because of the global oil crisis then. It has however become clear that for industrialization to take place in the country and have a transformative impact, institutional frameworks that include industrial policy making, trade, localization and building of local capacities is given due attention (Khaunya, Wawire & Chepng'eno,2015).

This research on localization of industries as a strategy for economic empowerment of the people of Kibwezi Sub County, Makueni County was hinged on both policy and institutional frameworks which had positioned it as a pillar in the premier documents both in the county and country.

### **2.3 Summary of Literature Review and Research Gaps**

Localization of industries supports infrastructure development which improves transportation of goods and services thereby saving on time and other wastages and further encourages growth of feeder industries that may supply machines and other materials that utilize byproducts from the localized industries. The benefits of localization of small and light industries accrue to employment opportunities by way of association and other

economic gains. Review of empirical literature was done on effects of localization of small and light industries, challenges of localization of small and light industries and strategies to improve localization of small and light industries to assist knowledge expansion and understanding the world better in the field localization of small and light industries in relation to economic development in Kenya, and specifically Makueni County. It was the researcher's view that these challenges were overcome by localizing small and light industries and consequently realize the desired technological growth.

Literature review shows that localization of small and light industries is important to any country's economic development. The place where an industry is located gains reputation and so do the products manufactured in that locality. As a result, products bearing the name of that place find wide markets and acceptance of the community.

Studies such as Hornych, and Rosenfield examined the influence of localization and urbanization economies as well as the impact of city size on town development in Germany capitals from 2003 to 2007; localization of small and light industries in South Africa in general and Kenya's industrialization since independence and more so, from the mid-1970s. Looking at the past research as held in the literature review' first from the theoretical perspective there was no discussion on governance of institutions to deliberately spur growth and development. Most of the objectives as shown by the case of Chinese firms dealt with local government production and especially in the coastal cities. None if any was conducted at the county level, and specifically in Kibwezi Sub County, Makueni County, hence the reason behind conducting the study.

## **CHAPTER THREE**

### **RESEARCH DESIGN AND METHODOLOGY**

#### **3.1 Introduction**

The chapter sets a mechanism of conducting the research and explains how qualitative and quantitative data was collected, recorded, examined and presented. The chapter thus entailed research design, study location, sampling methods, data collection, data analysis, data validity and reliability, as well as legal and ethical considerations.

#### **3.2 Research Design**

According to Creswell (2011), a research design is the organization of the environment that touches on a research. A research design is therefore a plan that allows the researcher to come up with answers to the problem under investigation and guides him in a number of stages of the study. It is an organization of surroundings for collection and analysis of data in a manner that purposes to bring applicability to the research purpose (Kothari, 2014). In the study, descriptive survey design was employed; the investigation was on the extent to which localization of small and light industries as a strategy for economic empowerment had been used in Makueni County. The design allowed for gathering of large volumes of data which analyzed to establish frequency, averages and patterns. Describing demographics of a region, gauging public opinion and evaluation of existing localization strategies was part of the study and therefore the design assisted the research get the desired outcome. The design used to validate the connection between the independent and dependent variables. The design helped the researcher to find information concerning the current status of the problem under study, and accompanied by a description that will respect the value of dependent and independent variables.

### **3.3 Research Site**

The study was carried out in Kibwezi Sub County, Makueni County with a population of 98,477 people (KNBS, 2019). Geographically; Makueni where Kibwezi Sub County sits has Kitui County to the East, Machakos County to the North, Kajiado County to the West while TaitaTaveta County is on the South. The County sits on a low-lying terrain except for the hilly areas such as Kilungu Hills, Mbooni Hills and Chyulu Hills. There are natural resources found in the County namely; forests, found in the hilly regions, the Chyulu National Park, and perennial rivers such as Athi, Thwake, Kiboko, and Kambu (GoK, 2014). With this kind of resources both natural and agricultural, the county stood out as a suitable site for the study.

### **3.4 Target Population**

This denotes the whole group of persons or things to whom the researcher is interested in taking a broad view in the conclusions. Mugenda and Mugenda (2013) define population as the entire group of individuals or objects that have common observable characteristics. The population usually has changing characteristics and it is also usually called a theoretical population (Bennett, 2005).

Target population in the study was picked from all stakeholders of small and light industries in Kibwezi Sub County of Makueni County which had a population of 98, 477 (KNBS, 2019); which made the target population in the study. The population was grouped into; small and light industry managers 40; employees of small industries 1600; owners of small scale industries 166; government representatives 24 plus the local people who are 25 years and above 32,883 and overall this will make 34713 people who will be used as target population in the Sub County (County Planning Unit, 2019).

The Sub County was selected for this study as it represents high productivity zones which can be used to model localization of industries and provided the basis for responding to the research questions.

### **3.5 Study Sample**

#### **3.5.1 Study Sample Size**

Kothari (2014) asserts that, it is important to compute the exact lowest sample size essential in an investigation. According to Daniel and Terrel (1992), it was important to calculate the precise minimum sample size required in a research. This calculation assumes that data was collected from all cases in the sample and based on the level of confidence in the estimate, the margin of error that was tolerated and the proportion of responses expected in a particular attribute.

In this particular study, sample size was mainly from small and light industry managers 40; employees of small industries 1600; owners of small scale industries 166; government representatives 24 plus the local people who are 25 years and above 32,883 which has a population of 34713 people. Sample size was calculated using Krecjie and Morgan 1970 formula and this was 380 people as the study's sample size. The study therefore used a sample size of 380 as shown in Table 3.1

#### **3.5.2 Sampling Procedure**

According to Wiersman (1995), a sample should be large enough for it to give the researcher confidence that within specified limits, another sample of the same size applying the same procedure can yield similar results. Wiersman further posits that sampling error can largest when the sample is small. This means that when the sample is



large, the mean standard deviation is likely to be representative of the entire population (Straubb, 1989).

Purposive sampling procedure was used in the study, with a proportional allocation method that brings together population from the entire sub county. The population was grouped into small and light industry managers, employees of small industries, owners of small scale industries, government representatives and local people who were 25 years and above from Kibwezi Sub County. This is a mature population that represents individuals who are responsible and possibly family men. This technique helped provide either similarities or differences with consideration to the various aspects raised in demographic distribution the people in the area in general.

**Table 3.1 Sample Size**

<b>Category</b>	<b>Frequency</b>	<b>Sampling Tech</b>	<b>Percent (%)</b>
Small and Light Industry Managers	40	1 Purposive	0.1
Employees of Small Industries	1600	17 Purposive	4.7
Owners of Small Scale Industries	166	2 Purposive	0.4
Government Representatives	24	1 Purposive	0.1
Local People	32, 883	359 Purposive	94.7
<b>Total</b>	<b>34713</b>	<b>380</b>	<b>100</b>

**Source: Researcher 2020**

Krejcie and Morgan Table Key: Universe N Sample for n.

Universe	Sample	Universe	Sample	Universe	Sample	Universe	Sample
10	10	100	80	1,250	294	6000	361
15	14	200	132	1,500	306	7500	366
20	19	300	169	2,000	322	10,000	370
30	28	400	196	2,500	333	15,000	375
40	36	500	217	3,000	341	20,000	377
50	40	600	234	3,500	346	30,000	379
60	44	700	248	4,000	351	40,000	380
70	59	800	260	4,500	354	50,000	381
80	66	900	269	5,000	357	75,000	382
90	73	1000	278	5,500	359	100,000	384

Source: Adapted from Krejcie, R. and Morgan, D. (1970)

### 3.6 Data collection

This section entails data collection instruments, pilot testing of research instruments, instrument reliability and instrument validity. Each sub section is discussed in the subsequent sub headings.

#### 3.6.1 Data collection Instruments

Data collection is the process of gathering and measuring information on variables of interest in an established systematic fashion so as to enable the researcher to answer stated research questions (Truman, 2008). The study utilized both quantitative and qualitative data. Primary data was collected using structured and semi structured questionnaires; which was administered to Managers and employees. These were supplemented by structured observation using observer notes. Secondary data was gathered from various libraries and electronic sources.

Focus Group Discussions supplemented qualitative data and one-on-one interviews with directors, County administrators and managers, interview guide helped in

triangulation. During these discussions, any important and relevant data was captured and added to that obtained from questionnaires.

### **3.6.2 Pilot testing of instruments**

During the study, 38 respondents (10% of the sample size) who are not part of the sample was subjected to a mock interview to evaluate the extent to which research questions were understood, the efficacy of tools and attitudes of the respondents in general. The test was carried out in Kilome Sub County which borders Kibwezi Sub County. The Sub County had similarities to the target study sites which made it ideal for tools testing. The results of the trial study were used to formulate the final questionnaires.

### **3.6.3 Reliability of the Instruments**

Mugenda and Mugenda (2003) argue that reliability of the instrument is the gauging of tools for data collection. Reliability shows how consistency the results are realized after several tests. Kothari, (2014) on the other hand notes that, trials carried out repeatedly for data in a research should be able to produce the same results, under the same conditions, and consistently so; for us to say that they are reliable. In cases where the reliability was low, correction and modification were done.

During the study, the researcher used test and retest approach in ensuring reliability of the instruments, this was cognizant to the level of consistency shown during the tests. Test-retest reliability equal to parallel form reliability and internal consistency reliability measures applied. A correlation was carried out to determine the reliability of the questions because some questions in the study measured the same perceptions. In this case, the reliability of the questionnaire was measured statistically using Cronbach's alpha. Coefficient of 0.6-0.8 was deemed within the limits of reliability test while a coefficient

of 0.8 and above denoted good reliability (Babbie, 2016). Reliability of the study was therefore ( $R= 0.752$ ) was realized.

#### **3.6.4 Validity of Research Instruments**

The validity of a research tool is the ability of that tool/instrument, to measure data and produce findings that are representative of what is being studied (Creswell, 2011). To ensure validity was upheld, the researcher undertook tool testing through pretest survey. The process sought to gauge the understanding of the questions under the study by respondents and modified where applicable.

This was achieved through examination of various aspects namely; content related validity, construct related validity and criterion related validity. The researcher confined himself to the extent to which the research instruments are representative of the total domain in the area of content related validity as well as how the tools are adequate in qualities expected to measure the domain.

