

**INTEGRATING HAWKING IN URBAN PLANNING, MANAGEMENT AND
GOVERNANCE IN NAIROBI CENTRAL BUSINESS DISTRICT**

DONALD MUIGAI NG'IRU

REG.NO: N50/13744/05

**A Research Project Report Submitted in Partial Fulfillment for the Requirement for the
Degree of Master of Environmental Planning and Management of Kenyatta University**

SCHOOL OF ENVIRONMENTAL STUDIES AND HUMAN SCIENCES

KENYATTA UNIVERSITY

P.O.BOX 43844 – 00100

NAIROBI, KENYA

Ng'iru Donald Muigai
*Integrating hawking
in urban planning.*



2011/353088

May 2007

KENYATTA UNIVERSITY LIBRARY

Declaration

This research is my original work and has not been submitted for examination for a degree in any other university.

Signature 

Date 2-12-2008

Donald Muigai Ngiru

Reg. NO. N50/13744/05

Approval

This research project has been submitted for examination with our approval as the University Supervisors.

Signature 

Date 3/12/2008

Dr. Caleb Mireri

Department of Environmental Planning and Management

Signature 

Date 4th sept 2009

Dr. Peter Kamau

Department of Environmental Planning and Management

Dedication

To my friend Maurice Mathigu who has vast knowledge about downtown Nairobi and ever-ready to assist.

Acknowledgement

I extend my gratitude to the Department of Environmental Planning and Management for facilitating resources, supervisors, attending and critiquing our defences and providing valuable advice and inputs.

I further extend my appreciations to my supervisors Dr. Caleb Mireri and Dr. Peter Kamau for their support, criticisms and guidance through-out the project phases of inception to the full report production.

I am very grateful to my family, course-mates such as Rachel S, Kagai W, Kivai N, Mbuteti M, among others and friends such as K. Gakami, M.Mathigu for coming through for me when I needed their assistance and support. *Aluta continua*

Abstract

Hawking is a trade activity mostly carried out on the street or roadside and usually an option for the poor since it requires minimal capital, use of own labour. It is mainly undertaken for basic survival. Decline in growth in industrial sector, contracting civil sector, economic recession and the institution of Structural Adjustment Programmes (SAPs) among other factors have promoted the growth of hawking trade. In 2003, it contributed 13 per cent to Kenya's GDP and is still growing.

The sector is though faced with numerous challenges in its operations such as conflicts and confrontations with the authorities, lack of recognition, eviction, unfavorable policies and regulatory frameworks, pavement use conflicts with pedestrians and formal businesses, lack of services and infrastructure among others. Previous efforts to manage and relocate the hawkers have not been successful as the hawkers have returned back to the streets.

The study aimed to find-out the nature of hawking trade, identify challenges and opportunities of practicing hawking, to examine policies, participatory and regulatory framework and finally develop recommendations for integrating hawking in the CBD of Nairobi city. The methodology used was triangulation and involved use of various research methods both quantitative and qualitative. Random sampling and purposive methods were used.

The main findings were that existing policies have been punitive to hawking activities despite its importance in employment creation among the urban majorities. The preference to hawk in the city is to maximize sales and transport hubs, major transport arteries and terminals attract the most hawkers. Membership to hawker's organizations is relatively similar to those not, mainly due to their structural and financial weaknesses, poor leadership among other.

Advanced recommendations include: policy review to reflect present needs through consultative efforts with all stakeholders. A forum for stakeholders has been proposed, integration of the hawkers in the governance of the Authorities activities that affect them, more research into the sector to expand existing knowledge and more recognition of the sector with the subsequent support of the hawking organizations.

Table of Contents

| | |
|--|----------|
| Declaration | ii |
| Dedication | iii |
| Acknowledgement..... | iv |
| Abstract | v |
| List of Tables..... | ix |
| List of Figures | x |
| List of Maps | xi |
| List of Plates..... | xii |
| Acronyms and Abbreviation | xiii |
| | |
| CHAPTER ONE - INTRODUCTION | 1 |
| 1.0 Background | 1 |
| 1.1 Statement of the Problem | 4 |
| 1.2 Research Questions | 4 |
| 1.3 Research Objectives | 4 |
| 1.4 Research Premises..... | 5 |
| 1.5 Justification of the study | 5 |
| 1.6 Significance of the Study | 5 |
| 1.7 Scope of the Study | 6 |
| 1.8 Limitations of the study | 6 |
| 1.9 Operational Definitions..... | 6 |
| 1.10 Chapter outlines | 6 |
| | |
| CHAPTER TWO - LITERATURE REVIEW..... | 8 |
| 2.1 Policy and Regulatory Framework for Hawking in Kenya..... | 8 |
| 2.1.1 Introduction | 8 |
| 2.1.2 The Local Government Act Cap 265 | 8 |
| 2.1.3 The City of Nairobi Hawkers By-Laws, 1963 | 9 |
| 2.1.4 Sessional Paper No. 2 of 2005 on Development of Micro and Small Enterprises for Wealth and Employment Creation for Poverty Reduction..... | 10 |
| 2.1.5 Draft National Land Policy 2006 | 11 |
| 2.1.6 National Development Plan 2002 | 12 |
| 2.1.7 Economic Strategy for Wealth and Employment Creation..... | 12 |
| 2.1.8 Local Government Reform Programme..... | 13 |
| 2.1.9 Model of Policy Approaches..... | 14 |
| 2.2 Nature of Hawking Trade..... | 15 |
| 2.2.1 Informal Employment | 15 |
| 2.2.2 Informal Sector and Economic Crisis | 16 |
| 2.2.3 Nature of hawking trade..... | 16 |
| 2.2.4 Trading Sites and Structures for Displaying Goods..... | 17 |
| 2.2.5 Commodities of Trade and Record Keeping..... | 18 |
| 2.2.6 Worldwide informal employment trend..... | 18 |
| 2.2.7 Slums and urban poverty increase worldwide | 19 |
| 2.2.8 Urban youth: The quest for work | 20 |
| 2.2.9 Kenya's Macroeconomic objectives for the period 2003-2007 | 21 |

| | |
|--|-----------|
| 2.2.10 Overview of Micro and Small Enterprises in Kenya | 22 |
| 2.3 Theoretical Models..... | 23 |
| 2.3.1 Locational theories | 23 |
| 2.3.2 The Gravity Model | 24 |
| 2.3.3 Gravity Model Applicability in Nairobi CBD | 26 |
| 2.3.4 Conceptual Model | 27 |
| 2.4 Challenges and Opportunities of Hawking | 27 |
| Opportunities..... | 27 |
| 2.4.1 Hawking can be Clean Business | 27 |
| 2.4.2 The benefits of hawker friendly policies..... | 28 |
| 2.4.3 Inclusion and Participation in Municipal Governance..... | 28 |
| Challenges | 29 |
| 2.4.4 The informal economy | 29 |
| 2.4.5 Complexity and costs of registration are deterrents..... | 29 |
| 2.4.6 Ad hoc Relocation..... | 30 |
| 2.4.7 Fragmented and Weak Traders Associations..... | 31 |
| 2.4.8 Lack of Business Operation Site | 31 |
| 2.4.9 Organizations and Associations | 32 |
| CHAPTER THREE - AREA OF STUDY | 33 |
| 3.1 Location..... | 33 |
| 3.2 Nairobi Province divisions (constituencies)..... | 34 |
| 3.3 Climate | 35 |
| 3.4 History..... | 35 |
| 3.5 City Governance..... | 36 |
| 3.6 Population and Density Size | 36 |
| 3.7 Social-Economic Profile | 36 |
| 3.8 Business and Economy | 37 |
| CHAPTER FOUR - RESEARCH METHODOLOGY | 38 |
| 4.1 Nature of Data | 38 |
| 4.1.1 Primary Data | 38 |
| 4.1.2 Secondary Sources of Data | 38 |
| 4.1.3 Target Population | 38 |
| 4.2 Sample Size..... | 38 |
| 4.3 Research Strategies | 39 |
| 4.4 Sampling Procedure | 39 |
| 4.5 Data Collection..... | 39 |
| 4.6 Data analysis and presentation..... | 41 |
| CHAPTER FIVE - DATA ANALYSIS AND PRESENTATION..... | 42 |
| 5.1 Policies and Regulatory Framework Governing Hawking in Nairobi | 42 |
| 5.1.1 Licensing..... | 42 |
| 5.1.2 Regulation | 43 |
| 5.1.3 Non-Participatory..... | 44 |
| 5.2 Nature of Hawking Trade in Nairobi Central Business District | 44 |

| | |
|--|-----------|
| 5.2.1 Historical Background hawking trade in Nairobi city | 44 |
| 5.2.2 Places of Origin and Employment Trends | 46 |
| 5.2.3 Year of migration to Nairobi..... | 46 |
| 5.2.4 Reasons for migration to Nairobi..... | 48 |
| 5.2.5 Comparison between place of origin and vendor's place of residence.... | 49 |
| 5.2.6 Levels of vendors education..... | 50 |
| 5.2.7 Comparison between vendors age against years in business | 51 |
| 5.2.8 Hawking hours | 52 |
| 5.2.9 Monthly Income | 53 |
| 5.2.10 Comparison between goods types and the nature of business operations | 53 |
| 5.2.11 Comparison between goods type and goods source and quantity..... | 55 |
| 5.2.12 Reasons for hawking..... | 56 |
| 5.2.13 Reasons for street of choice | 57 |
| 5.2.14 Relationship with formal businesses..... | 57 |
| 5.2.15 Memberships to a hawker's organization | 57 |
| 5.2.16 Hawking license holders | 58 |
| 5.3 Challenges and Opportunities of Practicing Hawking | 58 |
| 5.3.1 Challenges to hawking..... | 58 |
| 5.3.2 Problems associated with hawking operations..... | 60 |
| CHAPTER SIX – SUMMARY OF FINDINGS AND RECOMENDATIONS | 62 |
| 6.1 Summary of Findings..... | 62 |
| 6.2 Recommendations..... | 62 |
| 6.2.1 Hawking Policy Review..... | 62 |
| 6.2.2 Appointment of a Central Agency | 63 |
| 6.2.3 Creation of a “forum of Nairobi urban development stakeholders” | 63 |
| 6.2.4 Recognising the Diversity and Dynamism of the Hawking Sector..... | 64 |
| 6.2.5 Designating Hawking Streets and Hawking Hours..... | 64 |
| 6.2.6 Research | 65 |
| 6.2.7 Hawkers Organization Recognition and Empowerment..... | 65 |
| 6.3 Conclusion..... | 66 |
| 6.4 Areas for Further Research | 66 |
| REFERENCES..... | 67 |
| APPENDIX 1 – Hawkers Questionnaire | 69 |
| APPENDIX 2 –Map 3.3: Nairobi CBD and Streets | 73 |

List of Tables

| | |
|---|----|
| Table 2.1: A Model of Policy Approaches towards Hawkers | 14 |
| Table 2.2: Trends in informal employment – Major world regions (1980-1999)..... | 19 |
| Table 2.3: Trends and Patterns of Urbanization by Province in Kenya, 1962-1999..... | 20 |
| Table 2.4: Wages Employment in formal and informal Sector | 22 |
| Table 5.1 Comparison between place of origin and vendor's place of residence | 50 |
| Table 5.2 Comparison between vendors age against years in business..... | 52 |
| Table 5.3 Comparison between goods types and the nature of business operations..... | 54 |
| Table 5.4 Comparison between goods type and goods source and quantity..... | 55 |
| Table 5.5 Comparison between type of goods and problems associated with hawkers operations, waste disposal and hawkers' opinion on pavement obstruction | 60 |

