



ASSESSING THE SOCIO-ECONOMIC IMPACT OF THE TEA INDUSTRY ON RURAL LIVELIHOODS IN KENYA

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ABSTRACT

Kenya's economy is predominantly agriculture-based, with tea representing one of the most significant cash crops contributing to national income, foreign exchange, and rural livelihoods. This study assessed the socio-economic impact of the tea industry on rural livelihoods in Kenya, focusing on three key tea-growing counties: Kericho, Kisii, and Kiambu. The research employed a descriptive survey design and stratified random sampling to select 60 smallholder tea farmers, complemented by secondary data from the Kenya Tea Development Agency (KTDA) and government records. Data were collected through structured questionnaires and analyzed using descriptive statistics and thematic interpretation. Findings revealed that 68.3% of respondents relied exclusively on tea farming for income, while 25% combined agriculture and service-based activities, and 1.7% integrated agriculture, service, and private business. County variations were notable, with Kisii farmers demonstrating the highest dependence on agriculture (90%), while Kericho farmers exhibited greater income diversification (45% combining agriculture and service). The tea industry emerged as a critical employer, generating over one million direct and indirect jobs nationally and significantly supporting rural economies through KTDA factories, transport, warehousing, and auction-related services. Beyond income, tea farming was linked to improved rural infrastructure, housing standards, education, and food security, contributing to enhanced living conditions and rural industrialization. However, emerging challenges such as mechanization in large-scale estates threaten employment levels, raising equity and sustainability concerns. The study concludes that tea remains a cornerstone of rural socio-economic development, but sustaining its benefits requires targeted interventions. Recommendations include promoting income diversification, balancing mechanization with job protection, strengthening rural infrastructure, enhancing farmer capacity building, and fostering value addition initiatives to maximize earnings. Policy frameworks ensuring fair pricing and timely payments are also essential to stabilize incomes and improve livelihoods for smallholder farmers. These insights provide a foundation for policymakers, industry stakeholders, and researchers seeking to optimize the socio-economic contributions of Kenya's tea sector amid evolving market and technological dynamics.

KEY WORDS: Socio-Economic, Tea Industry, Rural Livelihoods, Kenya

INTRODUCTION

Globally, tea is one of the most widely consumed beverages and a significant agricultural commodity that supports millions of smallholder farmers and workers across Asia, Africa, and Latin America. Countries such as China, India, Sri Lanka, and Kenya dominate global tea production, contributing substantially to foreign exchange earnings and rural livelihoods (FAO, 2023). The tea industry's socio-economic impact has been widely documented, with studies highlighting its role in employment creation, poverty alleviation, and rural development (Rahman, 2021). However, challenges such as climate change, fluctuating global prices, and labor market transformations continue to influence the sustainability of tea-dependent economies.

In Asia, Bangladesh offers a relevant example of tea's socio-economic significance. Rahman (2021) examined tea production patterns and found that climate variability—particularly erratic rainfall and droughts affects yields, production costs, and workers' welfare. The study revealed that organic tea farms were more resilient to these shocks, safeguarding livelihoods and ensuring consistent quality. Similarly, Ibrahim, Rahman, and Noman (2025) explored smallholder tea farming in Panchagarh District, Bangladesh, where tea farming moderately impacted livelihoods. Farmers faced persistent challenges such as price fluctuations, weight deductions by factories, and high input costs,



which discouraged continued investment in tea cultivation despite its income potential. Education, farm size, and knowledge of tea farming were significant factors influencing livelihood outcomes.

Regionally, tea has been a cornerstone of rural transformation in East Africa, particularly in Tanzania. Mwambogolo (2023) analyzed the impact of tea production in Rungwe District between 1960 and 2020, documenting how the sector transformed the area from a rural to an urban economy. The study highlighted how political and economic policy shifts such as nationalization and privatization directly shaped farmer incomes and community development. This historical perspective underscores how tea farming's socio-economic contributions evolve in response to governance and market reforms, a reality also observed in other African tea economies.

In Kenya, tea remains one of the most important cash crops and export commodities, contributing approximately 30% of agricultural GDP and 26% of total export earnings (Hannan, 2024; Yilmaz & Njora, 2021). The country is globally recognized as the leading exporter of black tea, supplying high-quality tea to international markets. Tea cultivation was introduced during the colonial era and has since evolved into two dominant production systems: large-scale plantations owned by multinational corporations and smallholder farms coordinated by the Kenya Tea Development Agency (KTDA) (Karuri, 2021). These systems differ markedly in scale, technology, and socio-economic impact. Large estates are highly mechanized and integrated into global value chains, while smallholder farmers rely heavily on manual labor and cooperative structures for market access and income stability.