Construct related validity assisted the researcher to look at the scope at which scores on the instruments was accounted for by explanatory construct. Correlation coefficient ( $r$ ) was used to establish the relationship. Established rules, standards and principles upon which judgment was made helped the researcher to achieve criterion related validity. This research was carried out through involvement of university supervisors to ensure that the tools for use were applicable and not biased.

### **3.6.5 Data collection procedure**

This is how tools of data collection that the researcher used during the data collection process were done. This included questionnaires and interview guide.

Questionnaires comprising of unrestricted open-ended questionnaires and restricted closed-ended questionnaires were utilized. Questionnaires were distributed effectively by hand to the selected sample by the researcher. Respondents were required to go through the instructions for them to know how to carry out the process. The researcher personally administered the questionnaires to the respondents, and was ready to answer any question that arose from the respondents.

Interview guide was prepared to enhance data collection. The discussions comprised of four senior officers who were identified through purposive sampling by the researcher. The discussions were held for important information to be collected through the interviews.

### **3.7 Data Analysis**

According to Davis (2008), the methodical arrangement and production data in a research is what is known as analysis. Data analysis is mainly done for purposes of developing an understanding and to be in apposition to explain research findings; which is done through the researcher's understanding and proficiency in the area under study.

Quantitative data generated pie charts and other graphic presentations while qualitative data was presented using Standard Deviation, Kurtosis, Correlations and Median. Range was also used and here, the researcher used Likert Scale. After data collection, Microsoft office was used to enter into MS Excel for quantitative analysis, using the Statistical Package for Social Sciences, version 25.0. For Qualitative data,

themes were analyzed and described as they were.

### **3.8 Legal and Ethical Considerations**

The researcher sought to address ethical issues as pertains to the research in this section. Ethics is defined as a system of moral ideologies in designing, conducting, and writing the research outcomes, with the essential moral standards focusing on legal and social obligations to subjects under study (Crewell, 2017). The researcher therefore sought written permission from Africa Nazarene University (ANU) and National Commission for Science Technology and Innovation (NACOSTI), before proceeding to the research.

The rights and welfare of the participants took precedence over the expected benefits to human knowledge; free and informed consent of participants involved in research was obtained; and due consideration put into account local, cultural and social attitudes. In order to safeguard the study's research ethics, all respondents were made aware of their rights while participating in the study.

## **CHAPTER FOUR**

### **DATA ANALYSIS AND FINDINGS**

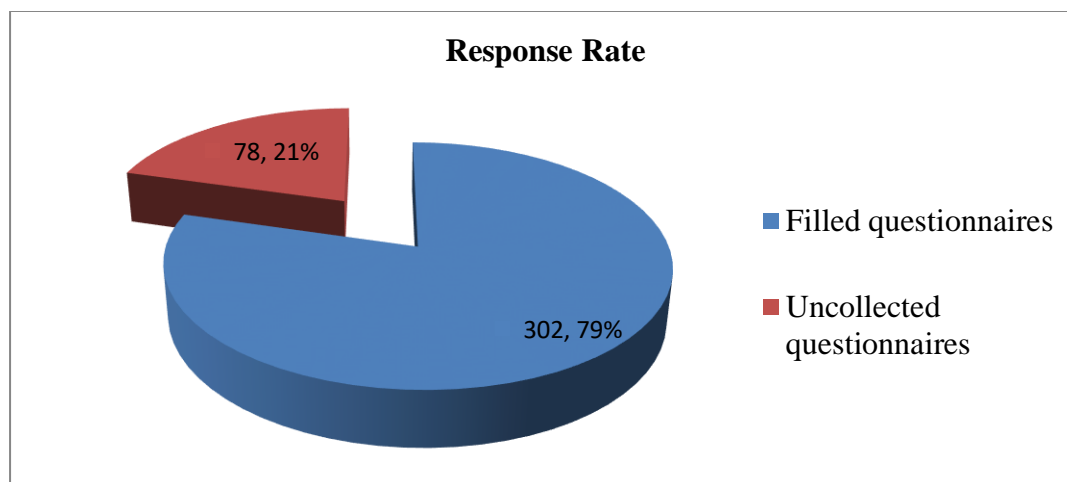
#### **4.1 Introduction**

This study aimed at investigating the contribution of localization of small and light industries on the economic empowerment of Kibwezi Sub County, Makueni County, Kenya. The research was anchored on two main sections namely the background information and the views of the respondents on the contribution of localization of small and light industries on the economic empowerment. The research items were further put into four thematic groups to assist in the research objectives. The first objective was on institutions of growth and economic empowerment, then challenges of localization of small and light industries, strategies to improve localization of small and light industries and economic empowerment of communities. A Likert scale type of question was used on individual objectives.

#### **4.2 Demographic Characteristics of Respondents**

##### **4.2.1 Response rate**

A total 380 questionnaires were administered by the researcher to the sample size of 380 respondents. 302 were correctly filled and returned for analysis while 78 of them were either wrongly filled or not returned at all. Duly filled and returned questionnaires accounted for 79.5% of response rate; and the results were then presented as per the study objectives. According to Mugenda and Mugenda (2008), a response rate of 60% is good for the study. This therefore means that 79.05% is considered adequate enough for this particular study.



**Figure 4.1 Response Rate**

Source: Field Data (2020)

#### 4.2.2 Gender of the Respondent

The study sought to find out the gender of the respondents with the assumption that variation in gender has an influence in the opinion of respondents on contribution of small and light industries on the economic empowerment. This was important for the study as it can help establish the level of representation by gender and the responses were tabulated and presented as shown in Table 4.1

**Table 4.1 Gender of Respondent**

Category	Frequency	Percent (%)
Male	145	48.0
Female	157	52.0
<b>Total</b>	<b>302</b>	<b>100</b>

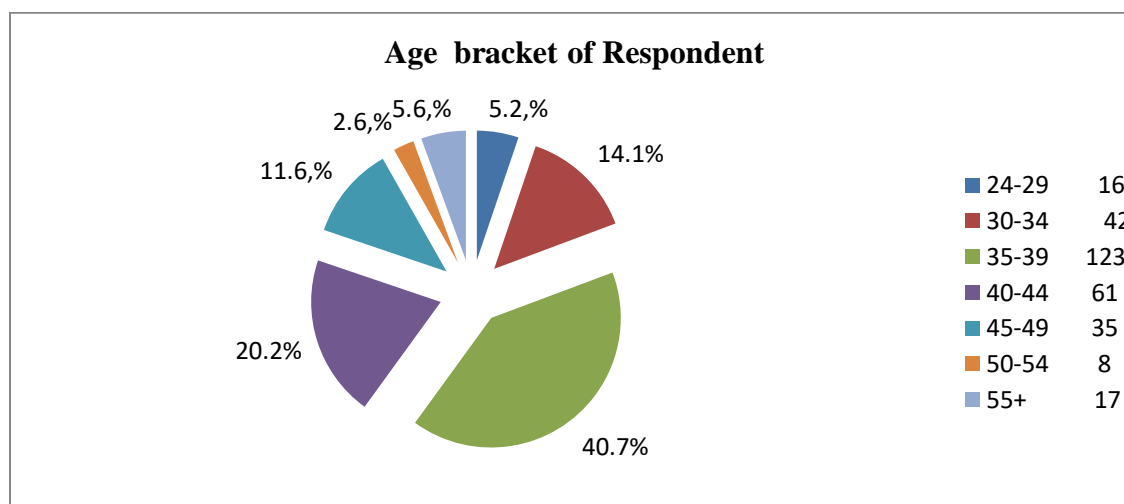
Source: Field Data (2020)



As illustrated in Table 4.1, out the 302 respondents who answered the questions, 48.0% of them were male while the remaining 52.0% were female. This clearly shows that the third gender rule in Kenya has been achieved in Kibwezi Sub County, Makueni County. It is also evident that more women have taken initiatives to take part in the economic empowerment of communities around the area.

### 4.2.3 Age of Respondents

The study sought to determine age distribution among the respondents. Age bracket describes the age distribution of the interviewed persons on their experiences with economic empowerment of communities. This ultimately is the level of skills and knowledge an individual respondent has in the field of localization of small and light industries through experience and expertise, which can help them perform with a lot of ease (Nelson, 2015), the tasks laid before them. The responses were presented as shown in table Figure 4.2.



**Figure 4.2 Age Bracket of Respondent**

Source: Field Data (2020)

The findings of the study in Figure 4.2 reflect a majority of them were aged between 35-39 years, representing 40.7%. This was followed by those in the age bracket of between 40-44 years old at 20.2%; another group was between 30-34 years old representing 14.1%; while another group that had 45-49 years' old which represents 11.6%; the age bracket of 55+ which represented 5.6%; another group of between 24-29 years old representing 5.2% and finally another group of 50-54 years old representing 2.6%.

#### 4.2.4 Economic Engagement

The study in this section inquired about the economic engagements of respondents in the region. Economic engagement is the collaboration among local persons or institutions that are aimed at improving the wellbeing of the community through efforts that involve creation of jobs (Amitage, 2013). This was important to the study as economic engagements through collaborations can result to mutually beneficial exchange of business ideas in the context of partnership and business exchange. The responses were presented as shown in Table 4.2

**Table 4.2 Economic Engagement**

<b>Category</b>	<b>Frequency</b>	<b>Percent (%)</b>
Employed	35	11.6
Unemployed	97	32.1
Self-employed	83	27.5
Student	55	18.2
Any other	32	10.6
<b>Total</b>	<b>302</b>	<b>100</b>

Source: Field Data (2020).