List of Figures

| | |
|---|----|
| Fig. 2.1 Gravity-Model Diagram | 25 |
| Fig. 2.2 Conceptual Model | 27 |
| Fig.5.1 Place Origin of vendors | 46 |
| Fig.5.2 Year of migration to Nairobi | 48 |
| Fig.5.3 Reasons for migration to Nairobi | 49 |
| Fig. 5.4 Levels of vendors education | 51 |
| Fig. 5.5 Vendors age cohorts | 52 |
| Fig. 5.6 Reasons for hawking | 56 |

List of Maps

Map 3.1: Location of Nairobi in Kenya33
Map 3.2: Nairobi CBD and its neighbours34

List of Plates

| | |
|---|----|
| Plate 5.1: Hawkers being dispelled, retaliation and subsequent arrests | 43 |
| Plate 5.2: Display methods: Spread on the ground and on cartons | 54 |
| Plate 5.3: Pavement obstruction and congestion | 61 |

Acronyms and Abbreviation

CBD – Central Business District

EPZ – Export Processing Zone

KES – Kenya Shilling

KIPPRA – Kenya Institute for Public Policy Research and Analysis

LA – Local Authorities

NCBDA – Nairobi Central Business District Association

NISCOF – Nairobi Informal Sector Confederation

SAPs – Structural Adjustment Programmes

SPSS – Statistical Package for Social Scientists

CHAPTER ONE - INTRODUCTION

1.0 Background

Hawking is a trade activity mostly carried out on the street or roadside, often an option for the poor since it requires little capital, use of own labor and mainly undertaken for basic survival. Hawking trade provides a cheap and effective avenue for the distribution of small items. Delays are minimized and sales raised as the traders take the goods right to the consumers' doorstep. Street hawkers trade in a variety of commodities ranging from food stuff, both fresh and processed, largely dominated by women, fabrics/clothes, shoes, cosmetics, flowers, traditional herbs, craft/artwork/pottery, kitchen ware, plastic products, hardware, electrical appliances and general merchandise such as office stationary, school supplies, books, sweets, brooms, tobacco and newspapers among others. Street trade and service provision in African cities occur in different parts of streets and roads. Most traders locate themselves at strategic points with heavy human traffic, while others walk from one place to the other. They locate themselves along main roads and streets, near shopping centres or at corners where they can be seen by pedestrians and motorists. Traders settle in streets spontaneously without any official allocation. Traders use different structures, including tables, racks, wheel burrows, handcarts, and bicycle seats to display their goods. Others display their goods on the ground over a mat or gunny bag, while others simply carry their commodities on their hands, heads and shoulders. There are also those that hang their goods such as clothes on walls, trees, fences and an advanced group that construct temporary shades with stands for displaying their goods (Mittullah, 2003).

Employment in the informal economy tend to expand during periods of economic adjustment or transition when private firms or public enterprises are downsized or closed, retrenched workers who do not find alternative formal jobs have to turn to the informal economy for work because they cannot afford to be openly unemployed. For example structural adjustment in Africa and economic transition in the former Soviet Union and in Central and Eastern Europe was also associated with an expansion of employment in the informal economy. Also, in response to inflation or cutbacks in public services, households often need to supplement formal sector incomes with informal earnings (Chen, 2006).

Hawking is mostly an urban phenomenon due to the rising population and number of the unemployed that surpass existing job opportunities. Rural-urban migration is one of the most outstanding contributing factors in most urban areas in Africa. People are constantly moving to the urban areas in search for (better) jobs. Others migrate to towns due to relative economic recession in rural areas as well as fleeing wars and civil strife. Since independence Nairobi has experienced a high rate of population increase with in-migration contributing the most. In 1962 the population was 343,500, 1979 was 827,775, 1989 was 1,324,570 and 1999 census it was 2,087,668 (Kenya Statistical Abstract 2000). Hopes for poverty reduction largely hinge on the creation of more employment opportunities, particularly those accompanied by rights, protection and voice. Yet most governments – and the global community – have not adequately recognized this. Under the first of the eight Millennium Development Goals, of eradicating extreme poverty and hunger employment is neither a target nor an indicator (UNCHS 1996).

Kenya's economic performance during the last two decades has been far below its potential. Consequently, per capita income in constant 1982 prices declined from US\$271 (Kshs 3,813) in 1990 to US\$239 (Kshs 3,360) in 2002. The number of people openly unemployed at 2003 stood at over 2 million or 14.6 per cent of the labour force, with the youth accounting for 45 percent of the total. The persistent poor economic performance worsened the poverty situation. The number of people living in poverty is estimated to have risen from 11 million or 48 per cent of the population in 1990 to 17 million or 56 per cent of the population in 2001. In urban areas, Kisumu town recorded the highest prevalence of poverty (63 percent), followed by Nairobi with 50 percent where 487,000 jobs were created during the 2003/04 period, out of which 459,000 and 28,000 were in the informal sector and formal sectors respectively. The general unemployment trends in Kenya continued to rise to about 25 percent from an average of 16 per cent over the previous 10 year period (ROK, ERSP 2003a).

Growing unemployment in an environment of contracting public service - hitherto the largest employer - and disbanding and privatization of parastatals has resulted to the unmatched relatively slow paced mushrooming of the informal, escalating crime and social delinquency, small scale and unregulated sector whose activities are a direct response to the growing and overwhelming needs of the poor. Examples of this sector include the springing up of

spontaneous settlements, hawking, food peddling, open air markets and small-scale privately owned transport taking over from state-regulated bus companies. Thus the 1990s has been described as the era of the informal city. Over the past few decades, the formal sector proved unable to generate enough job opportunities to meet the growth in urban job-seekers, and both the qualified unemployed and people with low employability are obliged to turn to informal self-employment or informal wage employment. Between the 1980s and the 1990s, in the entire developing world, informal employment rose providing a temporary economic solution of sorts for an increasing number of urban workers (Kuiper, 2006).

Estimates based on the 1999 Baseline Survey of MSEs show that in the year 2002 alone, the MSE sector employed about 5,086,400 people up from 4,624,400 in 2001. This was an increase of 462,000 persons and consisted of 74.2 per cent of total national employment. MSE contributed 18.4 per cent to the country's GDP. The contribution of MSEs is more than double that of medium and large manufacturing sector that stands at 7 per cent of the GDP. Overall, the MSEs employ 2.4 million people and create 75 per cent of all new jobs per year. About 70 per cent of MSE constitute street hawkers and directly contribute 13 per cent to the country's GDP (ROK, ERSP 2003a).

Hawking trade is though faced with numerous challenges such as: licensing regulations which are multiple and complex, and many of them are outdated or inappropriate to the size and operations of the small-scale ventures of the poor thus the time wasted and money spent often deters them from taking further steps. They are condemned to pay the fines and bribes to enforcement agents who control the streets and markets. Lack of legitimacy has led to violent confrontations, increased number of unlicensed hawkers, lack of infrastructure provision, goods and property loss. Hawkers associations have not been effectively used, partly due to their fragmentation and weakness. The government has used this to delimit their involvement in planning and policy issues affecting the sector and minimal recognition of their organization and leaders.

1.1 Statement of the Problem

In view of the above background the key problems facing hawking are: physical conflict, confiscation or destruction of goods by the authorities; forceful evictions, extortions, lack of formal recognition and involvement of hawker's organizations; unfavorable hawking policies and regulatory frameworks; pavement use conflict between hawkers and the formal traders in buildings and pedestrians, lack of services and infrastructures such as toilets, dustbins among others.

Previous efforts by the Nairobi City Council to manage street hawking by registering hawkers, designating zones for hawking such as the back-lanes was not fully effective as was relocation to selected areas such as Ngara.

It was imperative to study the integration of hawking in the CBD for efficient urban planning, management and governance. Hawking has demonstrated its immense role in employment creation in an environment which is witnessed by a shrinking formal sector, stagnation of small and medium enterprises and very few jobs being created. It contributes 13 percent to the GDP and has made it easy to access goods and services at affordable prices and its ability to reduce social disorder such as crime and delinquency should be enhanced.

This study was undertaken with the aim to develop recommendations for strengthening integration of hawking into the urban planning, management and governance.

1.2 Research Questions

1. What are the legal requirements and procedures for engaging in hawking?
2. How is hawking trade conducted in Nairobi central business district?
3. What is the contribution of hawking business to the national economy?
4. What are the challenges faced by hawkers in their operations?
5. What is the future of hawking in Nairobi central business district?

1.3 Research Objectives

1. To examine policies and regulatory framework governing hawking in Nairobi.
2. To examine the nature of hawking trade in Nairobi central business district.
3. To identify challenges and opportunities of practicing hawking as an economic activity.
4. To develop a plan for integrating hawking in the urban environment.

1.4 Research Premises

1. There are policies and regulatory framework governing hawking in Nairobi.
2. The nature of hawking trade in Nairobi central business district is favorable.
3. There are challenges and opportunities of practicing hawking as an economic activity.

1.5 Justification of the study

Employment is the first step out of poverty and an important stride towards greater social integration. It is the key to creating wealth, and the primary instrument for its equitable redistribution. Despite the dwindling capacity of the formal sector to provide employment to the increasing youthful population the government has not been keen to develop the growth of the informal sector especially hawking trade, which accounts for 70% of MSEs. The trade has done relatively well despite the numerous problems that bedevils it.

Scanty information about the economic contribution of workers in the informal economy, ineffective, piece-meal and outdated policies, stringent regulatory procedures, weak and disintegrated trader organizations and poor governance in the Central and Local government management are some of the hurdles that face informal economies. This study evaluated the contribution of informal trade to employment and development in the CBD and to provide recommendation for the enhancement and promotion of the same.

1.6 Significance of the Study

This study aimed at developing concrete strategies and recommendations to promote the development of informal economies in Nairobi CBD and possible replication in other urban centers. This will be through the development of an effective environmental management plan.

In addition the findings of the study will be of relevance to decision makers', traders associations, development agencies, institutions, professionals and the general public. Finally the study will fill the academic lacunas in the field of urban planning and management of informal economies.

1.7 Scope of the Study

The study covered Nairobi's Central Business District, which has an area of 150 km². The key areas of focus in the study were: - nature of hawking, challenges and opportunities of hawking, policies, participatory and regulatory framework. Variables under study included demographics; age, sex, education, past occupation, items, sources, location, infrastructure support, association membership, license, governance and advocacy etc., about the hawkers population.

1.8 Limitations of the study

Due to the volatile nature of hawking trade the hawkers were apprehensive to be interviewed or delve into details of the nature of their trade but a go between was useful creating more trust. To conduct a study in the CBD clearance with the Ministry of Education and Nairobi City Council was demanded and took a few weeks to be cleared causing unforeseen delay. The president gave a directive banning trading in the CBD in the early quarter of the year hence further consultation with the hawkers become more difficult.

1.9 Operational Definitions

Hawking – trade by the sale, offer or exposing for sale, exchange of goods, wares, merchandise or refreshment, by placing oneself in any street or public place or unenclosed land or to go about in streets or public places or from premises to premises.