Kenya's rural economy is deeply shaped by agricultural activities, with tea farming being central in highland counties such as Kericho, Kisii, Nandi, and Nyamira. Mbugua et al. (2022) observed that these regions also engage in complementary farming activities such as coffee, maize, and dairy, yet tea remains the dominant export-oriented crop. Beyond income generation, tea farming drives rural industrialization by fostering the establishment of factories, transport networks, and service industries, which stimulate local economic growth and urban development. Nyaiyo et al. (2021) further noted that climatic variability, including irregular rainfall and frost, affects tea yields in Kisii County, leading to income instability and necessitating adaptive practices among farmers.

Despite its socio-economic contributions, Kenya's tea sector faces emerging challenges. Mechanization in large-scale estates, particularly the adoption of tea-plucking machines, threatens manual labor opportunities, raising concerns over rural unemployment (Pargi-Sanjay et al., 2024). Smallholders contend with price volatility, high input costs, and limited access to affordable credit and subsidized fertilizers, which constrain profitability and discourage sustained investment in tea farming. Furthermore, disparities in income and infrastructure development between tea-growing regions indicate that benefits are not equitably distributed.

Problem Statement

While tea farming is widely acknowledged as a critical driver of rural livelihoods in Kenya, empirical studies tend to focus on climatic impacts, agronomic practices, or export performance rather than comprehensive socio-economic outcomes. There is limited comparative analysis of how large-scale and smallholder tea systems differentially affect household income, employment, and community development. Moreover, little is known about regional variations in livelihood impacts across key tea-producing counties such as Kericho, Kisii, and Kiambu. Understanding these dynamics is essential for designing equitable policies, enhancing farmer welfare, and ensuring sustainable growth of the tea sector amid global market and technological changes. Therefore, the study objective was to assess the socio-economic impact of the tea industry on rural livelihoods in Kenya.

Theoretical Review

The present study is anchored on the Social Constructionist Theory proposed by Peter L. Berger and Thomas Luckmann in 1966 in their seminal work *The Social Construction of Reality*. The theory posits that reality is not inherent but socially constructed through human interactions, shared meanings, and cultural norms. According to Berger and Luckmann (2023), individuals and communities collectively create and sustain social realities such as economic practices, occupational roles, and value systems through everyday interactions and institutional frameworks. In agricultural contexts, this implies that perceptions of farming, livelihood opportunities, and economic value are shaped by community experiences, cooperative networks, and historical practices rather than purely objective economic metrics.



This theory is relevant to the study of the socio-economic impact of the tea industry in Kenya as it explains how rural communities conceptualize tea farming not merely as an income-generating activity but as a socially embedded practice influencing their identity, livelihoods, and community development. The meanings farmers attach to tea cultivation such as prestige, stability, or vulnerability affect their participation in cooperatives, adaptation to mechanization, and responses to market fluctuations. By applying this theoretical lens, the study examines how shared community perceptions and interactions with institutions like the Kenya Tea Development Agency (KTDA) and multinational estates shape rural livelihoods and socio-economic outcomes. This alignment enriches the journal topic by linking economic impacts with social realities, providing deeper insights into how policy and market changes are experienced and negotiated at the community level.

Empirical Review

Rahman (2021) examined tea production in Bangladesh with a focus on its socio-economic impact and the influence of climatic factors such as rainfall on tea yield and quality. The study evaluated production costs, profitability, and welfare conditions of workers, identifying how erratic rainfall patterns and extreme weather events like droughts and floods adversely affected productivity. Interestingly, organic tea farms were found to be more resilient to climate change, safeguarding livelihoods. The research also highlighted the significant role of market intermediaries in exacerbating farmer vulnerability, suggesting policy reforms to improve market fairness.

Ibrahim, Rahman, and Noman (2025) investigated the perceived impact of tea farming on smallholder farmers' livelihoods in Panchagarh District, Bangladesh. Employing simple random sampling of 118 farmers, the study used correlation and multiple regression analyses to assess how factors such as education, farm size, and knowledge on tea farming influenced livelihoods. Findings revealed moderate livelihood impacts, with challenges including price fluctuations, deductions by factories, and lack of affordable inputs. Farmers expressed moderate satisfaction with tea cultivation, but profitability concerns and unplanned farming practices led to declining interest among growers.

In Tanzania, Mwambogolo (2023) analyzed the socio-economic impacts of tea production in Rungwe District over six decades (1960–2020). Using a historical approach complemented by interviews and policy analysis, the study found that tea cultivation transformed the district from rural to urban, although socio-economic benefits fluctuated with shifts in political and economic policies such as nationalization and privatization.