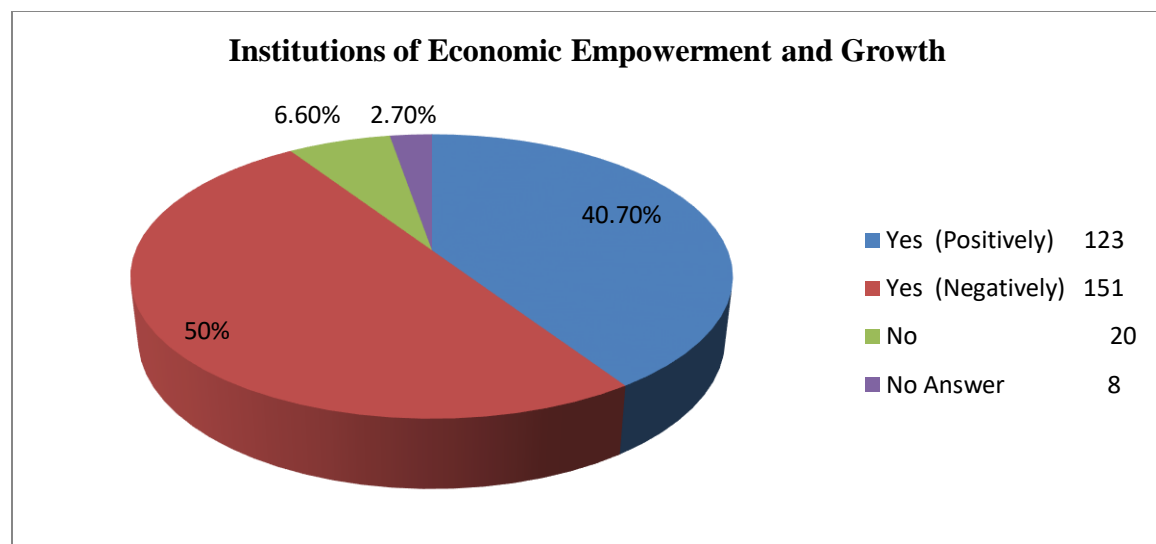
As revealed in Table 4.2 out of the 302 respondents who answered the question on the economic engagement of respondents, 11.6% of them were employed; 32.1% were unemployed; 27.5% were self-employed; 18.2% were students and the remaining 10.6% of them fell under any other. The county has 11.6% population under formal employed meaning poverty levels is high in the area; students and others account for a total of 28.8%. From these results, it can be concluded that more than 50% of the sub county residents were either self-employed or unemployed.

### **4.3 Presentation of Research Analysis and Findings**

#### **4.3.1 Institutions of Economic Empowerment and Growth**

Institutions of economic empowerment and growth are special agencies or foundations both government and private which engage in studying economic data and are mandated to supply goods or services that are fundamental to the economy of an area. According to Hamisi (2011), well established structures and arrangements that make part of the economic culture which include banking systems, property rights and competitive markets are part of institutions of economic empowerment.

The study in this part required respondents to state if they knew what institutions of economic empowerment and growth are and how important they are to the community in general. According to Stroyan (2012), institutions safeguard investments through provision of a favorable atmosphere for inspiring and creation of wealth, these boosts competition for opportunities. In this study, the section was fundamental to the research as institutions of economic empowerment mainly aim at impact the community economically. The results were then presented as shown in Figure 4.3



**Figure 4.3 Institutions of Economic Empowerment and Growth**

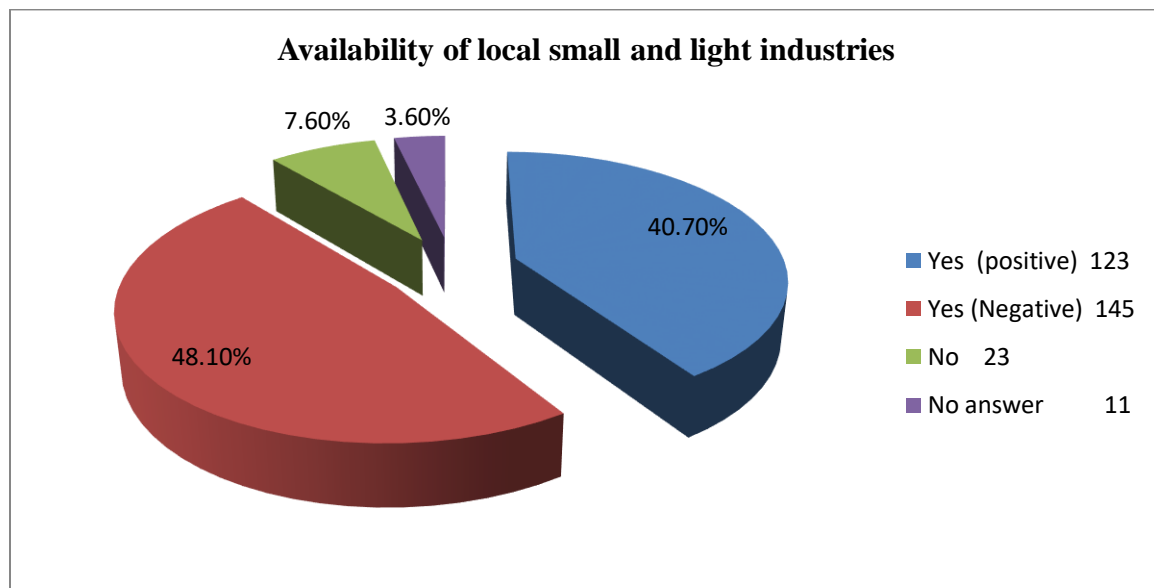
Source: Field Data (2020).

The results of the study in Figure 4.3 indicate that the question was answered by 294 respondents, representing 97.3%. Amongst those who answered the question, 40.7% said they were aware of the existence of institutions of economic empowerment and growth and that their influence was positive to the community. 50% of them knew about these institutions and felt that their influence was negative to the community. 6.6% of them did not have any idea of the existence such institutions. The remaining 2.7% did not answer the question because of reasons only known to them.

“When the respondents were requested by the researcher to explain if they understood the importance of localization of small and light industries in Kibwezi Sub County, all the four said that they understood the meaning and importance of localization of small and light industries was important in Kibwezi Sub County. The respondent’s also felt that as much as small and light industries bring economic transformation, the security of the area may be at stake.”

This section required respondents to state if there were small and light industries in Kibwezi Sub County and how the community have benefitted from these industries. In this

study, local small and light industries are important pillars that spur economic growth and development in areas such as Kibwezi Sub County. The outcome of this question was presented as shown in Figure 4.4

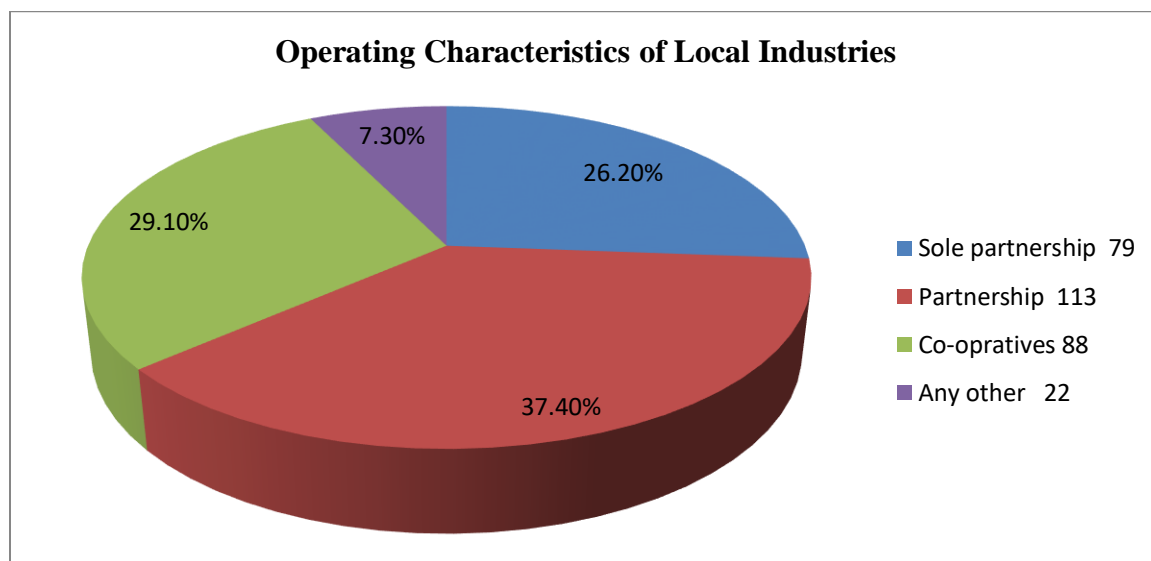


**Figure 4.4 Availability of Local small and Light Industries**

Source: Field Data (2020)

From the results in Figure 4.4, respondents were required to state if there existed local small and light industries in Kibwezi Sub County and there are any benefits of these industries to the community. The question was answered by 291 respondents representing 96.4% of the total and responses indicated that 40.7% were aware of the availability of local small and light industries in the area and that these have positive benefited the community. 48.1% knew of the availability of local small and light industries but felt that they have not benefited the community in any way. 7.6% of them were not aware of the availability of these industries in the area while the remaining 3.6% did not answer the question.