Hawker/street vendor – any person who engages in hawking activities

Street – public road in a city or town usually with buildings on either side or both.

City Council – means the Nairobi City Council under the Mayor and the Town Clerk

1.10 Chapter outlines

The report is divided into four sections which include: preliminaries, the text, references/bibliography and appendices. The text consists of six chapters.

The first chapter covers the background to the hawking problem, the problem statement, research questions, objectives, justification, significance, scope, operational definitions and limitations of the study.

Chapter two covers the literature review of previous studies, theoretical framework, conceptual frame work and their weakness and applicability in Kenya.

Chapter three centers on the area of study focusing on the physical setup, socio-economic setup, historical background among other attributes.

Research methodology is under chapter four focusing on the nature of data, sample size, research strategies, sampling procedure, data collection methods and data analysis and presentation.

Chapter five covers discussion and data analysis of the field findings from the hawkers and the resource persons. Graphs, tables, photographs plates have been used to display the results.

The final chapter, six focuses on the summary of findings, recommendations and proposed areas for further studies.

CHAPTER TWO - LITERATURE REVIEW

2.1 Policy and Regulatory Framework for Hawking in Kenya

2.1.1 Introduction

The MSE operations cut across almost all sectors of the economy, and sustain a high percentage of households in Kenya. In the 2003, National Budget Speech, the Minister for Finance noted that the MSE activities form a breeding ground for businesses and employees, and provide one of the most prolific sources of employment. Their operations are more labour intensive than the larger manufacturers. At the same time, they are the suppliers of low cost products and services in the domestic market (Mitullah, 2003). There are various policies legislation provisions in different Acts and policy documents on hawking and other informal economies as discussed below.

2.1.2 The Local Government Act Cap 265

It is the main legislation that provides for the establishment of authorities for local government and defines their functions and matters connected with it. The local Government Act (LGA) defines mandatory and permissive functions of local authorities. Mandatory functions are mostly vested in Municipal and Town Councils and include provision of primary education, roads and public health by municipal councils and provision of roads and public health by town councils (Madara, 2003).

Permissive functions are subject to Local Authority (LA) having organizational and financial capacity to undertake and may require the approval of minister for Local Government. These include formulation of by-laws and application of new or revised structures of user fees and charges. Other services that all categories of LAs are expected to provide include markets, sanitation, recreational centres and public space, regulation of local business and trade, emergency services, environmental control and public health concerns, nursery and primary schools, social welfare services (street families, beggars, burial grounds etc). As with the case of mandatory functions, LAs are hindered in the provision of these services due to inadequacies in financial and human resources (ibid).

According to the Act section 163 (a) every town council and urban council shall subject to any other written law relating thereto, have power-

“to prohibit or control peddling, hawking and street trading and to control peddlers, hawkers and street traders;”

This gives the Council discretionary power which may be abused as there is no framework or legislation to check it, for example a complaints committee for those aggrieved to petition against their actions. The process is not participatory in nature as there is no consultation with traders on the best way forward.

Section 165 (1) states;

“A local authority may refuse to grant or renew any license which it is empowered under this Act or any other written law to grant on any grounds as it may, by By-law, specify”.

Section 165 (2) states;

“A local authority may cancel any license granted by it on any such grounds as it may, by by-law; specify”.

The local authorities are empowered by the Act to refuse to grant or renew, cancel a granted license as it may specify in their by-laws. This may be abused as the basis of license refusal or grants have not been outlined in the Act prior to being informed of the reasons for the refusal in the by-law later. The local authorities are usually led by elected councilors who can use the Act to reward their voters and friends by giving them licenses and revoking those not in good terms with them or denying them.

2.1.3 The City of Nairobi Hawkers By-Laws, 1963

According to the By-Laws of legal notice number 748 of City of Nairobi, hawking is allowed only to licensed persons with the license holders operating in accordance with the terms and conditions thereof. The By-laws defines to hawk as “whether as principal, agent or employee for the purpose of carrying on trade by the sale or exchange of goods, wares, merchandise or refreshment, to place oneself in any street or public place or unenclosed land (other than in shop premises approved as such by the council), or to go about in streets or public places or from premises to premises” or “by any of the means aforesaid to carry on trade by the sale or exchange or the offer or exposing for sale or exchange, of any goods, wares, merchandise or

refreshment". It is an offence to hawk in the city without a valid license, or being the holder of a licence hawks in the city otherwise than in accordance with the terms and conditions thereof.

Application for a license shall be made to the Town Clerk in a form issued by him, the applicant is to provide the particulars of his place of abode and of the commodity of trade, and the place or places at which, he intends to engage in hawking.

By-law 5 states: (Part 1) "The council may in its discretion, upon payment to the town clerk of the appropriate fee thereof prescribed in the Schedule to these By-laws, issue under the head of the Town Clerk a licence permitting the person named therein to engage in hawking, subject to such terms and conditions, if any, as may be specified in the licence". (Part 2) "Without prejudice to the generalities of paragraph (1) of this By-law, a licence may be restricted to a particular area or place and maybe issued in respect of specified goods, wares, merchandise and refreshments."

The By-Laws of 1963 are outdated and do not address the present changing socio-economic and other needs of the people. The Town Clerk has discretionary powers to license or not hence punitive especially to the present population that mainly depends on informal employment which encompass hawking trade due to increasing population that cannot match available employment opportunities among other problems. This By-law has been cited as being prone to abuse by the authorities to deny and discriminate the applicants of the licences. This has witnessed the numerous numbers of vendors who are unlicensed operating in the CBD.

2.1.4 Sessional Paper No. 2 of 2005 on Development of Micro and Small Enterprises for Wealth and Employment Creation for Poverty Reduction

Micro and Small Enterprises (MSEs) cut across all sectors of the country's economy and provide one of the most prolific sources of employment, not to mention the breeding ground for medium and large industries, which are critical for industrialization. Hawking falls in this category under the trade sector which represents 64.3% of the MSE.

The policy on MSEs is critical for attracting and spreading investment in both urban and rural areas. To enhance the capacity of the MSEs to create durable and decent jobs the Government in

consultation with key stakeholders in MSE, has reviewed policies and strategies outlined in previous policy documents, including Sessional Paper No.2 of 1992 on Small Enterprises and Jua Kali Development in Kenya; and has developed a new policy framework. The new framework provides a more balanced policy focus in line with national goals of fostering economic growth, employment creation, income generation, poverty reduction and industrialization as stipulated in the PRSP 20003-2007. Effective policy co-ordination and implementation is a major challenge and will be resolved through the introduction of institutional changes that include strengthening the capacity of the Department of Micro and Small Enterprise Development to play an oversight function; and establishment of a broad based and independent National Council for Small Enterprises (NCSE) to advise on appropriate policies for the MSE sector and to mobilize resources for the same. A micro and small enterprises (MSE) Act will be legislated to provide the appropriate legal framework to support the growth and development of the sector. The key policies also solicit active support and participation of key stakeholders. Much more critical is the partnership building and working, in an enabling legal and regulatory framework which marks the hallmark of the new policy. Critical to the success of the sector is its integration into the national economic grid.

2.1.5 Draft National Land Policy 2006

The draft policy recognizes the importance and the salient problems that face the operations of informal sectors which include hawking and provide probable solutions the government proposes to initiate to solve the problems. Section 3.4.1.5 Planning for Informal Sector Activities, provides that;

1. Informal sector activities are a key feature in many parts of Kenya both in planned and unplanned areas and form a crucial part of the economy as a source of livelihood.
2. Informal sector activities have not been accommodated in urban and rural areas. Informal sector activities have arisen as a result of rural-urban migration without corresponding employment opportunities and other income generating activities.
3. The Government shall
 - (a) Facilitate the carrying out of informal commercial activities in a planned manner;
 - (b) Put in place mechanisms to allow for informal activities in planned areas;
 - (c) Designate areas where informal activities are to be carried out; and

(d) Institute mechanisms to manage rural-urban migration such as decentralizing development to rural areas and minor urban areas

The proposed solutions are very favorable if they will be well researched, have wide stakeholders consultation, public involvement these among others will enhance ownership of the outcomes. Lessons from past attempts such as inclusion of informal activities in planned areas thus back-lanes, forceful evictions and the failed hawkers relocation to the CBD periphery areas such as New Ngara should inform their presents and future efforts.

2.1.6 National Development Plan 2002

Dating back to the 1972 ILO study on incomes and employment, the Kenya Government has recognized the role of the informal economy in several policy documents. The current Development Plan points out that various rules and regulations that affect the operation and growth of the sector have been reviewed. Other policy responses have included: elimination of trade licensing at central government level; harmonizing, rationalization and implementation of Single Business Permit [SBP]; and ongoing review of labour laws; relaxing business regulations; broadening access to finance; proposed enactment of MSE Act; and measures aimed at ensuring control and regulation of hawking within the Central Business District (ROK, Development Plan 2002).

2.1.7 Economic Strategy for Wealth and Employment Creation

The Economic Strategy for Wealth and Employment Creation 2003 points out that the Government is convinced that employment creation is the most effective strategy for halting the increasing poverty. The Government, through the strategy will address factors responsible for the poor performance of productive sectors, which include: high cost of engaging in productive activities, high cost of capital particularly for MSEs and lack of supportive services and weak institutions. The goal to be achieved by removing various regulatory impediments that increase the cost of doing business, promoting MSEs by finalizing and implementing a Sessional Paper on the sector, focusing on employment creation and formalization of informal sector activities (Mitullah, 2003).

In spite of the sub-sector being a major source of livelihood for a large majority, especially those living below the poverty line, the government has not managed to implement major policy provisions geared for the development of the sub-sector. During the last three decades, there has been an emphasis on the private formal sector as opposed to the private informal sector. The government intends to change this trend as highlighted in the Economic Strategy Wealth and Employment Creation Paper. The paper states that the formal and informal sectors are basically the same, and the only difference between is that the latter remain small, are denied much needed services as well as infrastructure and do not pay taxes. The Economic Strategy Paper will eliminate this dichotomy by providing infrastructure and services, particularly financial, to small and medium enterprises and by ensuring that they pay taxes (ibid).

2.1.8 Local Government Reform Programme

In the area of street trade, the Local Government Reform Programme [LGRP] has been particularly relevant. The reforms in Kenya began in 1999 with a key policy and programme priority of focusing on reduction of poverty and unemployment coupled with spurring the economy into higher rates of growth. The reforms had three components: improving local service delivery; enhancing economic governance; and alleviating poverty. These objectives were to be achieved through increasing efficiency, accountability, transparency and citizen ownership. The KLGRP, is specifically structured as a policy instrument designed to achieve the above goals. Its immediate policy focus has been the removal of unnecessary regulatory barriers and the reduction of costs of doing business. In particular, the government initiated two nation-wide reform efforts, namely: the Single Business Permit [SBP] and The Local Authority Transfer Fund [LATF]. The SBP in relation to small businesses is a response to business licensing problems faced by SME s. Business licensing was aimed at protecting consumers from exploitation, health and safety hazards and control of business activities. Business licensing imposes costs on businesses that are often out of proportion to the benefits delivered. Further, in practice, the regulatory provisions are abused and have become merely income earning opportunities for those charged with enforcing the regulations. While the move to have a SBP is appreciated, it has largely benefited the small and medium firms and not micro firms where the street traders fall. The micro firms have had ad hoc policy responses from both the central and

local Government levels. These responses have included relocation of street traders and affirming government commitment to the sector (Mitullah, 2003).

