

Despite the post-war government's unprecedented efforts to stimulate growth of the rural non-farm (RNF) sector in Rwanda, evidence suggests that participation in this sector remains low compared with other developing and transition economies. This study investigates the micro and meso-level factors defining farm household's capacity and incentives to participate in RNF employment in the post-war Rwanda. Based on the household's time allocation theory, this study employs household survey data collected in Gisagara District in a double-hurdle regression. The results reveal that female-headedness, labour availability, education, social networks, access to finance and rural towns increase the probability of participating in RNF activities, whereas for participating households, the time allocated to RNF activities tends to decrease with age, land productivity, distance to market and dispersed settlements. The article concludes with key implications for rural development policies such as basic education and umudugudu settlements.