This section required respondents to indicate operating characteristics of local industries in the area. Operating characteristics of local industries are local features which aim at recreating local opportunities that are able to assist local industry development. In this section, operating characteristics of local industries are important aspects of economic growth and development in Kibwezi Sub County as it enhances economic success in the region. The section's results were presented as shown in Figure 4.5



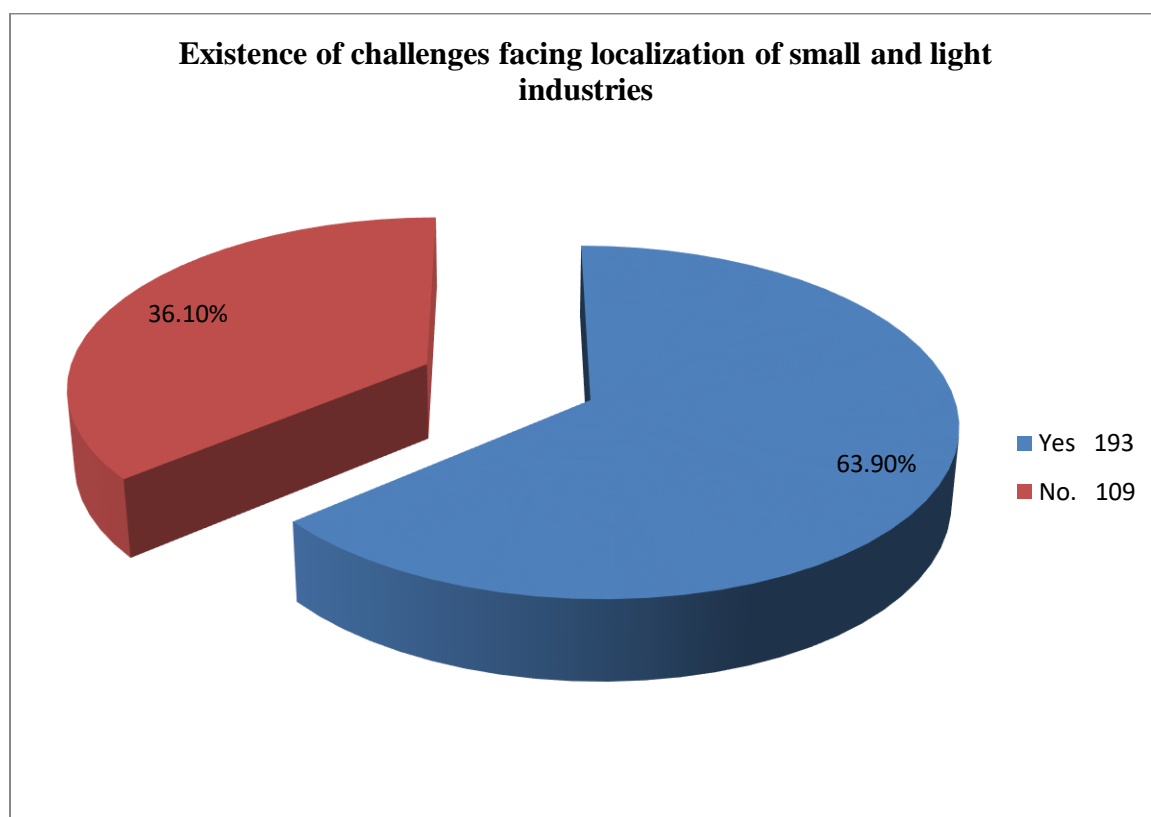
**4.5 Figure Operating Characteristics of Local Industries**

Source: Field Data (2020).

From the results in Figure 4.5 where respondents were required to state the operating characteristics of local industries in the area; the question was answered by all the 302 respondents representing 100%. The responses indicated that 26.2% said sole proprietorship 37.4% of them said partnership, 29.1% of them said they preferred cooperatives and the remaining 7.3% of the respondents fell among others.

### 4.3.2 Challenges of Localization of Small and Light Industries and Economic Empowerment

In this section, respondents were required to state if there exist challenges facing localization of small and light industries in Kibwezi Sub County. According to Lin and Lin (2010), localization of small and light industries is faced with lack of technology, proper governance structures, policy frameworks and institutions that do not clearly support change and a drive towards modernization of economic activities in the country. In this study, results of the challenges facing localization of small and light industries in the region were presented illustrated in Figure 4.6

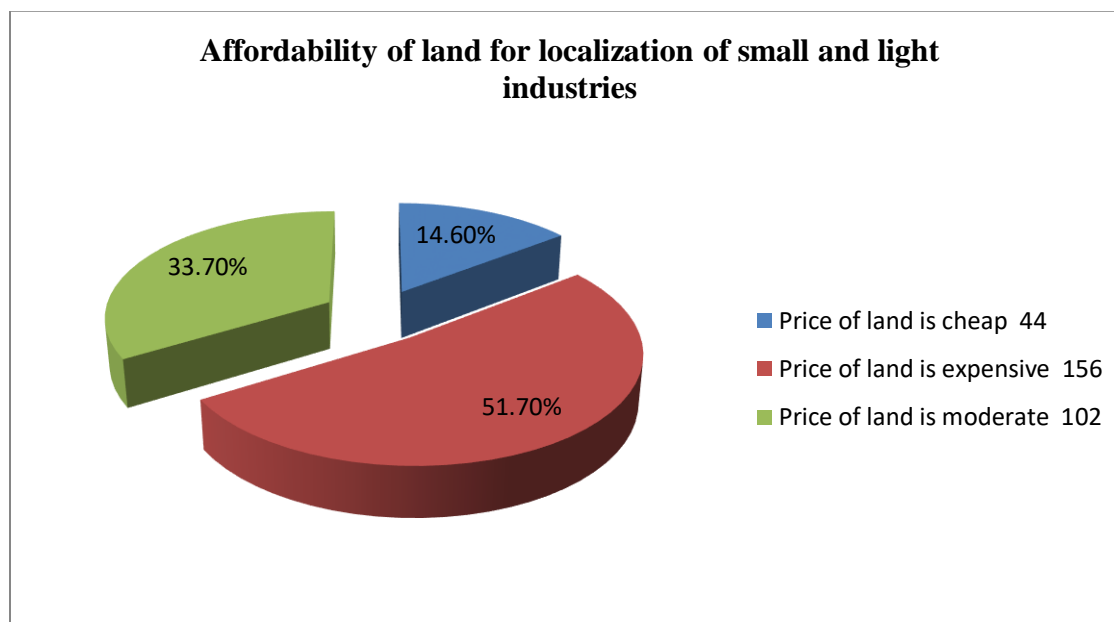


**Figure 4.6 Existence of Challenges Facing Localization of Small and Light Industries**

Source: Field Data (2020).

As illustrated in Figure 4.6, out of the 302 respondents who answered the question on if there are challenges facing localization of small and light industries in Kibwezi Sub County; 68.9% of them agreed that there were challenges facing the sector while 36.1% of them said there were no such challenges in the area. From the findings, it is evident that Kibwezi Sub County, Makueni County experiences a number of challenges which affect the community from adopting localization of small and light industries.

Affordability is the customer's capability to pay for a commodity. According to Stroyan (2012), it is normally expressed in terms of the maximum price offered to the customer for payment of the commodity. In this study, affordability of land in Kibwezi Sub County was measured by price distribution. This affects localization of small and light industries either positively or negatively. The results of this question were presented as shown in Figure 4.7



**Figure 4.7 Affordability of Land for Localization of Small and Light Industries**

Source: Field Data (2020).



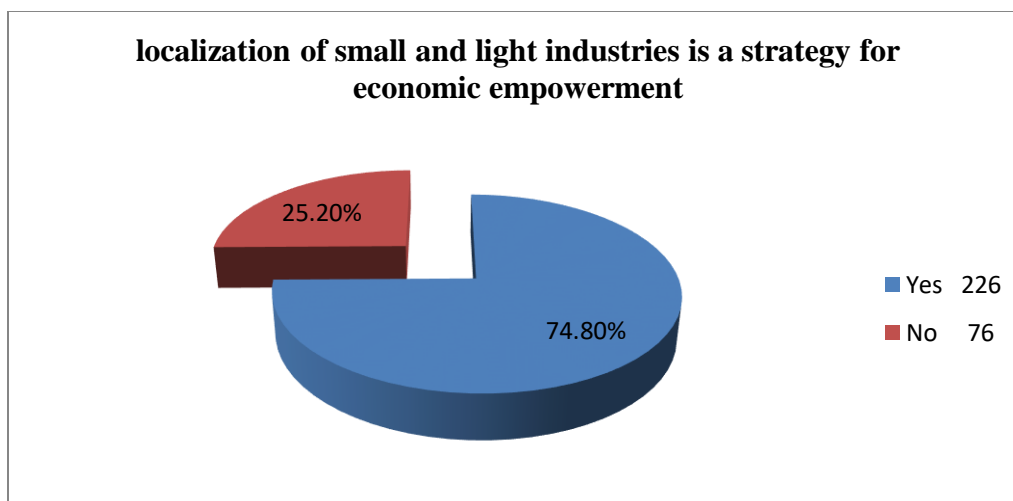
As illustrated in Figure 4.7, out the 302 respondents who responded to the question on if land for localization of small and light industries in Kibwezi Sub County was affordable; 14.6% of them said price of land in the area is cheap, 51.7% of them said price of land was expensive while the remaining 33.8% of them said price of land was moderate.

“On the question of affordability of land for localization of small and light industries, the researcher requested the respondents to state the challenges facing localization of small and light industries in Makueni County. All the four respondents reported that, there exist challenges facing localization of small and light industries in the area; citing price of land as the biggest challenge, followed by lack of skilled labour, poor infrastructure and lack of capital as challenges affecting localization of small and light industries.”

#### **4.3.3 Strategies to Improve Localization of Small and Light Industries**

According to Kotler (2009), Localization strategy is a special market approach institutions adopt to address such attributes of development such as cultural differences, customer behaviors and purchasing habits

The study required respondents to state whether localization of small and light industries is a strategy for economic empowerment. According to Golla (2011), it is the ability of individuals or organizations to make and act on decisions that involve the control over the allocation of financial and non-financial resources to communities. In this study, respondents were asked to state whether localization of small and light industries is a strategy for economic empowerment in Kibwezi Sub County, Makueni County. Results of this question were presented illustrated in Figure 4.8.



**Figure 4.8 Localization of Small and Light Industries as a Strategy for Economic Empowerment**

Source: Field Data (2020).