In Kenya, Mbugua et al. (2022) provided a broader overview of rural economic activities, noting that tea and coffee dominate highland areas primarily for export, while cereals, vegetables, and livestock farming cater to domestic markets. The diversity of agricultural practices reflects Kenya's varied climatic and soil conditions, highlighting tea's significant contribution to rural economies. Complementing this, Nyaiyo et al. (2021) studied farmers' perceptions in Kisii County on climate variability, reporting that reduced rainfall, heavy storms, and frost events adversely affect tea yields through soil erosion, fertilizer leaching, and hail damage.

Summary of Literature Review and Research Gaps

Existing studies underscore the vital role of tea farming in enhancing rural livelihoods, particularly in regions such as Bangladesh, Tanzania, and Kenya. Common themes include its contribution to income, employment, and rural development, alongside emerging challenges from climate variability, market inefficiencies, and input costs. Research demonstrates both positive and negative impacts on smallholder farmers, with socio-economic benefits often moderated by education, farm size, and access to resources. Importantly, tea farming's role in rural transformation, particularly in infrastructure and income diversification, is consistently highlighted across contexts.

While extensive research exists on tea farming's socio-economic contributions in Bangladesh and Tanzania, studies in Kenya have primarily examined climatic factors or general rural agricultural patterns rather than comprehensive socio-economic impacts of tea farming. Limited attention has been given to comparing variations across major tea-producing counties such as Kericho, Kisii, and Kiambu, particularly in relation to income sources, employment opportunities, and rural infrastructure development. Furthermore, few studies integrate both quantitative and qualitative methods to capture nuanced impacts of tea farming on livelihoods. This study addresses these gaps by providing a comparative analysis of socio-economic impacts of the tea industry on rural livelihoods in Kenya, offering insights for policy and rural development strategies.



Methodology

The study adopted a descriptive survey research design to assess the socio-economic impact of the tea industry on rural livelihoods in Kenya. The target population comprised small-scale tea farmers from three major tea-growing counties Kericho, Kisii, and Kiambu representing diverse agro-ecological zones. A stratified random sampling technique was employed to ensure fair representation of farmers across the counties, with a total sample of 60 respondents (20 per county) selected. Primary data were collected using structured questionnaires and key informant interviews to capture quantitative and qualitative insights on income sources, employment opportunities, and rural livelihood improvements associated with tea production. Secondary data were obtained from government reports, KTDA records, and relevant literature. Quantitative data were analyzed using descriptive statistics such as percentages and means, while qualitative data were thematically analyzed to enrich the findings and provide contextual understanding of the socio-economic contributions of the tea industry.

FINDINGS AND DISCUSSION

Direct Revenue to Small Scale Farmer in Kenya

The major and important source of income in rural areas in Kenya is agriculture and agricultural related activities. The results indicated that 68.3% of total selected tea growers entirely depend on agriculture only for their incomes. Those who combined both agriculture and service to supplement income were 25% of the total rural population. About 1.7% of the rural dwellers utilized agriculture, service and private business for economic growth.

The results indicated that different Counties had different income dependency. In Kisii County, 90% of the selected tea growers' dependent entirely on agriculture only and 10% engage on both service and agricultural activities for their incomes. Kericho County on the other hand has 5% of the selected tea grower derive their income only in agriculture while 45% combine service and agriculture to replenish their family incomes. Kiambu County, 60% of selected tea growers are entirely engaged in agriculture and derive their income from agriculture only. However, 20% participate in service and agriculture while 15% combine both private business and agriculture. A 5% of the selected tea growers attained income from agriculture service and private business as source of income.

Table 1. Source of Incomes

Source of Income	Kisii County	Kericho County	Kiambu County	Overall
Agriculture Only	18(90%)	11(55%)	12(60%)	41(60.3%)
Service and Agriculture	2(10%)	9(45%)	4(20%)	15(25.0%)
Agriculture, Service and Private Business			3(15%)	3(5.0%)
			1(5%)	1(1.7%)
	20	20	20	60(100%)

Employment Opportunities

Tea is an important agro-processing based industry supporting the national economy in various ways which include generation of employment opportunities directly and indirectly. Tea industry in Kenya, leads in employment creation. At two man years per hectare, tea and vegetables are three times as labour intensive as maize, Kenya's staples diet crop. It is four times labour intensive as cotton, eleven times labour intensive as wheat and fifty times as labour intensive as cashewnuts. Tea production in Kenya is labour intensive and accounts for over one million jobs in direct and indirect employment. It is known to be supporting over 300,000 individual smallholders and their families in the rural areas. Tea therefore, provides the largest quantum of jobs to the rural masses from all sections of society.

