

Nairobi... On 15th March 2014, Mr. Daniel Mavindu, Rafiki DTM CEO and Ms. Sicily Kanini Kariuki, Principal Secretary, Agriculture, will lead a symposium on Chamas investing in Agriculture. The convention that brings together around 500 representatives of Chamas will focus on implementing modern agricultural technologies among small scale farmers and the youth.

The focus on agriculture is a timely initiative. Agriculture contributes approximately 25% to the economy of this country. Agriculture is therefore the backbone of Kenya's economy. However, within the microfinance industry, only between 3 and 6% of financing goes to agribusiness. There is little weight attached to this as a business, mostly reference being alluded to prediction on rain patterns. Little focus has also been accorded to irrigation as well as remittance based agribusiness activities.

New investment in form of finance is essential for creating new jobs and economic growth. This could help ease the unemployment issue in Kenya especially among the youth.

Over 500,000 youth leave schools and institutions of higher education every year to flood the job market. Therefore, there should be renewed focus more so be towards youth in our country. 75% of the Kenyan population is under the age of 35 years. The Kenyan unemployment rate is approximately 40% and an estimated 64% of unemployed Kenyans are youth.

Youth unemployment is a significant problem in Kenya which requires attention. As mentioned earlier, Kenya's economy is currently dependent on agriculture, but youth are moving to urban areas in large numbers. Therefore most new entrants to the labor force must choose between working in small-scale enterprises and being self-employed. These factors have led to high levels of youth unemployment.

What is required now is to create alternative employment in form of agribusiness.

With vast lands and large water masses, there is need to initiate ways of encouraging youth to engage in agribusiness activities, on small or large scale geared towards creating employment.

The recent irrigation project launched by H.E Uhuru Kenyatta is an example of ways of encouraging youth to take up agribusiness as a means for employment. This can be replicated across the country.

On the other hand, Chama movements are increasingly taking shape in Kenya. Organized groups today control over Kshs 300 billion in wealth in Kenya, from real estate, agribusiness to trade investments. Almost one in every adult Kenyan is in a form of organized group. Pooling resources together seems to be the best way of establishing investments considering individual resources may not be sufficient to cover the requirements for meaningful investments. Therefore, chamas can invest in agribusiness as a way of diversification from the traditional real estate focus and create employment to many youth across the country.

For further Information or to arrange for interviews Rafiki Microfinance Bank

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