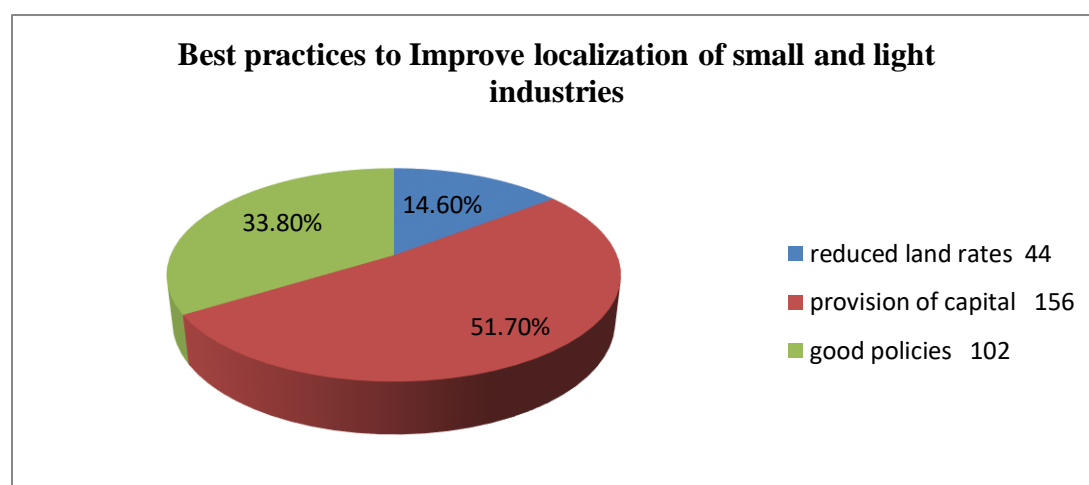
As illustrated in Figure 4.8, respondents were required to state whether localization of small and light industries is a strategy for economic empowerment in Kibwezi Sub County. Out the 302 respondents who answered this question 74.8% of them agreed to the statement, 25.2% of them believed that localization of small and light industries was not a strategy for economic empowerment in Kibwezi Sub County. It can be concluded that localization of small and light industries is a strategy for economic empowerment as this supported by more than 70% of the respondents.

“In addition to if localization of small and light industries is a strategy for economic empowerment for the people of Kibwezi Sub County, majority of those who were interviewed 3 of them agreed to the statement. They cited employment creation, generation of revenue for families, engagement of the youth to make them busy and enhancing socialization as some of the positive influence localization of small and light industries.”

#### 4.3.4 Economic Empowerment of Communities

Economic empowerment is the ability of individuals or organizations to make and act on decisions that involve the allocation of financial and non-financial resources to communities. According to Golla (2011), economic empowerment is a variable that is defined by Institutional policies, industrialization and strategies that improves localization of small and light industries.

The researcher in this section required respondents to propose best practices that can be adopted to improve localization of small and light industries in Kibwezi Sub County. Best practices are techniques that are generally accepted as superior to those achieved by other means or because of standardized ways of doing things. According to Gurner (2015), challenges of localization of small and light industries are countered through development of strategies that support localization of and light industries that are supportive the economy. In this study, results of best practices to improve localization of small and light industries in Kibwezi Sub County, Makueni were presented as shown in Figure 4.9.



**Figure 4.9 Best Practices to Improve Localization of Small and Light Industries**

Source: Field Data (2020).

The study in Figure 4.9 required respondents to propose best practices that can be adopted to improve localization of small and light industries in Kibwezi Sub County. This question was answered by all respondents in the study. Out the 302 respondents who answered this question 51.7% of them proposed provision of capital by the County Government of Makueni, 33.8% of them believed that good policies by the county government will improve localization of small and light industries, while 14.6% of them proposed reduced land rates as part of the best practices that can improve localization of small and light industries, It can be concluded that provision of capital and adoption of good policies by the County Government of Makueni can be adopted as strategies that can improve localization of small and light industries for economic empowerment as this has a combined figure of more than 80% of the respondents.

“On Best practices to improve localization of small and light industries, Respondents were requested to explain if there were strategies that could improve localization of small and light industries in Kibwezi Sub County. From the interviews oral reports, all the four interviewees reported that, the existing strategies for localization of small and light industries had seen an increase in the number of industries established in the area; majority of the interviewees cited provision of capital, reduced land rates and good policies respectively as strategies for improvement of localization of small and light industries. Respondents felt that provision of capital by financial institutions in the area was the greatest strategy in industry’s expansion; land rates also favored localization of small and light industries as they were not expensive; existing policies also favored localization of small and light industries to a large extent. However, there were also other strategies mentioned such as infrastructure and technology which also assisted the process.”

#### **4.4 Inferential Statistics**

The study sought to investigate the contribution of localization of small and light industries on the economic empowerment of Kibwezi Sub County, Makueni County, Kenya. Specifically, the study focused on finding out how institutions of governance affect economic empowerment of the people; evaluate the challenges of localization of

small and light industries and analyze the strategies that can improve localization of small and light industries in Kibwezi Sub County, Makueni County, Kenya

Respondents were required to indicate their level of agreement with statements rating the available facilities that support localization of small and light industries. Items were measured on a five point Likert-type scale ranging from 1-5 where 1 being “strongly agree” and 5 being “strongly disagree: means of between 1.26 – 2.73 and standard deviation of 0.437 – 1.483 were registered. In general, the study findings revealed that majority of the respondents were in agreement that available facilities support localization of small and light industries as shown by means of 2.038. Specifically, the findings revealed that provision of water supports localization of small and light industries to the people of Kibwezi Sub County with a mean of (M=1.26), followed by provision of electricity and telephone services with (M=1.74) each, availing of land was next with a mean of (M=2.72) and provision technology with a mean of (M=2.73). These findings were presented in Table 4.3

**Table 4.3 Rating of Support to Localization**

<b>Support to Localization</b>	<b>Mean</b>	<b>Std. Dev</b>	<b>N.</b>
Provision of electricity	1.74	0.831	302
Provision of water	1.26	0.437	302
Provision of technology	2.73	0.843	302
Availing of land	2.72	1.483	302
Provision of telephone services	1.74	0.827	302
<b>Aggregate Score</b>	<b>2.038</b>	<b>0.8842</b>	<b>302</b>

Source: Field Data (2020)

Respondents were required to indicate why the industry they knew was located where it is. Items were measured on a five point Likert-type scale ranging from 1-5 where 1 being “strongly agree” and 5 being “strongly disagree: means of between 2.00 – 3.01 and standard deviation of 1.226 – 1.661 were registered. In general, the study findings revealed that majority of the respondents were in agreement with the statements indicating why the industry they knew was located where it is as shown by means of 2.652. Specifically, the findings revealed that Easy access to plot supports localization of small and light industries with a mean of (M=2.00), followed by Proximity to market with a mean of (M=2.50), Proprietor lives there with (M=2.75) each, allowed by county government was next with a mean of (M=3.00) and Proximity to supplier with a mean of (M=3.01). These findings were presented as shown in table

**Table 4.4 Industry Location**

<b>Industry Location</b>	<b>Mean</b>	<b>Std, Dev.</b>	<b>N.</b>
Proprietor lives there	2.75	1.479	302
Proximity to market	2.50	1.661	302
Proximity to supplier	3.01	1.419	302
Allowed by county government	3.00	1.582	302
Easy access to plot	2.00	1.226	302
<b>Aggregate Score</b>	<b>2.652</b>	<b>1.4734</b>	<b>302</b>

Source: Field Data (2020)

Respondents were required to rate the most common challenges of localization of small and light industries. Items were measured on a five point Likert-type scale ranging from 1-5 where 1 being “strongly agree” and 5 being “strongly disagree: means of between 1.60 – 2.81 and standard deviation of 0.801 – 1.837 were registered. Generally, the study findings revealed that majority of the respondents were in agreement with statements on the most common challenges of localization of small and light industries as shown by means of 1.928.

Specifically, the findings revealed that any other challenge other than the ones provide can affect localization of small and light industries with a mean of (M=1.60), followed by Ease access to plot with a mean of (M=1.96), then lack of adequate capital and technical knowhow with (M=2.60) each, High license fee was next with a mean of (M=2.80) and finally finding suitable location with a mean of (M=2.81). These findings were presented as shown in table 4.5

**Table 4.5 Challenges of Localization of Small and Light Industries**

<b>Challenges of localization of small and light industries</b>	<b>Mean</b>	<b>Std. Dev.</b>	<b>N.</b>
Lack of adequate capital	2.60	1.357	302
Ease access to plot	1.96	1.208	302
Finding suitable location	2.81	1.837	302
High license fee	2.80	1.327	302
Technical knowhow	2.60	1.020	302
Any other	1.60	0.801	302
<b>Aggregate Score</b>	<b>1.928</b>	<b>1.258</b>	<b>302</b>

Source: Field Data (2020)

This part required respondents to rate challenges that directly or indirectly affect localization of small and light industries. Items were again measured on a five point Likert-type scale ranging from 1-5 where 1 being (strongly agree” and 5 being “strongly disagree: means of between 1.83 – 3.07 and standard deviation of 0.943 – 1.291 were recorded.

In general, the study findings revealed that majority of the respondents were in agreement with statements on rating challenges that directly or indirectly affect localization of small and light industries as shown by means of 2.414. To be specific, the results revealed that limited space can affect localization of small and light industries with a mean of (M=1.83), followed by capital with a mean of (M=1.88), then any other with a mean of (M=2.60), lack of market was next with (M=2.69) and then Skilled



labour with a mean of (M=3.07). These findings were presented as shown in table 4.6

**Table 4.6 Rating Challenges of Localization**

<b>Rating challenges of localization</b>	<b>Mean</b>	<b>Std. Dev.</b>	<b>N.</b>
Capital	1.88	1.051	302
Limited space	1.83	0.943	302
Skilled labour	3.07	1.287	302
Lack of market	2.69	1.058	302
Any other	2.60	1.291	302
<b>Aggregate Score</b>	<b>2.414</b>	<b>1.126</b>	<b>302</b>

Source: Field Data (2020)

This required respondents to rate the overall constraint to localization of small and light industries in Kibwezi Sub County. Items were measured on a five point Likert-type scale ranging from 1-5 where 1 being (strongly agree” and 5 being “strongly disagree: means of between 1.90 – 3.10 and standard deviation of 1.045 – 1.447 were recorded.