2.1.9 Model of Policy Approaches

Highlighted by a study on hawkers in some Southeast Asian Cities, McGee and Yeung in 1977 made an analytical model of policy stances towards the hawkers by setting three spheres of activities with regard to location, structure and education as presented in Table 2.1. The activities fall into a continuum of actions range from positive to negative going from left to right in the table.

Table 2.1: A Model of Policy Approaches towards Hawkers

| POLICY OPTIONS | MODEL A | MODEL B | MODEL C | MODEL D |
|--------------------|---|---|---|---|
| Locational | Allow hawkers to sell legally from locations they desire | Allow hawkers to sell legally from some of their locations but remove from others to public markets or approved sites | Relocate hawkers in locations chosen by government authorities | Clear hawkers from all locations in city and do not allow them to sell within city |
| Structural | Encourage hawkers by: (a) government loans, (b) inducements to enter hawking profession (e.g. no military service if one become a hawker), (c) no legal action against hawkers for employing children on stalls, (d) allowing existing marketing chains to remain, (e) make large firms distribute commodities through hawkers outlets. | Limited encouragement of hawkers by small-scale operation of measures put forward in Model A | Limited discouragement of hawkers by small-scale operation of measures put forward in Model D | Discourage hawkers by: (a) high license fees, (b) make hawking punishable by many legal restrictions, (c) offer high salaries to hawker enforcement agencies' employees |
| Educational | Encourage hawkers by: (a) typifying them as examples of successful entrepreneurs, (b) | Limited encouragement by small-scale operation of measures put forward in | Limited discouragement by small-scale operation of measures put | Discourage hawkers by: (a) emphasizing the immorality of hawking, (b) stressing the possibilities of |

| | | | |
|--|---------|--------------------|---|
| educating public to utilise services of hawkers, (c) encouraging philosophy of education that emphasizes experience as against schooling | Model A | forward in Model D | corruption, petty crime that exists in hawking, (c) stressing the dangers of hawkers from the point of view of hygienic, etc. |
|--|---------|--------------------|---|

Source: Suharto, 2003

The first is locational actions designated to interfere with the ecological patterns of hawkers. These may be undertaken by conducting clearance operations (negative attitudes) or offering new legalised sites (positive attitudes). The second is structural actions designed to eliminate or develop the hawkers according to their economic base. For example, actions intended to eliminate the hawkers would be government takeover of marketing chains or government encouragement to the growth of alternative employment opportunities at higher incomes to make hawkers leave their job. Actions geared to develop the hawkers could well take the form of provision of monetary credit facilities for expansion of hawker operations. The third is educational actions designated to change the attitudes towards hawkers or among hawkers. The negative policy would be the public campaign stressing the danger of purchasing commodities from hawkers from the hygiene point of view. Whilst the positive one could be the provision of training for hawkers in such areas as hygiene and sanitation practices, business management, marketing, bookkeeping, and customer relation (Suharto, 2003).

2.2 Nature of Hawking Trade

2.2.1 Informal Employment

Employees are considered to have informal jobs if their employment relationship is, in law or in practice, not subject to standard legislation, income taxation, social protection, or entitlement to certain employment benefits (e.g. advance notice of dismissal, severance pay, paid annual or sick leave) for reasons such as: non-declaration of the jobs or the employees; casual jobs or jobs of a limited short duration; jobs with hours of work or wages below a specified threshold (e.g. for social security contributions); employment by unincorporated enterprises or by persons in households; jobs where the employee’s place of work is outside the premises of the employer’s

enterprise (e.g. outworkers without employment contract); or jobs for which labor regulations are not applied, not enforced, or not complied with for any other reasons (Kuiper, 2006).

2.2.2 Informal Sector and Economic Crisis

In the 1980s, the economic crisis in Latin America highlighted that employment in the informal sector tends to grow during periods of economic crisis. In the Asian economic crisis a decade or more later, millions of people who lost formal jobs in the former East Asian Tiger countries tried to find jobs or create work in the informal economy. Meanwhile, structural adjustment in Africa and economic transition in the former Soviet Union and in Central and Eastern Europe was also associated with an expansion of employment in the informal economy (Chen, 2006).

Employment in the informal economy tend to expand during periods of economic adjustment or transition when private firms or public enterprises are downsized or closed, retrenched workers who do not find alternative formal jobs have to turn to the informal economy for work because they cannot afford to be openly unemployed. In addition, in response to inflation or cutbacks in public services, households often need to supplement formal sector incomes with informal earnings (Chen, 2006).

During the 1990s, globalization of the economy contributed to the informalization of the workforce in many industries and countries. Whereas globalization generates new jobs and new markets, available evidence suggests that not all the jobs are 'good' jobs and that the most disadvantaged producers have not been able to seize new market opportunities. This is because global competition tends to erode employment relations by encouraging formal firms to hire workers at low wages with few benefits or to subcontract (or out-source) the production of goods and services, and global integration reduces the competitiveness of many informal firms or self-employed producers vis-à-vis imported goods (in domestic markets) and vis-à-vis larger, more formal firms in export markets (ibid).

2.2.3 Nature of hawking trade

Hawking trade provides a cheap and effective avenue for the distribution of small items. Delays are minimized and sales raised as the traders take the goods right to the consumers' reach. Because most formal businesses close their doors by 6.00pm, late shoppers cannot access

essential commodities. Eager to earn that extra coin, hawkers will be at work until 9.30pm (Makeni, 2005).

Certainly, a few individuals may have abused hawking. Among the traders standing at certain street corners are petty thieves who terrorize innocent citizens going about their business. However, not all hawkers are criminals (ibid).

Hawkers have been subjected to harassment by council askaris. The traders constantly lose goods and sustain injuries during these incidents. To escape this noose, some of the traders have resorted to bribing the law enforcement officers, leading to loss of revenue for the council (Makeni, 2005).

2.2.4 Trading Sites and Structures for Displaying Goods

Street trade and service provision in African cities occur in different parts of streets and roads. Most traders locate themselves at strategic points with heavy human traffic, while others walk from one place to the other. They locate themselves along main roads and streets, near shopping centers or at corners where they can be seen by pedestrians and motorists. Traders settle in streets spontaneously without any official allocation. However, a previous study in Kenya on street vendors shows that there are informal methods used in locating and operating within a particular site. A few traders consult the owners of neighbouring yard, others negotiate with acquaintances, others, are allocated spaces by the Local Authorities, while some share with friends and colleagues (Tokman, 1992).

Traders use different structures, including tables, racks, wheel burrows, handcarts, and bicycle seats to display their goods. Others display their goods on the ground over a mat or gunny bag, while others simply carry their commodities on their hands, heads and shoulders. There are also those that hang their goods such as clothes on walls, trees, fences and an advanced group that construct temporary shades with stands for displaying their goods. (ibid)

2.2.5 Commodities of Trade and Record Keeping

Street vendors trade in a variety of commodities ranging from food stuff, both fresh and processed, largely dominated by women, fabrics/clothes, shoes, cosmetics, flowers, traditional herbs, craft/artwork/pottery, kitchen ware, plastic products, hardware, electrical appliances and general merchandise such as office stationary, school supplies, books, sweets, brooms, tobacco and newspapers among others (ibid).

Knowledge of the volume of sales is relevant for efficient planning and appreciation of the contribution of street trade. However, this information is generally lacking since most traders lack written records of income and expenditure. A study in council markets in Ghana notes that even in markets such as Race Course, the volume of goods that go in and out of the market are not documented; and the market officials have no idea about the volume of various goods that enter and leave the market. Indeed, this neglect of record keeping can explain the little importance given to street and market trade. These activities are viewed more as casual nuisance services as opposed to the economic production that requires recording and quantification (Tokman, 1992).

2.2.6 Worldwide informal employment trend

Over the past few decades, the formal sector has proved unable to generate enough job opportunities to meet the growth in urban job-seekers, and both the qualified unemployed and people with low employability were obliged to turn to informal self-employment or informal wage employment.

Table 2.2 shows that in the entire developing world, informal employment rose between the 1980s and the 1990s, providing a temporary economic solution of sorts for an increasing number of urban workers (Kuiper, 2006).

Table 2.2: Trends in informal employment – Major world regions (1980-1999)

| Region | % Share of informal employment as a share of total non-agricultural employment | |
|--------------------|--|---------|
| | 1980-89 | 1990-99 |
| Asia | 53.0 | 63.0 |
| Latin America | 52.3 | 56.9 |
| North Africa | 38.8 | 43.4 |
| Sub-Saharan Africa | 68.1 | 74.8 |

Source: (Kuiper, 2006).

2.2.7 Slums and urban poverty increase worldwide

The worldwide number of slum dwellers was 924 million in 2001. By 2030, this number is projected to increase to 2 billion. Slums will continue to expand, even in fast-growing developing country economies. They are the physical manifestation of rising urban poverty, also known as the urbanization of poverty: an increasing number of the world's poor are living and working in cities and towns. Currently, close to 30 percent of the urban population in developing countries lives below official poverty levels. It is estimated that by 2020 this proportion could reach 45 to 50 percent of the total population living in cities, a 297 to 355 percent rise in absolute numbers (from 128 million households in 2000 to between 381 and 455 million households in 2020). The speed and magnitude of urbanization pose an urban management challenge, particularly in sustaining the provision of adequate jobs, infrastructure, and basic services, especially in developing countries (Kuiper, 2006).

- In the next 25 years, roughly 400 million people will be added to the African continent's urban population, putting tremendous pressure on cities.
- Africa is likely to host an exceptionally large slum population in the years to come. From 1990 to 2001, African urban slum populations increased by about 65 million, at an average annual rate of 4.49 percent, or about 2 percent more than the total population growth (2.68 percent).

■ Based on these estimates, if no effective pro-poor policies are implemented, urban slum populations are likely to double, on average, every 15 years, while the total population doubles every 26 years (ibid).

Table 2.3: Trends and Patterns of Urbanization by Province in Kenya, 1962-1999

| PROVINCE | URBAN POPULATION | | | | |
|---------------|------------------|------------------|------------------|------------------|------------------|
| | 1962 | 1969 | 1979 | 1989 | 1999 |
| Nairobi | 343,500 | 506,286 | 827,775 | 1,324,570 | 2,087,668 |
| Central | 35,047 | 45,955 | 128,932 | 309,821 | 354,017 |
| Coast | 195,834 | 283,652 | 406,991 | 588,470 | 894,311 |
| Eastern | 28,746 | 37,965 | 233,316 | 354,359 | 265,280 |
| Nyanza | 28,068 | 43,829 | 207,757 | 352,527 | 423,183 |
| Rift valley | 112,517 | 148,576 | 341,696 | 672,177 | 940,311 |
| Western | 3,939 | 10,645 | 105,743 | 186,049 | 270,503 |
| North eastern | - | 63,486 | - | 90,724 | 125,644 |
| Total | 747,651 | 1,079,908 | 2,315,696 | 3,878,697 | 5,360,916 |

Source: Kenya Statistical Abstract 2000

2.2.8 Urban youth: The quest for work

Unemployment among young people between the ages of 15 and 24 years old is a particularly pressing problem in urban areas, and even more so in slums, which often comprise a relatively youthful population. Young people constitute a large proportion of the rural-urban migration while older people often return to their rural areas to “retire”. Teenagers and young adults are particularly affected by growing urban poverty, high levels of unemployment, changing family patterns, the HIV/AIDS pandemic, and deteriorating environmental and health conditions over the past two decades. The young people are the promise of the future. Failure to adequately invest in the youth imposes great constraints on the potential for future development. Data

indicate that in Africa, 46 to 98 percent of working youth in slums are engaged in informal economy activities (Kuiper, 2006).