The labor industry is threatened by the deployment of tea mechanization, agricultural chemicals and automation in tea industry. This has recently affected the large scale establishment like Ekaterra limited former Unilever tea, Brown former James Finlays and George Williamson with introduction of tea plucking harvesters resulting to thousands losing jobs in large estates. However, most of the rural dwellers small scale tea holders are still using manual tea plucking methods. The tea industry is indirectly employing thousands in their KTDA factories, transportation of tea from small scale farmers, transporting tea to Mombasa Auction, water transport, employee at KTDA establishments, warehouse employees, auctioneers and brokers among other tea value addition establishments like KETEPA.



Enhancing the Rural Livelihood

Tea industry in Kenya has transformed rural setting and thus set a pace for development. The spread of tea in Kenya has been accompanied by good all weather roads, dispensaries, a network of about 80 tea processing factories and a general improvement in the living standards of Kenyans. Most of the small scale tea growers enjoy improved infrastructure and high standard houses construction and building by them mainly after participating in tea production, some are in a position to educate their children without much help from outside and they have sufficient food supply to sustain their family members in time of shortages till the next harvest. Furthermore, participating in tea production has enable small scale producers to get sufficient disposable income to use for clothing their family members.

Tea growing and manufacturing are carried out in the rural areas in Kenya, thereby contributing significantly to rural industrialization and development. The maintenance of the crop to produce higher yields is essentials. This alone entirely dependents on the general good up keep of tea and the proper application of inputs which could enhance faster growth and help in maintaining tea bushes to flourish and remains giving more flushes for a longer time while being in a sound health status. Application of nitrogenous fertilizers increase tea yields directly.

CONCLUSIONS AND RECOMMENDATIONS

Conclusions

The findings of this study demonstrate that the tea industry plays a pivotal role in the socio-economic development of rural livelihoods in Kenya. A majority of small-scale tea farmers (68.3%) rely solely on agriculture as their primary source of income, with varying dependency levels across counties. Kisii County exhibits the highest reliance on agriculture (90%), followed by Kiambu (60%) and Kericho (55%), where diversification into service-oriented activities is more common.

Tea farming has also emerged as a major employment driver, both directly and indirectly, generating over one million jobs nationally. Its labour-intensive nature has created widespread opportunities, particularly for rural populations, although recent mechanization trends threaten employment levels in large-scale estates. Smallholder farmers, however, continue to rely on manual tea plucking, sustaining rural employment.

Beyond income and jobs, the tea industry has catalysed significant improvements in rural infrastructure, such as road networks, health facilities, and educational opportunities. Participation in tea farming has enabled many households to build better housing, ensure food security, and invest in children's education, thereby uplifting living standards. However, sustained productivity depends heavily on proper agronomic practices, including fertilizer application and continuous crop maintenance.

Recommendations

Promoting income diversification is crucial for ensuring the long-term sustainability of rural livelihoods. Farmers should be encouraged to integrate complementary income streams such as agribusiness ventures, livestock rearing, and value addition initiatives. This approach will reduce overdependence on tea as the sole source of income and mitigate the risks posed by price volatility and market fluctuations, thereby enhancing household financial resilience. Safeguarding employment in the wake of increasing mechanization in large-scale estates is equally important. Policies should be developed to strike a balance between technological advancements and rural job protection. This can be achieved by retraining workers who may be displaced by mechanization and promoting labour-intensive practices among smallholder farmers to sustain employment levels while simultaneously improving operational efficiency in large estates.

Investment in rural infrastructure and essential services must be strengthened to support tea value chains and improve living conditions. Expanding road networks, storage facilities, processing centres, and healthcare services will not only enhance productivity but also contribute to the overall quality of life in rural communities' dependent on tea farming.

Enhancing farmer capacity building is another priority area. Regular training on modern agronomic practices, efficient fertilizer application, and climate-smart farming techniques should be provided to ensure sustained productivity and environmental sustainability. Such initiatives will empower farmers to adopt innovations that improve yields and safeguard soil health.



Supporting rural industrialization and value addition will further boost farmers' incomes. The establishment of community-level cottage industries for tea packaging, blending, and branding can create local employment opportunities and help farmers capture higher value from their produce, fostering economic growth in rural areas. Finally, policy support to ensure fair pricing and timely payments is critical. Government and industry stakeholders should collaborate to develop frameworks that guarantee farmers receive equitable compensation for their produce while also ensuring access to affordable agricultural inputs. This will stabilize incomes and contribute to improved livelihoods for smallholder tea farmers.

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