Generality, the study findings revealed that majority of the respondents were in agreement with statements on rating to overall constraint to localization of small and light industries as shown by means of 2.342. To be specific, the results revealed that lack of facilities and unfair competition can affect localization of small and light industries with a mean of (M=1.90) each, followed by lack of management skills with a mean of (M=2.20), then nonpayment of debts with a mean of (M=2.61), lack of market was next

with (M=2.20) and then nonpayment of debts with a mean of (M=2.61) and then lack of skilled personnel with (M=3.10). These results were presented as shown in table 4.7

**Table 4.7 Constraints to Localization of Small and Light Industries**

<b>Constraints to localization of small and light industries</b>	<b>Mean</b>	<b>Std. Dev.</b>	<b>N.</b>
Lack of facilities	1.90	1.221	<b>302</b>
Unfair competition	1.90	1.045	<b>302</b>
Nonpayment of debts	2.61	1.122	<b>302</b>
Lack of management skills	2.20	1.327	<b>302</b>
Lack of skilled personnel	3.10	1.447	<b>302</b>
<b>Aggregate Score</b>	<b>2.342</b>	<b>1.232</b>	<b>302</b>

Source: Field Data (2020)

This section required respondents to rate strategies which improve localization of small and light industries in Kibwezi Sub County. Items were measured on a five point Likert-type scale ranging from 1-5 where 1 being (strongly agree” and 5 being “strongly disagree: means of between 1.50 – 2.99 and standard deviation of 0.764 – 1.532 were recorded.

Generally, the study results revealed that majority of the respondents were in agreement with statements rate strategies which improve localization of small and light industries as shown by means of 2.331. Specifically, the findings revealed that availability of loan facilities can affect localization of small and light industries with a mean of (M=1.50), followed by enough management skills with a mean of (M=1.83),

then ready market with a mean of (M=2.33), enough capital was next with (M=2.50) and then manageable taxation with a mean of (M=2.84), finally available skilled labour with a mean of (M=2.99). These findings were presented as shown in table 4.8

**Table 4.8 Strategies Which Improves Localization of Small and Light Industries**

<b>Strategies which improves localization of Small and Light Industries</b>	<b>Mean</b>	<b>Std. Dev.</b>	<b>N.</b>
Availability of loan facilities	1.50	0.764	<b>302</b>
Ready market	2.33	1.375	<b>302</b>
Enough management skills	1.83	0.899	<b>302</b>
Enough capital	2.50	0.958	<b>302</b>
Available skilled labour	2.99	1.532	<b>302</b>
Manageable taxation	2.84	1.464	<b>302</b>
<b>Aggregate Score</b>	<b>2.331</b>	<b>1.653</b>	<b>302</b>

Source: Field Data (2020)

Multiple regression analysis was used to model the relationship between institutions of governance, challenges of localization of small and light industries and strategies to improve localization of small and light industries in Kibwezi Sub County.

The coefficients of determination (R) and correlation coefficient (R) shows the degree of association between contribution of localization of small and light industries on the economic empowerment. The research findings indicated that there was a positive relationship (R= 0752) between the variables the study also revealed that 56.5% of economic empowerment in Kibwezi Sub County which could be explained by the

contribution of localization of small and light industries. From the study, it is evident that at 95% confidence level, the variables produced statistically significant values and can be relied on to explain insecurity as is presented in table 4.9

**Table 4.9 Regression Analysis**

<b>Model</b>	<b>R</b>	<b>R Square</b>	<b>Adjusted R Square</b>	<b>Std. Error of the Estimate</b>
1	.982 <sup>a</sup>	.964	.961	.166

Source: Field Data (2020)

To determine whether independent variables that is: how institutions of governance, the challenges of localization of small and light industries and analyzing the strategies that can improve localization of small and light industries affect economic empowerment of the people of Kibwezi Sub County, an ANOVA test was conducted and is presented as shown in table 4.10.

**Table 4.10 ANOVA**

<b>Model</b>	<b>Sum of Squares</b>	<b>Df</b>	<b>Mean Square</b>	<b>F</b>	<b>Sig</b>
Regression	175.249	5	35.050	146.398	0.000
Residual	0.000	295	.027		
Total	175.249	300			

- a. Dependent variable: Economic Empowerment
- b. Predictor: (constant), how institutions of governance affect economic empowerment of the people, valuation of the challenges of localization of small and light industries

and analyzing the strategies that can improve localization of small and light industries.

According to table 4.10, the F distribution of the data was given as  $F(5, 295) = 146.398$ ,  $p = 0.000$ . This shows that there was no significant difference among the three objectives which are; finding out how institutions of governance affect economic empowerment, evaluate the challenges of localization of small and light industries and analyzing the strategies that can improve localization of small and light industries in Kibwezi Sub County, Makueni County, Kenya.

## **CHAPTER FIVE**

### **DISCUSSION, CONCLUSION AND RECOMMENDATIONS**

#### **5.1 Introduction**

This chapter presents the discussions of the study findings, summary of the results after research analysis, conclusion after the interpretations of results and recommendations for policy formulation and finally proposes areas of further research.

#### **5.2 Discussions**

This section explains the results in regard to investigate the contribution of localization of small and light industries on the economic empowerment of Kibwezi Sub County, Makueni County, Kenya. Presentation of the section was guided by the specific objectives of the study. The section presents the discussions on how the results relate to the existing studies from previous empirical findings. Demographic results are also included here as part of the section's introduction.

The results on gender of the respondent established that 48.0% of the respondents were male while the remaining 52.0% were female. This clearly indicates that gender representation of the two third gender rule in Kenya has been realized as more women participated in this study than men.

The results of respondent's age bracket established that majority of the participants were between 35-39 years, represents 40.7%. This was followed by the age bracket of 40-44 years old at 20.2%; while those between 30-34 years old represents 14.1%; there was another group that had 45-49 years' old which represents 11.6%; then 55+ which represents 5.6%. The age bracket of between 24-29 years old represented 5.2% and lastly 50-54 years old representing 2.6%. Based on these findings, it is clear that that most respondents were

family people (grown up) with experience on economic empowerment of communities especially in Kibwezi Sub County, Makueni County, Kenya.

In regard to respondent's economic engagement, 11.6% of them were employed; 32.1% were unemployed; 27.5% of them were self-employed; 18.2% were students and the remaining 10.6% of them fell outside the mentioned categories. Based on these results, it is evident that the county has 11.6% population under formal employed. This therefore shows that poverty levels are high in the region, as more than 50% of the sub county residents were either self-employed or unemployed.

### **5.2.1 Institutions of Governance effect on Economic Empowerment**

The first specific objective of the study was to find out how institutions of governance affect economic empowerment of the people of Kibwezi Sub County, Makueni County, Kenya, From the findings of the study, it was concluded that institutions of governance in Kibwezi Sub County had a negatively effect on economic empowerment of the community as more than 50% of the respondents supported this statement. This is in agreement with Nicholls (2006) who posit that institutions of economic empowerment that do not clearly support change and drive towards improving economic activities do not grow the community around them. According to Hamisi (2011), well established institutions of governance with good structures and arrangements support economic empowerment of communities.

On the existence of local small and light industries and their benefits in Kibwezi Sub County, It was found out that, there existed small and light industries in the area and that they had not benefited the community in any way. This was supported by more than

50% of the respondents including those who felt that the industries existed but were not supportive to the community and those who were not aware of these industries. These findings were in agreement with that of Khan (2011) who argues that available and properly managed small and light industries improve opportunities across potential locations. It helps spur growth in financial institutions, infrastructure and opportunities for business expansion. On the operating characteristics of local industries in the area, the area operating characteristics mainly adopted partnerships, cooperatives and sole partnerships were the major operating characteristics in the region. These findings concur with that of Khan (2011) who argues that operating characteristics of small and light industries require cooperation and this is fundamental to opportunity creation in any business undertaking.

From the verbal reports on understanding what localization of small and light industries in Kibwezi Sub County all interviewees reported that they understood the meaning and why localization of small and light industries exists in Kibwezi Sub County. It was then concluded that majority of Kibwezi Sub County residents are aware of localization of small and light industries”

“On whether the institutions of governance support localization of small and light industries in Kibwezi Sub County; their oral reports, indicate that half of them felt that though localization of small and light industries has grown in the county, institutions of governance in the area have not fully embraced localization of small and light industries in the Sub County.”

The most important aspect of development is to have institutions of economic empowerment that are geared towards improving economic activities of the communities around them (Nicholls, 2006). From the findings of the study it was evident that majority of the respondents were in agreement with statements that available facilities support localization of small and light industries and specifically provision of water supports



localization of small and light industries with a mean of (M=1.26) and (M=1.74), availing of land with a mean of (M=2.72) and provision of postal service with a mean of (M=2.73).

According to Nicholls (2006), economic institutions safeguard investments through provision of a favorable atmosphere for inspiring and creation of wealth, these improves economic opportunity of communities. Economic institutions are important as they empower communities economically. From the results it was evident that small and light industries were located where they are because of easy access to plot supports localization of small and light industries with a mean of (M=2.00), Proximity to market with a mean of (M=2.50), Proprietor lives there with (M=2.75), allowed by county government with a mean of (M=3.00) and Proximity to supplier with a mean of (M=3.01).

### **5.2.2 Challenges of Localization of Small and Light Industries**

The second specific objective of the study was to evaluate the challenges of localization of small and light industries in Kibwezi Sub County, Makueni County, Kenya. From the findings, it is evident that Kibwezi Sub County, Makueni County experiences a number of challenges which affect the community from adopting localization of small and light industries as this is supported by 68.9% of the total respondents. This confirms the view in Behavioural Location theory that people's behaviour can either be helpful or not helpful when it comes to decision making on where to locate an industry. These findings support the work of Lin and Liu (2010) who posit that localization of small and light industries face many challenges which range from technology adoption, lack proper governance structures, policy frameworks and institutions that do not clearly support

change and modernization of economic activities. There is also lack of information on existing technologies and their potential to increase trade.

The question on if land for localization of small and light industries was affordable in Kibwezi Sub County was evaluated by respondents the findings revealed that the price of land in the area was expensive as this was represented by 51.7% of the respondents. The findings of this study are in tandem with that of Kottler (2009) who argues that growth and development of small and light industries is negatively affected by high land prices. Stroyan (2012), argues that high prices of land directly affect localization of small and light industries either positively or negatively.

“On the respondents view about the challenges facing localization of small and light industries in Makueni County, it was evident from the verbal reports of all the four that there were challenges facing localization of small and light industries in the area which included price of land which was the biggest challenge, skilled labour, poor infrastructure and lack of capital and not forgetting culture.”