However, due to adverse economic conditions in most African cities and countries, and low levels of education, most young urban dwellers end up scratching out a living from marginal, low-income, and sometimes illegal activities in the informal sector. Trapped by a vicious circle of low earnings, insecure jobs, low education, and early family responsibilities, in a highly competitive job market because of widespread un- and underemployment, these young women and men have very little opportunities to raise themselves and their families out of poverty. This situation has broader consequences: youth who have limited job prospects and are frustrated about their future are more at risk of falling into personally and socially destructive activities. In turn, this deters physical and human capital investment, and undermines efforts to start a process of local economic development (Kuiper, 2006).

The disastrous effects of urban youth unemployment are becoming particularly apparent in Latin American and Caribbean cities. Economic stagnation, poverty and extreme income differentials within these cities have led to a growing prevalence of crime and violence, especially among abandoned street children and unemployed young people. Inadequate skills and scarce employment opportunities make young people more susceptible to participate in rebellions and insurgencies, and to resort to illegal means of earning incomes. High crime rates deter investment, thereby perpetuating poverty, feeding more crime and civil unrest. This vicious cycle may ultimately threaten the stability and democratic values that have been attained in the past, as well as the economic and political stability (*ibid*).

2.2.9 Kenya's Macroeconomic objectives for the period 2003-2007

Key macroeconomic objectives for the period 2003-2007 include:

- Creating 500,000 jobs annually;
- Reducing poverty level by at least 5 percentage points from the current 56.8 percent level;
- Achieving a high real GDP growth rate - - rising from an estimated 1.1 percent in 2002 to 2.3 percent in 2003 and 7 percent in 2006;
- Increasing domestic savings so as to enable higher levels of investment for sustainable development (ROK, ERSP 2003a).

Kenya's informal sector provided an estimated 936,000 jobs over 2001-2002, while the formal non-agricultural sector lost 18,000 jobs in 2001 but gained in 2002 registering 21,500 new jobs. Since it is unlikely that the formal sector will annually create 500,000 jobs over the medium term, the bulk of employment creation will continue to be in small enterprises. For the year 2002-2007 development period the national policy, focus will increasingly be on the small business enterprises. Over the period 2003-2007, 2,636,130 jobs are expected to have been created, out of which 12 percent will be from the formal sector and the balance of 88 per cent from small business enterprises (ROK, ERSP 2003a).

Table 2.4: Wages Employment in formal and informal Sector

| Sector | '000 | 2000 | 2003 | 2004 |
|--------------------------|------|---------|---------|---------|
| Public | '000 | 692.5 | 659.1 | 657.4 |
| Private | '000 | 1,002.9 | 1,068.2 | 1,106.3 |
| Total (Public & Private) | '000 | 1,695.4 | 1,727.3 | 1,763.7 |
| Informal | '000 | 4,191 | 5,533 | 5,971 |

Source: CBS, 2005

2.2.10 Overview of Micro and Small Enterprises in Kenya

Street traders are a sub sector of the MSEs that dominate the Kenyan economy. On average Kenyan MSE employs 1.8 employees. Majority of MSEs are micro enterprises with fewer than 10 employees, while 70 per cent of them are one person, own account workers. This infers that majority of MSE entrepreneurs are operating at the bottom of the economy, with a significant percentage falling among the 53 per cent of Kenyans living below the poverty line of US\$ 1 per day. The latter are largely for subsistence and engage in economically uncompetitive activities both in the urban and rural areas (ROK, MSE 2005).

The 1999 Baseline Survey [CBS, ACEG & K-REP] indicated that there were 1.3 million MSEs, which contribute 18 per cent of Kenya's Gross Domestic Product [GDP]. The survey stated that about 64 per cent of the MSEs are in trade, under which street vendors fall. This sub sector is engaged in buying and selling of goods. Income from the trade sub-sector is ranked lowest among the MSE sector, but they are vital to the livelihoods of many urban and rural poor. Micro trade activities are sometimes referred to as 'survivalist' enterprises - they allow entrepreneurs to survive with hardly any savings.

Most of these enterprises operate within the informal economy, a sector previously referred to as informal sector, or in the Kenya context, *Jua Kali*. The Kenya Labour Force Survey Report of

1998/99 indicates that the sector covers all semi-organized and unregulated activities that are small scale in terms of employment. The report notes that the activities are largely undertaken by self-employed persons or employees with few workers in the open markets, in market stalls, in both developed and undeveloped premises, in residential houses or on street pavements (ROK, Labour Force Survey, 2003).

In Kenya, the informal economy is a major source of employment and income. By the end of the year 2001, informal employment was estimated at 4.6 million accounting for 72 per cent of total wage employment and 81 per cent of private sector employment. The contribution of MSEs is more than double that of medium and large manufacturing sector that stands at 7 per cent of the GDP. Overall, the MSEs employ 2.4 million people and create 75 per cent of all new jobs. Estimates based on the 1999 Baseline Survey of MSEs show that in the year 2002 alone, the MSE sector employed about 5,086,400 people up from 4,624,400 in 2001. This was an increase of 462,000 persons and consisted of 74.2 per cent of total national employment. About 70 per cent of MSE constitute street hawkers and directly contribute 13 per cent to the country's GDP (ROK, ERSP 2003a).

2.3 Theoretical Models

In cities of developing countries, informal economic activities are found in almost all main roads and arteries as well as in residential areas. Therefore, it is important to understand why the operators of these small-scale informal enterprises choose the sites or locations where they run their enterprises. To arrive at this understanding, the analysis of some theoretical models of industrial locations has been discussed and their applications in Kenya and their weakness.

2.3.1 Locational theories

Yankson (2000) suggests that the location and site selection of the operators of informal economic units is at the core of the integration issue and further outlines the main tenet of location theories. He states that there are two main lines in the locational theories: the classical location models, which seek to maximise profits through the last cost approach, or via the

maximisation of sales. However, Yankson (2000) confirmed that: Location is not simply a matter of achieving maximum profits, whether through minimisation of costs or maximisation of sales. There are other variables that need to be considered such as: Locational interdependence, the difficulty of evaluating the relevant variables, especially costs in different locations, market conditions and the policies of rival operators (Yankson, 2000).

Behaviouristic location model, developed by a sociologist Dijk in 1983 complements the classical location model. It focuses on people's incomplete knowledge and inability to utilise the available information in order to obtain optimal location in terms of concerned profits and to analyse small enterprises. The model places uncertainty as a main point. This uncertainty arises from the illegal status of most small enterprises, the lack of tenure or security of their operation, their inability to secure suitable sites and legal title to land, the illegal status of their workshops and a land use planning system that does not take their interests into consideration (ibid).

Critique of Locational theories

- The classical model is not a good framework for studying the location decisions of small firms, particularly in developing countries. The model does not allow for uncertainty, hence it probably cannot satisfactorily explain the spatial behaviour of small entrepreneurs.
- Regulating and monitoring the operation of street enterprises encompassed by locational policy cannot by no means solve the problems associated with the street business activities as evidenced by the exclusion methods that have been adopted in the past with negligible success in Nairobi with relocations to locations such as New Ngara, Nyayo stadium.

2.3.2 The Gravity Model

The model attempt to treat two basic factors affecting the amount of flow or interaction, between any two points: population and distance. The greater the population of the two centers, the greater the interaction; the greater the distance, the less the interaction.

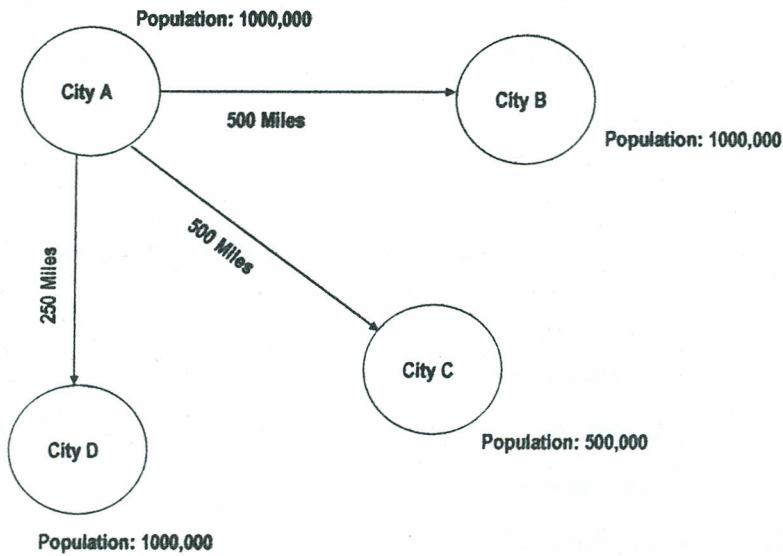


Fig. 2.1 Gravity-Model Diagram

Source: Geography of transportation (Taaffe, Gauthier, 1973)

Figure 2.1 above illustrate the model, comparing the linkages between A and B with those between A and C in terms of expected interaction it is expected that in absence of other information more interaction would be expected between A and B.

Both B and C are 500 miles from A but B has a population of 500,000. If we assume that the probability of interaction between any pair of individuals in the two cities is equal, then the population of a city A multiplied by the population of a city B would give a figure that would be useful in ascertaining the probability of total interactions between the two cities. In this example the figure for expected interaction between A and B (PAPB) would probably be twice as great as that for expected interactions between A and C (PAPC). This interaction may take the form of phone calls, the movement of freight, air passengers auto trips and so on (Taaffe, Gauthier, 1973). The effect of distance may be illustrated by comparing the expected interactions between A and B with that between A and C. Both C and B have the same population but since D is closer than B we would expect the link between A and D to have the greater interaction. All other things

being equal, we would expect the probability of interaction between any two points to decline as distance increases.

Expected interaction between any two cities i and j will increase as the product of the populations of the two cities ($P_i P_j$) increases and it will decrease as the distance between i and j (d_{ij}) increases (Taaffe, Gauthier, 1973).

2.3.3 Gravity Model Applicability in Nairobi CBD

i) Transferability

The interaction of Nairobi and other regions can be explained by the level of flow which factors on: the greater the mass, such as population or income, the greater the flow; the greater the distance, the smaller the flow. Central province urban population is 354,017 (Kenya Statistical Abstract, 2000) and is the most proximate to Nairobi thus has greatest flow. It has been ranked as one of the top well to do province hence greater interaction than the other urban areas though some have greater urban population such as Rift-valley their distance to Nairobi is high. There is though flow between the urban towns and major towns in the provinces such as Nakuru, Eldoret, Mombasa, Kisumu, Machakos, Isiolo among others.

ii) Complimentarity

Complimentarity is of importance as a determinant of commodity flows between centers. Nairobi attracts agricultural goods from the hinterland towns and surrounding regions such as Limuru, Kiambu, Meru, Muranga, Machakos, Kitui, Nakuru among others in turn provide raw materials, tools and machinery, vehicles, health, educational, entertainment, administrative services among other services. The relationship between Nairobi and the other centers is symbiotic in nature and each compliments each other in goods and service provision. The supply-demand relationship between the different town's centers and Nairobi are affected by excess of transport costs.

iii) Intervening Opportunity

It explains migration patterns between urban centers. The number of migrants from an urban center to the city is related to the number of opportunities or vacancies in that zone. Nairobi has

been the preferred destination by migrants from the other urban centers due to availability of employment opportunities in the industrial, trade, construction, transport, hospitality sectors among others.

