The influence of public-private partnerships on the relationship between market access and performance of small and medium horticultural enterprises in Kenya

Author: Rangi, Dennis Kirenge

Terms of participation in international trade present SMEs with a number of performance challenges entailing more demanding capabilities in terms of quality and quantity of products. Alliances between the private and public sectors through Public-Private Partnerships (PPPs) enable creative strategies that help SMEs to break out of their small and sometimes inefficient operations to become more globally competitive. While there is information on PPPs from around the world there is inadequate information available on them in Kenya, and knowledge on their contribution especially in the horticultural subsector has not been well studied and documented. The study examined the influence PPPs have on the relationship between market access and performance of Small and Medium Horticultural Enterprises in Kenya. This was addressed by documenting the sources and nature of Public-Private Partnership support that SMEs in horticulture receive in Kenya, and determining the relationship between market access and the performance of the Small and Medium Horticultural Enterprises as well as the relationship between PPP support and the performance of the horticultural SMEs. Lastly, the study also determined the relationship between market access and the performance of the Small and Medium Horticultural Enterprises when intervened with PPP support. The target population comprised of Finlay’s Homegrown Kenya Ltd based in Naivasha, and SMEs that work with Finlay’s Homegrown Kenya Ltd and are based in the Central, Rift Valley and Eastern provinces. Stratified random sampling was used to select SMEs from those that are supported by Finlay’s Homegrown Kenya Ltd. This study adopted multi-method approach by combining quantitative and qualitative methods. Primary data was collected using a questionnaire, key informant interview guide and observations. Descriptive and inferential statistics were used in the study.

SPSS (Statistical Package for Social Scientists version 17) was used in the analysis of data collected. Among the descriptive statistics utilised include frequency distribution and percentages while the inferential statistics used Chi-square test of independence. Data was presented in tables, charts, and diagrams. The study established that Small and Medium Horticultural Enterprises receive support from the public and private sectors and NGOs. However, evidence of the effectiveness of the support provided is mixed and not quite encouraging because partnership between the various sectors is ad hoc and not structured. The study concluded that the relationship between market access and SME performance is improved when intervened by PPP support. After analysing SME support programmes the study recommends that for PPP to be successful in supporting SMEs, a number of actions are required focusing on the establishment of an institutional framework that will help identify, prioritise and define engagement of different stakeholders. This will result in high productivity and overall improvement of business performance in the horticultural subsector and therefore contribute significantly to the realisation of Kenya’s Vision 2030.