On the most common challenges of localization of small and light industries, the study revealed that majority of the respondents were in agreement with statements on the most common challenges of localization of small and light industries Specifically, the it was revealed that any other challenge other than the ones provided can affect localization of small and light industries with a mean of (M=1.60), ease access to plot with a mean of (M=1.96), lack of adequate capital and technical knowhow with (M=2.60) each, high license fee was also identified with a mean of (M=2.80) and finding suitable location with a mean of (M=2.81).

Concerning the rating the challenges that directly or indirectly affect localization of small and light industries. Items were again measured on a five point Likert-type scale

it was revealed that majority of the respondents were in agreement with statements where results revealed that limited space can affect localization of small and light industries with a mean of (M=1.83), lack of capital with a mean of (M=1.88), then any other with a mean of (M=2.60), lack of market was next with (M=2.69) and then lack of skilled labour with a mean of (M=3.07).

This part required respondents to rate the overall constraint to localization of small and light industries in Kibwezi Sub County. The findings revealed that that lack of facilities and unfair competition can affect localization of small and light industries with a mean of (M=1.90) each, lack of management skills with a mean of (M=2.20), nonpayment of debts with a mean of (M=2.61), lack of market with and then lack of skilled personnel with (M=3.10).

### **5.2.3 Strategies that can Improve Localization of Small and Light Industries**

The third specific objective of this study was to analyze the strategies that can improve localization of small and light industries in Kibwezi Sub County, Makueni County, Kenya.

The study revealed that localization of small and light industries is a strategy for economic empowerment as this was supported by more than 70% of the respondents. The findings of this study concur with that of Khaunya and Chepng'eno (2015) who believe that localization of small and light industries take place when there are goods strategies supporting the process. According to Gurner (2015), challenges of localization of small and light industries are countered through crafting good strategies that support the process.

“In addition to if localization of small and light industries is a strategy for economic empowerment for the people of Kibwezi Sub County, it was found out that employment

creation, generation of revenue for families, engagement of the youth to make them busy and enhancing socialization as some of the positive influence localization of small and light industries and this is supported by Khaunya and Chepng'eno (2015) sentiments that localization of small and light industries transforms the economy.”

“From those who were again requested to explain if there were strategies that could improve localization of small and light industries in Kibwezi Sub County. The findings indicated that existing strategies for localization of small and light industries had seen an increase in the number of industries established in the area; strategies such as provision of capital, reduced land rates and good policies respectively as strategies for improvement of localization of small and light industries. Respondents felt that provision of capital by financial institutions in the area was the greatest strategy in industry’s expansion.”

Concerning rating the strategies which improves localization of small and light industries in Kibwezi Sub County, the study results revealed that majority of the respondents were in agreement with statements that availability of loan facilities can affect localization of small and light industries with a mean of (M=1.50), enough management skills with a mean of (M=1.83), ready market with a mean of (M=2.33), enough capital with (M=2.50) and then manageable taxation with a mean of (M=2.84), available skilled labour with a mean of (M=2.99).

### **5.3 Summary of Major Findings**

This study investigated the contribution of localization of small and light industries on the economic empowerment of Kibwezi Sub County, Makueni County, Kenya. To be specific, the study sought to find out how institutions of governance affect economic empowerment of the people of Kibwezi Sub County, Makueni County, Kenya, to evaluate the challenges of localization of small and light industries in Kibwezi Sub County, Makueni County, Kenya and to analyze the strategies that can improve localization of small and light industries in Kibwezi Sub County, Makueni County, Kenya. The study established that institutions of governance, challenges of localization

and strategies that can improve localization of small and light industries contribute to economic empowerment of communities. The findings revealed that provision of water, access to plot, limited space and availability of loan facilities accounted for the highest contributors of economic empowerment of communities. The study also established that adoption of good strategies by institutions of governance can support economic empowerment of people in general. This is in agreement with the systems theory which argues that the system of government in place can determine the type of development activities that can be established in a particular region.

#### **5.4 Conclusion**

Given that the general objective of this study was to investigate the contribution of localization of small and light industries on economic empowerment, various factors for localization of small and light industries and their effect on economic empowerment of communities were assessed. The study found out that ease access to plot, limited space and availability of loan facilities accounted for the highest contributors of economic empowerment of communities in Kibwezi Sub County, Makeni County, Kenya.

The study also established that most of the challenges of localization of small and light industries in Kibwezi Sub County were as a result of lack of strong strategies, institutions of governance. Availability of loan facilities, market, management skills, shortage of labour, and high manageable taxes. These were the most factors which were found to work towards the slow pace in empowering communities in Kibwezi Sub County economically.

The study also established that best practices that can be adopted to improve localization of small and light industries in Kibwezi Sub County were as a result of provision of capital and adoption of good policies by the County Government of Makueni and this found to improve localization of small and light industries for economic empowerment.

### **5.5 Recommendations**

Based on the study findings, the study recommends that the government of Kenya in conjunction with the county government of Makueni should come up with ways of promoting localization of small and light industries in Kibwezi Sub County through development of good policies that are supportive to economic empowerment of communities over time to allow for a reduction in poverty levels in the area

The study also recommends that the challenges facing economic development in Kibwezi Sub County can be avoided if the community and county government of Makueni work hand in hand with institutions governance to ensure that most of this challenge is minimal. This can be through availing financial service, provision of information and training.

The study also recommends that, since poverty levels in Kibwezi Sub County were linked to poor policies, all economic stakeholders especially in Kibwezi Sub County should be tasked with the responsibility of the community on ways of their economic status through forming of society groups that can assist them pull resources together. The study also recommends that the community should participate in developing coming up with effective policies that can enhance economic development.

## **5.6 Areas of Further Research**

This study only focused on investigate the contribution of localization of small and light industries on the economic empowerment of Kibwezi Sub County, Makueni County, Kenya, and this was a hindrance to the study in terms of coverage. Population was restricted to the only residents of Kibwezi Sub County. The study was confined to policy, availability of land and industrial issues that encourage localization of industries in Kibwezi Sub County. This implies that, the views of other sub counties within makueni county were not factored into this study bearing in mind they come from the same county. The researcher recommends that future studies on the same subject be conducted in the remaining sub counties of makueni county in order to compare the results. This will contribute to knowledge development and inform government action in the specific area.

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## **APPENDICES**

### **APPENDIX I: INTRODUCTION LETTER**

Dear all,

#### **REF: DATA COLLECTION**

I do hereby write to introduce myself as a student from the school of humanities and social sciences, department of Governance peace and security of Africa Nazarene University. I am carrying out research to evaluate effect of localization of small and light industries as a strategy for economic empowerment in Makueni County, Kenya. This letter is written to request for to consent so that I can conduct the research and collect data for the purposes of this study. The information provided during the study will be handled with a lot of confidentiality, with due adherence to all aspects of ethical and legal considerations.

Thanks

Yours faithfully

Michael Wanyonyi Nasokho

**APPENDIX 11: QUESTIONNAIRE FOR GENERAL RESPONDENTS**

Kindly answer all the questions and statements as honestly and precisely as possible as well as ticking and filling blank spaces as provided; Tick where applicable

**Part I: Demographic Information**

1. Please indicate your gender

- a) Male
- b) Female

2. Age bracket

- a) 24-29
- b) 30-34
- c) 35-39
- d) 40-44
- e) 45-49
- f) 50-54
- g) 55+

3. What is your economic engagement?

- a) Employed
- b) Unemployed
- c) Self-employed
- d) Student

Any other (specify) \_\_\_\_\_

**Part II: Institutions of Governance and Economic Empowerment**

4. Do you know of any institutions of economic empowerment and growth and how have they impacted the community? State

.....  
.....

5. Are there any local small and light industries and how have you benefitted from them? State.

.....  
.....

6. What are the operating characteristics of local industries in your area?

- a) Sole Ownership
  - b) Partnership
  - c) Co-Operative
  - d) Any other (Specify) .....
7. Rate the available facilities that support localization of small and light industries in Kibwezi Sub County in a scale of 1-5
- a) Electricity
  - b) Water
  - c) Postal Services
  - d) Land
  - e) Telephone
8. Indicate why the industry you know is located where it is in a scale of 1-5
- a) Proprietor lives there
  - b) Proximity to market
  - c) Proximity to supplier
  - d) Allowed by county government
  - e) Easy access to plot

**Part III: Challenges of Localization of Small and Light Industries and Economic Empowerment**

9. Are there any challenges of localization of small and light industries in Kibwezi Sub County?
- a) Yes
  - b) No

10. What do you consider as the most challenges of localization of small and light industries in Kibwezi Sub County in a scale of 1-5? a) Lack of adequate capital
- a) Finding suitable location
  - b) High license fee
  - c) Technical knowhow
  - d) Any other
11. Is land for localization of small and light industries in Kibwezi Sub County affordable?
- a) Price of land is cheap
  - b) Price of land is expensive
  - c) Price of land is moderate
12. Rate the following challenges that directly or indirectly affect localization of small and Light industries in Kibwezi Sub County in a scale of 1-5
- i. Capital
  - ii. Limited space
  - iii. Skilled labour
  - iv. Lack of market
  - v. Any other (specify)
13. What is the overall constraint to localization of small and light industries in Kibwezi Sub County? In a scale of 1-5
- i. Lack of facilities
  - ii. Unfair competition
  - iii. Nonpayment of debts
  - iv. Lack of management skills

- v. Lack of skilled personnel

**Part IV: Strategies to Improve Localization of Small and Light Industries**

14. The following are examples of strategies that can ensure successful localization of small and light industries in Kibwezi Sub County. Please tick the one you can easily identify with. in a scale of 1-5

- i. Availability of loan facilities
- ii. Enough management skills
- iii. Enough capital
- iv. Available skilled labour
- v. Manageable taxation

15. What are some of the things you would like to see done by the county government to improve localization of small and light industries in Makueni Sub County?  
.....

**Part V: Economic Empowerment of Communities**

16. What are some of the best practices and approaches that may improve localization of small and light industries in Kibwezi Sub County?  
.....