2.3.4 Conceptual Model

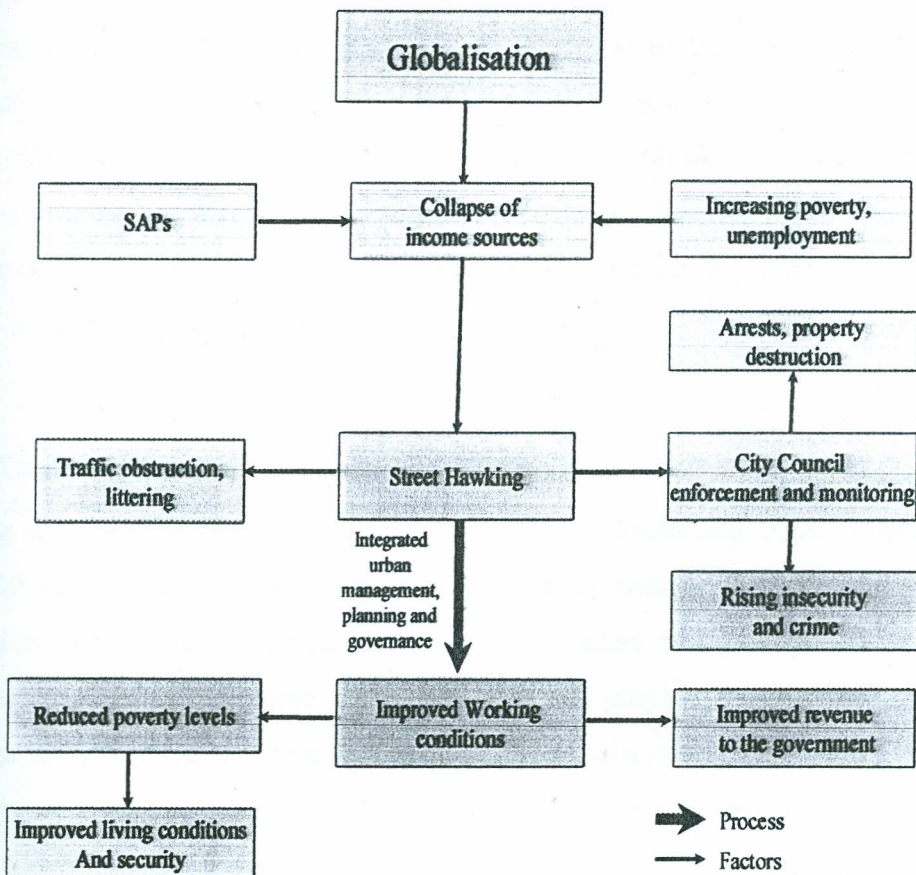


Fig. 2.2 Conceptual Model

Source : Author, 2007

2.4 Challenges and Opportunities of Hawking

Opportunities

2.4.1 Hawking can be Clean Business

Concerns have been raised that hawking piles up dirt and waste matter in the city and therefore has a negative influence on cleanliness. It is proposed that as in other cities like London, need arises for undertaking cleaning services at night say from midnight to dawn.

For the cleaning to be even effective and efficient, the city council should consider investing in vacuum cleaning machines and vehicles. This machine would do the job better and faster such that in the mornings, Nairobians and visitors coming into the central business district will find the city spruced up, quite a boost in improving the environment within which business and pleasure can thrive (Mbaru, 2005).

In addition, a campaign could be undertaken where hawkers are made to understand their responsibilities and the ethics that go with their sort of business. As a result they would be motivated to dispose off litter in bins and other refuse facilities provided by the council and other stakeholders. As it is, blaming hawkers for all the rubbish pile up clogging the city is addressing half the problem, as there are very scarce, and in other cases no refuse dumping facilities. Other residents of the city could also be enjoined in the campaign to 'Keep Nairobi Clean' by dumping refuse in the right places (ibid).

2.4.2 The benefits of hawker friendly policies

Putting in place hawker friendly policies and implementing them would help create about 200,000 jobs annually. This figure is arrived at by putting into consideration the fact that as conditions for hawking business improve, more traders will join the business while the already existing hawkers will become more profitable and employ more people. Hawking is a means through which the Government could raise indirect jobs averaging 5 million per day. With such a turnover, hawking is without doubt a major contributor to taxes, a means of revenue collection by the Government (Mbaru, 2005).

2.4.3 Inclusion and Participation in Municipal Governance

Municipal Governance is about effective collaborative planning, decision-making processes and implementation to co-ordinate distinctive local government, citizen, civil society organizations and the private sector towards the progressive attainment of sustainable Municipal development and local democracy. With the shifting emphasis in development strategies towards promoting more socially equitable economic growth and meeting the basic needs of the poor, wider participation in decision-making is considered essential to the development process. Participation and decentralization have symbiotic relationship, as successful decentralization requires civic

engagement and citizenship. There are no legal or administrative structures for citizen and community participation in the management of Kenya's Local Authorities even at the ward level. The law only guarantees political participation through civic elections. Once elected, council and central government remain the key decision-makers on local development matters (Madara, 2003).

Challenges

2.4.4 The informal economy

Most of the urban working poor are part of the informal economy, occupying low-paid, low-productivity, and low-security jobs. This is often an expression of weak or inappropriate governance as well as the result of market forces. Harsh competition for income-earning opportunities has created a "race to the bottom" with increased pressure on wages, working conditions, and workers' right. Operators in the informal economy lack security and access to markets, financial services, and other types of business support (Kuiper, 2006).

2.4.5 Complexity and costs of registration are deterrents

Extensive and detailed "road-map" studies in a number of countries provide a detailed picture of what it takes for the poor to gain access to local government offices and pay the bribes, in addition to paying for the business registration and license fees. In Tanzania, a UN study found that many entrepreneurs make regular, genuine efforts to license their businesses and register their ownership. But the time wasted and money spent often deters them from taking further steps. Regulations are multiple and complex, and many of them are outdated or inappropriate to the size and operations of the small-scale ventures of the poor (Kuiper, 2006).

Many well-intentioned citizens give up their efforts to formalize their businesses. They are condemned to pay the fines and bribes to enforcement agents who control the streets and markets. It is often held that enterprises choose to remain informal in order to avoid regulatory

costs and taxes. But if offered a genuine service in return for the payment of fees and taxes, many entrepreneurs will formalize their businesses.

However, compliance offers practical benefits to small-enterprise owners and workers by increasing their access to the support and services available within the formal economy. Thus, an enabling national policy framework uses compliance with well-crafted laws and regulations as a tool for developing the small enterprise sector. This is best illustrated in Lima (Peru) where the lowering the regulatory barriers and increasing the benefits of formalization led to enterprise registration tripling from 1,100 to 4,000 between 1998 and 2000 after a municipality within the city of Lima simplified procedures. About 45 bureaucratic steps were cut to 12, reducing processing time from 70 days to just one. In addition, the municipality established a business advisory office that assists an average of 2,500 clients a month. More recently, several local governments established labor rights offices to advise operators in the informal economy about labor rights and assistance programs (ibid).

2.4.6 Ad hoc Relocation

In 2003 in the CBD of the capital city of Nairobi, over fifty thousand street traders operated, the city only managed to set aside sites (back lanes) that could accommodate about 7,000 traders. This move was positive, although the tenure remained unclear, with the urban authorities viewing the sites as temporary while the vendors viewing them as permanent. Although the urban authority had a plan to charge some fees, this was not possible due to a mix up in allocation. There were cases of double allocations, infiltration by those not allocated sites and hostility directed at the City Council Authorities. This resulted in a stand off situation that could only be solved through dialogue and negotiation (Mitullah, 2003).

Most of these sites lacked infrastructure and services and were congested. The congestion was due in part to infiltration by vendors not allocated sites, and also by vendors allocated unfavorable sites where there was insecurity and fewer customers. These were aspects that should have been taken into consideration before relocation. Past experience of ad hoc street traders relocation indicate that without critical consideration of access to customers and security, relocation efforts have been resisted and fruitless (ibid).

2.4.7 Fragmented and Weak Traders Associations

In the relocation process, associations have not been effectively used, partly due to their fragmentation and weakness. The city authorities opt to use representatives of street traders drawn from different areas of the CBD. The role of these representatives is largely to listen to the packages being offered by the authorities, as opposed to negotiation and dialogue. Their 'listening' role and failure to negotiate for appropriate relocation sites and an efficient allocation process has made most street traders feel betrayed. The relocation policy would have been more successful, if the street traders had a unifying body advocating and negotiating on their behalf. Ensuring a dynamic hawking sector requires functioning associations that support entrepreneurs, lobby and dialogue with authorities for enabling hawking policies and programmes. Associations are useful for marketing, guaranteeing loans, providing market information and linking up with training and business service providers (ibid).

2.4.8 Lack of Business Operation Site

Most street vendors in Africa have no authorized sites of operation, which results in incidences of confrontation and brutality between street vendors and urban authorities. The authorities are reluctant to allocate vending sites, especially within the CBD. In Nairobi and Kampala, vendors have severally been allocated vending sites outside the CBD that they have rejected, arguing that they are not accessible to customers.

While the urban authorities in the cities view vending sites as temporary, the vendors view them as permanent. It is the urban authorities' perception of street trading as temporary that makes them not see the need to provide vendors with proper market facilities. Most street traders have no tenure for the sites they use, and hence the temporary nature of the structures and display tools they use. The numbers that have tenure are negligible as compared to the total numbers that are engaged in street vending activities. This gap can be captured by looking at the numbers of street vendors licensed to trade, compared to the numbers that trade. For example, within the city of Nairobi, where there are over 100,000 street and roadside traders, at no point have the authorities' licensed more than 10,000 traders (Mitullah, 2003).

2.4.9 Organizations and Associations

Even where they have the right to organize, informal operators and workers are rarely organized. They seldom have their own membership-based organizations to represent their interests. Where they have mobilized and organized themselves, it has been at the grass-roots or community level, in self-help groups, or in trade-based associations. Even where organizations in the informal economy do exist, they normally are characterized by fragility, structural constraints and limited effectiveness. They are seldom officially registered or recognized. In addition, they have limited access to or influence over formal private institutions and public authorities. Only in a small but growing number of cases are they affiliated with formally structured national or international organizations of employers, chambers of commerce, trade unions, or cooperatives (Kuiper, 2006).

Closing the representational gap is crucial for all concerned. For those working in the informal economy, the representational gap is an important reason for their inadequate legal and social protection, along with their lack of access to productive assets, capital and product markets, training systems, public services, and amenities. Without effective freedom of association, they are not able to exercise countervailing powers in order for their work to be recognized, protected, formalized, and decently paid (ibid).

CHAPTER THREE - AREA OF STUDY

3.1 Location

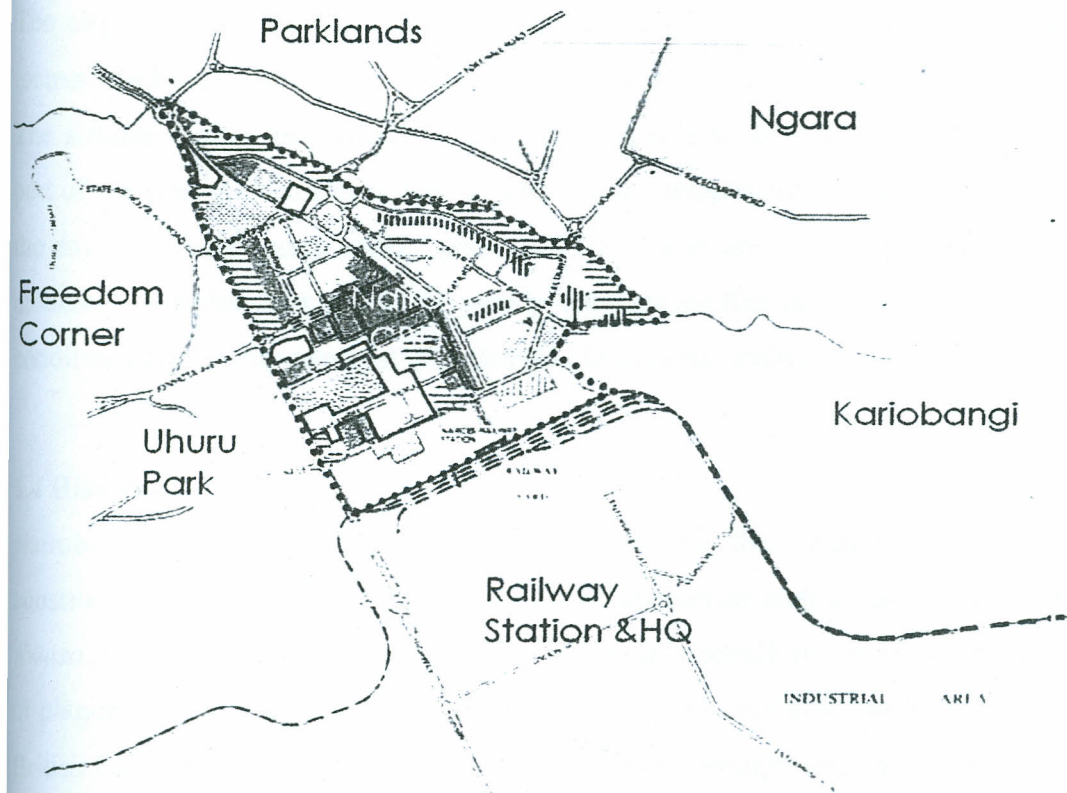
Nairobi grew around the central business district which takes a rectangular shape, around the Uhuru Highway, Haille Selasse Avenue, Moi Avenue and University Way. It includes many of Nairobi's important buildings, including the City Hall and Parliament Building. The city square is also located within the perimeter (Wikipedia, 2006).

Administratively the Province of Nairobi has 8 divisions (constituencies), 51 locations and 110 sub-locations.



Map 3.1: Location of Nairobi in Kenya

Source : www.theodora.com/maps



Map 3.2: Nairobi CBD and its neighbours

Source: Nairobi Urban Study Group, 1969

Map 3.3: Nairobi CBD and streets: see appendix 2

3.2 Nairobi Province divisions (constituencies)

- Central
- Makadara
- Kasarani
- Embakasi
- Pumwani
- Westlands
- Dagoretti
- Kibera

3.3 Climate

The city is located at 1°16'S 36°48'E and occupies around 150 km². It is situated about 1860 metres (5450 feet) above sea level. At 1860 metres, Nairobi enjoys a fairly moderate climate. The altitude makes for some chilly evenings but it is never too cold. The sunniest and warmest part of the year is from December to March, when temperatures average the mid-twenties during the day. The temperature usually peaks at 25°C. There are two rainy seasons but rainfall is only moderate. The cloudiest part of the year is just after the first rainy season, when, until September, conditions are usually overcast with drizzle (Wikipedia, 2006).

3.4 History

Nairobi was founded in 1899 as a supply depot for the Uganda Railway which was being constructed between Mombasa and Uganda. It was named after a water hole known in Maasai as *Ewaso Nyirobi*, meaning "cool waters". It was totally rebuilt in the early 1900s after an outbreak of plague and the burning of the original town. Nairobi replaced Mombasa as the capital of the British East Africa Protectorate in 1905. The railway brought wealth into the city, which made it grow dramatically. It then became Kenya's second largest town after Mombasa. As the British colonialists started to explore the region, they started using Nairobi as their first port of call. This prompted the colonial government to build several grand hotels in the city. The main occupants were British game hunters. Nairobi continued to grow under the British rule, and many British persons settled within the city's suburbs. The continuous expansion of the city began to anger the Maasai people, as the city was devouring their land to the south. It also angered the Kikuyu people, who wanted the land returned to them (ibid).

In 1919, Nairobi was declared to be a municipality. Between the years of 1920 and 1950, the number of white settlers within Nairobi rose from 9,000 to 80,000. There was, however, friction that existed between these settlers and the local people. Nairobi was granted city status in 1954. After the end of World War II, this friction developed into the Mau Mau rebellion. Pressure exerted from the locals onto the British resulted in Kenyan independence in 1963. Nairobi was the capital and largest city of the Republic of Kenya. After independence, Nairobi has been growing rapidly, and this growth has put pressure on the city's infrastructure (ibid).

3.5 City Governance

Although Nairobi enjoys the status of a city, the Local Government Act does not provide for the establishment of a city, and so Nairobi is still legally a Municipality. Politically, Mayors head municipalities while Town Clerks are executive heads. The powers, duties and functions of a local authority can only be exercised through a council, which is made up of elected and nominated councilors. Elected councilors who represent wards form the majority while nominated councilors form not more than one third of the elected councilors. A council is the policy-making organ of any local authority and must ratify any order, directive or instruction emanating from outside the council. The councilors are elected after every five years while the mayors are elected in-house by councilors every two years (Madara, 2003).

3.6 Population and Density Size

Kenya has a projected urban population growth rate of almost six- percent and is one of the most rapidly urbanizing countries on the continent. The 1999 national population census indicated that the total population of Kenya was 28.7 million people, Nairobi 2,143,254 inhabitants within 684 Km², with a population density of 1,700/km². Nairobi, the capital city presently has a total population of approximately 4 million people and also serves as the administrative center and economic hub of the nation (Wikipedia, 2006).

3.7 Social-Economic Profile

Nairobi is home to one of the biggest slums in the world, Kibera slum. Like many other informal settlements in the world, regulations and licensing rules often restrict their activities and urban planning takes little account of their needs. Often the relationship between local government and the urban poor in these neighborhoods is antagonistic. Social exclusion and a relative lack of support systems further characterize informal settlements. Crime in the city is high and perceived to be increasing annually and the issues of both private and public security have become the most identifiable criteria negatively impacting on the quality of life of the urban poor.

Different economic classes exist and are distributed spatially according to the classes. Low incomes are usually engaged in the industrial area, construction sector and informal activities mostly. They usually reside in the informal settlements such as Mathare, Muthurwa, Kibera

slums among others. Medium incomes class are usually engaged in the formal sector, business, administrative and services provision to afford better lifestyles than the low income class. They usually reside in Ngara, Dandora, Buruburu, Umoja, Kahawa among others. The high income class occupies the high echelons of the public and private sectors, business and service provision among others. They are few in number though control a significant proportion of the economy. They normally reside in affluent areas such as Kileleshwa, Karen, Runda, Muthangari ,Muthaiga among others.

3.8 Business and Economy

Nairobi is the headquarters of several international companies and organizations. This makes it one of the most influential cities in Africa. The United Nations has strong presence in Nairobi, as two of its departments, UNEP and UN-Habitat have headquarters in Nairobi (Wikipedia, 2006). Goods manufactured in Nairobi include clothing, textiles, building materials, processed foods, beverages and cigarettes. Nairobi has a large tourist industry, being both a tourist destination and a transport hub (ibid).

Nairobi is though not a prime tourist destination, but it does have several tourist attractions. The most famous is the Nairobi National Park. It is the only national park to border a capital city, or city of this size. The park contains many animals including lions and giraffes. Nairobi also has more species of birds than any other capital city in the world. Nairobi has several museums. These include the Nairobi Railway Museum and the National Museum of Kenya, which houses many artefacts including the full remains of a homo erectus boy (ibid).

Nairobi is served primarily by Jomo Kenyatta International Airport. It is the largest airport in the region and handled 4 million passengers in 2004. This airport is usually the first port of call for most tourists visiting Kenya or Mount Kilimanjaro in Tanzania. Wilson Airport is a small, busy airport to the west of Nairobi. It handles small aircraft that generally operate within Kenya (ibid).

CHAPTER FOUR - RESEARCH METHODOLOGY

4.1 Nature of Data

Data comprised of two types namely:

4.1.1 Primary Data

The primary information included local views and opinions on nature of hawking, challenges and opportunities of hawking, policies, participatory and regulatory framework. Variables under study were demographics; age, sex, education, sale items, sources, hawking location, infrastructure support, association membership, license, among others about the hawking populace. This was achieved by use of focused group discussions (FGDs), questionnaires surveys, direct observations and interviews with the vendors and resource persons including; government officers, civil organisations such as NCBDA, NISCOF.. Municipal department staffs was also interviewed such as the City Planning, Sanitation and Housing among others.

4.1.2 Secondary Sources of Data

These included the recorded and archived information. These were mainly data obtained through literature reviewed from libraries, published information from government agencies, administrative information compiled by the Nairobi city council, maps and physical development plans and data from websites on urban planning and development.

4.1.3 Target Population

In order to achieve the goals and objectives of the study, the study targeted all the hawkers in the Nairobi Central Business District estimated at 100,000. Out of these 100 were interviewed. For the purpose of this study, the unit of analysis consisted of hawkers, groups of individuals and environmental entities and attributes.

4.2 Sample Size

Out of a total of 100,000 hawkers, 100 were randomly sampled.

4.3 Research Strategies

The type of research strategy undertaken by this study was the triangulation method. This mixed-research strategy involves different quantitative and qualitative research approaches and multiple techniques of data collection, such as surveyed questionnaires, observations, focused interviews, and document study. The fieldwork for this study was located in Nairobi central business district for about four months, between November 2006 and February 2007.

The triangulation method uses a combination of strategies to study the same phenomenon employing “between methods” or “across methods” derived from multiple quantitative and qualitative techniques of data collection. The purpose of the triangulation method is particularly to seek convergence, corroboration, and correspondence of results from the different research strategies. This method leads to more confidence in the results and generates an innovative approach to the study of social issues (Suharto, 2003).

4.4 Sampling Procedure

Ten hawking operations lanes were randomly selected from the twenty three lanes provided by the Nairobi city council. Stratification was then done into five stratas according to the nature of goods and services being sold thus clothes and footwear, vegetables and fruits, electronics, utensils and reading materials. Hawkers from each strata were selected randomly and interviewed and a total of ten interviewees from each street was done. Thus a whole sample of 100 interviewees with 10 from each stratum was achieved.