Thank you for your time

**APPENDIX III: KEY INFORMANT INTERVIEW GUIDE**

1. Do you understand what localization of small and light industries means?
2. Are the institutions of governance supporting localization of small and light industries in Kibwezi Sub County?
3. What are the challenges facing localization of small and light industries in Makueni County?
4. Is localization of small and light industries a strategy for economic empowerment in Kibwezi Sub County?
5. Are there existing strategies that improve localization of small and light industries in Kibwezi Sub County?

Thank you for your time



**APPENDIX IV: ANU RESEARCH DATA COLLECTION APPROVAL LETTER**

11<sup>th</sup> June 2020

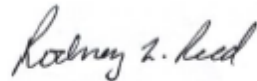
**RE: TO WHOM IT MAY CONCERN**

---

Michael Wanyonyi Nasokho (17S03EMGP001) is a bonafide student at Africa Nazarene University. He has finished his course work and has defended his thesis proposal entitled:-

*“Localization of Small and Light Industries as Strategy for Economic Empowerment in Kibwezi Sub County, Makueni County, Kenya”.*






Any assistance accorded to him to facilitate data collection and finish his thesis is highly welcomed.



**Rodney Reed, PhD.**

**DVC Academic & Student Affairs**

### APPENDIX V: RESEARCH PERMIT

 REPUBLIC OF KENYA	 NATIONAL COMMISSION FOR SCIENCE, TECHNOLOGY & INNOVATION
Ref No: 900217	Date of Issue: 20/June/2020
<b>RESEARCH LICENSE</b>	
	
<p>This is to Certify that Mr.. Michael Wanyonyi Nasokho of Africa Nazarene University, has been licensed to conduct research in Makueni on the topic: LOCALIZATION OF SMALL AND LIGHT INDUSTRIES AS A STRATEGY FOR ECONOMIC EMPOWERMENT OF KIBWEZI SUB COUNTY,MAKUENI COUNTY for the period ending : 20/June/2021.</p>	
License No: NACOSTI/P/20/5353	
900217 Applicant Identification Number	 Director General NATIONAL COMMISSION FOR SCIENCE, TECHNOLOGY & INNOVATION
<p>SUB COUNTY SURVEYOR KIBWEZI / MAKINDU Sign: <i>[Signature]</i> Date: <i>7/7/20</i></p>	Verification QR Code
	
<p>NOTE: This is a computer generated License. To verify the authenticity of this document, Scan the QR Code using QR scanner application.</p>	

## APPENDIX VI: RESEARCH CLEARANCE LETTER FROM MINISTRY OF EDUCATION



**REPUBLIC OF KENYA**  
**MINISTRY OF EDUCATION**  
**STATE DEPARTMENT OF EARLY LEARNING AND BASIC EDUCATION**

  
 SUB-COUNTY DIRECTOR OF  
EDUCATION - KIBWEZI  
**07 JUL 2021**  
 P. O. Box 168-90138,  
2019 001 100 1414

Email: [demakueni@gmail.com](mailto:demakueni@gmail.com)  
When replying please quote

MKN/C/ED/5/33/ VOLII/29

Michael Wanyonyi Nasokho  
Africa Nazarene University

**RESEARCH AUTHORISATION FOR MICHAEL WANYONYI NASOKHO**

Reference is hereby made to the letter from National Commission for Science Technology and Innovation (**NACOSTI**) dated 20/6/2020, authorizing you to carry out research on **“Localization of small and light Industries as a strategy for Economic Empowerment of Kibwezi Sub County, Makueni County” for a period ending 20/6/2021.**

Following this authorization, you are allowed to proceed with your research as requested.

County Education Office  
P.O. Box 41  
**MAKUENI.**

26<sup>th</sup> June, 2020




Dr. Arodi Samson  
For County Director of Education  
**Makueni**



**APPENDIX VII: LETTER FROM THE MINISTRY OF INTERIOR AND  
CORDINATION OF NATIONAL GOVERNMENT**



**THE PRESIDENCY  
MINISTRY OF INTERIOR AND COORDINATION OF NATIONAL GOVERNMENT**

**Telegram:**  
**Telephone: 0743-987-177**  
**Fax:**  
**Email: cc.makueni@interior.go.ke**

**COUNTY COMMISSIONER  
MAKUENI COUNTY  
P.O. Box 1-90300  
MAKUENI**

**Ref: MKN/CC/ADM.6/1 VOL.IV/11**

26<sup>th</sup> June, 2020

Michael Wanyonyi Nasokho  
**NAZARENE UNIVERSITY**



**RE: RESEARCH AUTHORIZATION**

Reference is made to Director General National Commission for Science Technology and Innovation Research License Ref. No. NACOSTI/P/5353 dated 20<sup>th</sup> June, 2020 on the above subject.

You are hereby authorized to undertake research on", *localization of small and light industries as a strategy for economic empowerment of Kibwezi Sub County, Makueni County* " for a period ending 20<sup>th</sup> June 2021.

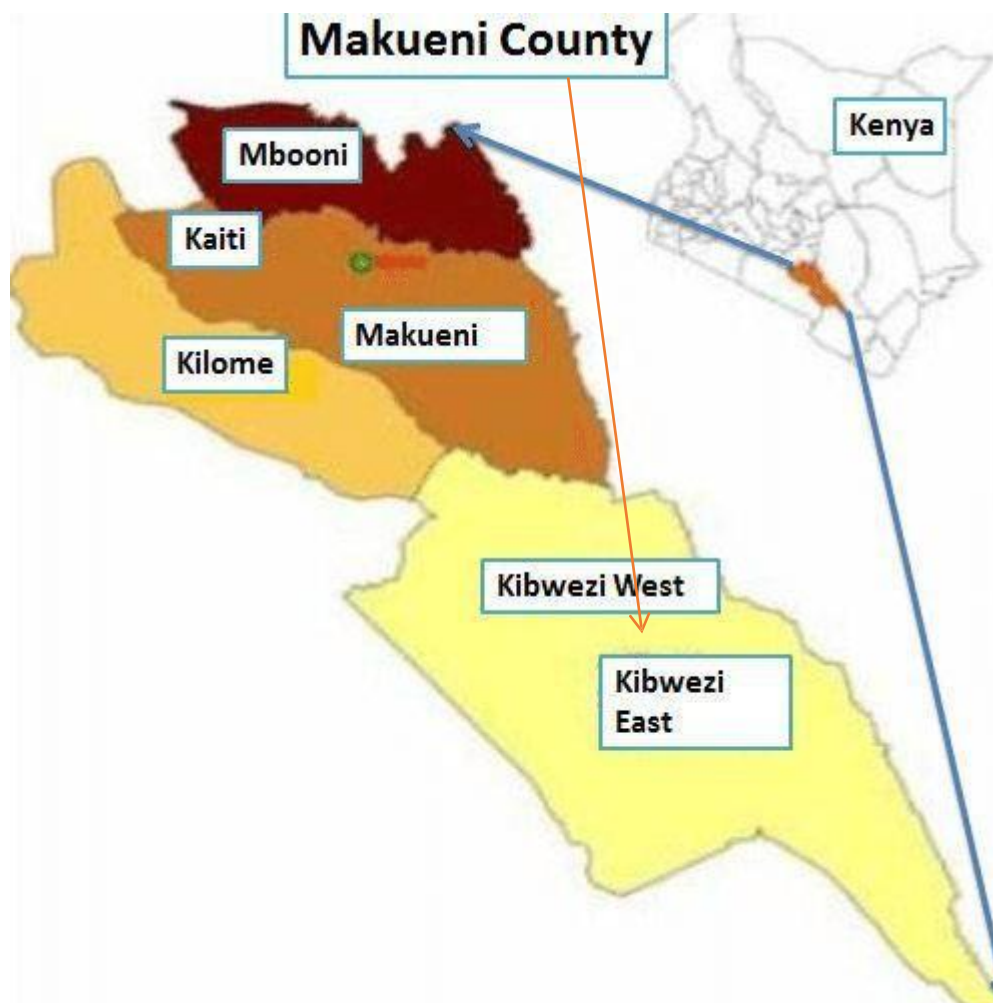
By a copy of this letter the Deputy County Commissioner, Kibwezi Sub County is requested to give you the necessary assistance.

**B.K. NICHOLAS  
FOR: COUNTY COMMISSIONER  
MAKUENI**

c.c.  
County Director of Education  
**MAKUENI COUNTY**

Deputy County Commissioner  
**KIBWEZI SUB COUNTY**

**SUB COUNTY SURVEYOR  
KIBWEZI / MAKINDU**  
Sign.....  
Date..... 27/7/20

**APPENDIX VIII: MAP OF KIBWEZI SUB COUNTY, MAKUENI COUNTY**

Source: Makueni County Government (2017).

**APPENDIX IX: KRENJCIE AND MORGAN SAMPLE CALCULATION TABLE**

Table 3.1									
<i>Table for Determining Sample Size of a Known Population</i>									
N	S	N	S	N	S	N	S	N	S
10	10	100	80	280	162	800	260	2800	338
15	14	110	86	290	165	850	265	3000	341
20	19	120	92	300	169	900	269	3500	346
25	24	130	97	320	175	950	274	4000	351
30	28	140	103	340	181	1000	278	4500	354
35	32	150	108	360	186	1100	285	5000	357
40	36	160	113	380	191	1200	291	6000	361
45	40	170	118	400	196	1300	297	7000	364
50	44	180	123	420	201	1400	302	8000	367
55	48	190	127	440	205	1500	306	9000	368
60	52	200	132	460	210	1600	310	10000	370
65	56	210	136	480	214	1700	313	15000	375
70	59	220	140	500	217	1800	317	20000	377
75	63	230	144	550	226	1900	320	30000	379
80	66	240	148	600	234	2000	322	40000	380
85	70	250	152	650	242	2200	327	50000	381
90	73	260	155	700	248	2400	331	75000	382
95	76	270	159	750	254	2600	335	100000	384
<i>Note: N is Population Size; S is Sample Size</i>					<i>Source: Krenjcie &amp; Morgan, 1970</i>				