Key informants were sampled using purposive sampling method and included officials from ministry of Local Governments, Trade and Industry, Environment and Natural Resources, Nairobi City Council. Civil organizations such as NCBDA, traders’ organization among others.

4.5 Data Collection

The study covered Nairobi’s Central Business District, which has an area of 150 km². During the study information to be collected included: - nature of hawking, challenges and opportunities of hawking, policies, participatory and regulatory framework. Variables under study included demographics; age, sex, education, past occupation, items, sources, location, infrastructure support, association, license, governance and advocacy among others, about the population.

Methods of data collection used included:

Study site- provided data to be used in the study. The site was in Nairobi CBD streets and lanes where the traders and their activities are concentrated.

Survey- A combination of two, procedure(s): questionnaires; and interviews were used.

- **Unstructured:** allows spontaneous communication in the course of the interview or questionnaire administration; was used during data collection on: the nature of hawking, challenges and opportunities of hawking, participatory and regulatory policies and frameworks. The resource persons and street hawkers were targeted.

- **Key informant interviews:** Discussions were with key informants from Nairobi City Council, representatives of Vendors associations and groups, government institutions such as MSED-Micro-Sector Enterprises Department, representatives of institutions within the civil society and business community who provide services and business development advice to street vendors such as NCBDA.

Although surveys can be a cost-effective survey research design suffers from inherent weaknesses which include:

- **Reactivity** -- respondents tend to give socially desirable responses that make them look good or seem to be what the researcher is looking for.
- surveys are basically exploratory
- **Sampling Frame** -- it's difficult to access the proper number and type of people who are needed for a representative sample of the target population.
- **Non-response Rate** -- a lot of people won't participate in surveys, or drop out.
- **Measurement Error** -- surveys are often full of systematic biases, and/or loaded questions.

These shortcomings were dealt with by well structured questionnaires, interviews questions and through carrying out a pilot study to remove any ambiguities and redundancy.

Focused Group Discussions (FGDs)

To supplement information a Focused Group Discussion (FGD) was conducted at the NISCOF offices with participants being drawn from the NISCOF officials and street vendors.

FGDs provide an opportunity for an in-depth discussion and clarification of issues and their subsequent prioritization with their recommendations being provided. Their weaknesses include the requirement of a formal venue, prior notification to participants, high possibilities of absconding due to other commitments.

These limitations were avoided as the NISCOF chairman was helpful and arranged for the FGD meeting after a prior one he had with the association members and officials regarding their operations. It was conducted at their premises too at no cost.

Field observations were made and recorded using photographs such as nature of goods display.

4.6 Data analysis and presentation

Data analysis was done using SPSS statistical analysis package to generate frequencies and descriptive statistics. Percentages and averages will be displayed from which conclusions will be reached. Reports, tables, graphs, pictures, charts, maps and diagrams will be used for both analysis and presentation of the study findings.

CHAPTER FIVE - DATA ANALYSIS AND PRESENTATION

5.1 Policies and Regulatory Framework Governing Hawking in Nairobi

5.1.1 Licensing

Different policies documents provide and allow for licensed hawking for example Local Government Act provides in section 163 (a) every town council and urban council shall subject to any other written law relating thereto, have power-

“to prohibit or control peddling, hawking and street trading and to control peddlers, hawkers and street traders;”

The City of Nairobi hawkers By-laws, By-law 5 states: (Part 1) “The council may in its discretion, upon payment to the town clerk of the appropriate fee thereof prescribed in the Schedule to these By-laws, issue under the head of the Town Clerk a license permitting the person named therein to engage in hawking, subject to such terms and conditions, if any, as may be specified in the license”. Those who are found in offense of these By-laws are liable to a fine not exceeding one thousand.

Despite there being legal frameworks for licensing hawking, 97.7% of the respondents in the survey were not licensed. This was attributed to the Authorities lack of recognition and honouring of the license and their holders as they too are treated the same as those without during the enforcement and monitoring operations. The fine is not punitive as it has never been reviewed since independence and is most affordable to most hawkers hence do not mind operating without a license. The Nairobi City council which is mandated to issue the hawking licenses has been inconsistent and reluctant to license hawkers. The above By-law provision is cited, that it is in the Council discretion to permit or not, hawking. The Local Government Act too empower an authority through Section 165 (1)

“A local authority may refuse to grant or renew any license which it is empowered under this Act or any other written law to grant on any grounds as it may, by By-law, specify”. According to the Assistant Markets Superintendent Mr.Ndua the maximum number of hawkers that can be licensed per year is 10,000 with annual renewal, thus only 10,000 hawkers can legally operate within the CBD at a time. This is far below the number of hawkers at present who are estimated to be over 30,000.

5.1.2 Regulation

The Local Government Act provides; section 163 (a) every town council and urban council shall subject to any other written law relating thereto, have power-“to prohibit or control peddling, hawking and street trading and to control peddlers, hawkers and street traders”. According to the City of Nairobi hawkers By-laws, By-law 5 (Part 2) states “Without prejudice to the generalities of paragraph (1) of this By-law, a license may be restricted to a particular area or place and maybe issued in respect of specified goods, wares, merchandise and refreshments.”

In their duty to regulate the hawkers’ activities the Nairobi City Council usually work in collaboration with law enforcement forces thus the regular and administration policemen. Regulation and enforcement involve street patrols, swoops, arrests, goods confiscation among others. From the field survey all the respondents were in agreement that the mode of operation is totalitarian and people unfriendly. In-turn they at times become confrontational in-which fracas ensues, property destroyed and vandalized, running battles too are witnessed in the CBD streets.

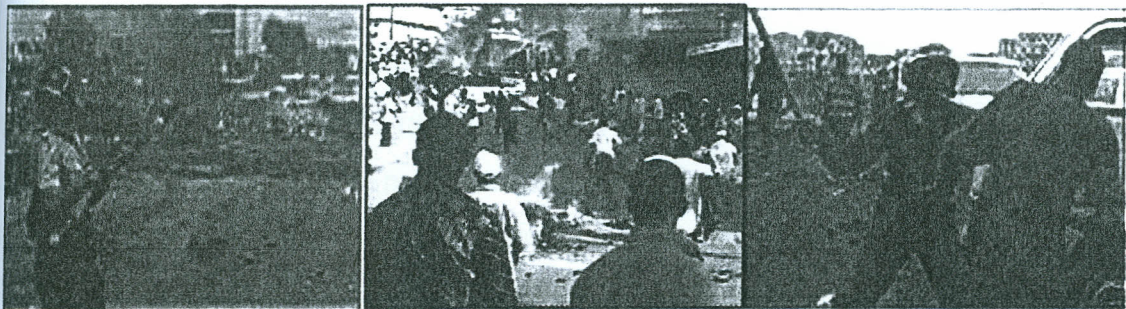


Plate 5.1: Hawkers being dispelled, retaliation and subsequent arrests

Source: Field survey, 2007

This has further implications to other sectors of the country such tainting our regional and international image to potential investors, business persons, visitors, tourists and other interested parties such as funding agencies on the security situation and human rights.

The existing policies toward street enterprises in Nairobi are partial, permissive and elitist in nature. While the policies emphasize restriction and relocation, they do not take into account the characteristics and opinions of the population and relevant stakeholders. However, new efforts stipulated according to Sessional Paper No.2 of 2005 on Development of Micro and Small Enterprises for Wealth and Employment Creation for Poverty Reduction section 4.18 “ The

Local Authorities will continue to implement creative approaches aimed at promoting marketing for MSE products. Such approaches include marketing in public parks on specific days, operating evening markets and temporary closure of certain streets to allow MSE operators to sell their wares” could change the status quo if implemented and enforced.

5.1.3 Non-Participatory

According to the NISCOF chairman Mr. Stephen Waweru the existing policy documents on hawking are not participatory in nature and have created impediments in their efforts to be incorporated in decisions affecting their activities. This has resulted in non-acceptance of unilateral decisions made by the Authorities coupled with their top-bottom approach by the hawkers and other stakeholders. The Town Clerk has numerous powers granted by the law that are discretionary hence can exercise them as he/her wishes without question from anyone.

5.2 Nature of Hawking Trade in Nairobi Central Business District

5.2.1 Historical Background hawking trade in Nairobi city

Following its establishment in 1899 as a railway depot, Nairobi soon became a communications centre and headquarters of the provincial administration. The Nairobi permanence was confirmed in 1905 when it became the capital of the country with a population of about ten thousand. Thereafter the importance and size of the town increased steadily and in 1919 Nairobi became an incorporated municipality (Urban Study Group report, 1969).

According to Mr. Stephen Waweru Chairman of NISCOF the umbrella body of hawkers' organizations stated that in the 1950's due to the colonial rule, color bar was imposed restricting the black people to trade allowing only the Hindus to do so. In 1957 kiosks were allowed to all including the indigenous after members of parliament discussed the matter in the legislative council. It was required that the kiosks and carts be approved and licensed. After independence kiosks were allowed and had to be cemented and be connected to piped water. Due to the coffee boom in 1976-1978 there was a change from kiosks to vending. The first retail market was established in 1963 and was known as Retail market locally known as “Marikiti” and had 72 stalls. Wakulima wholesale market was opened in the same year. Most of the traders who could not be accommodated in the two facilities became hawkers.

Between 1969-1979, there was remarked Nairobi urban population growth with a rate of 6.9 % with the major reason being rural-urban migration accounting 3.3% after the removal of the colonial restrictions on people's movement after independence. It is also attributed to the fact that the period between 1964-1971, the economy recorded remarkable growth as the government was involved in heavy expenditure, active involvement in economic development and heavy foreign investment resulting in a high average GDP growth rate of 6.4 per cent. But during the early 1970s the oil crisis and the collapse of the East African Community in 1977 adversely affected the country's economic performance (Mireri, 2000). The prospects for formal jobs for the high number of people was not possible hence most resorted to informal jobs which included hawking.

In the 1980s the economy recorded average GDP growth rate ranged from 3.6 to 5 per cent. Nairobi's rate of wage employment growth registered a declining trend of 39 per cent and 24.6 per cent during 1974/84 and 1984/94 periods respectively (Mireri, 2000). Hence the rate of employment could not match the rapid urban population growth resulting to informal jobs for survival by most residents.

For the period 1989 to 1993 the economy witnessed the greatest fall in economic growth reaching a high of 0.2 per cent and was attributed to suspension of donors funds, world-wide economic recession, large scale economic scandals such as "Goldenberg" and political instability among other reasons. There after there was mixed economic performance with improved growth in 1994 to 1995 and a decline in 1996 to 1997 and was mainly attributed to economic liberalization which opened up the domestic economy to external competition.

In 2003 the then Minister for Local Government, Emmanuel Karisa Maitha ordered the Nairobi City Council to undertake the registration of hawkers operating within the Nairobi Central Business District and its environs. A total of 16,000 hawkers were registered and allocated designated areas, mainly alleys and back streets for trading purposes and to remove unfair business from the frontages of formal businesses that pay taxes. In 2004 the hawkers were relocated to New Ngara due to the increasing insecurity which was attributed to the back-lanes and alleys as criminals' getaways and hideouts. They though refused to trade there claiming that it is far from the CBD and it is insecure. At the start of the year the president banned all hawking activities in the city.

5.2.2 Places of Origin and Employment Trends

The field survey shows that 43.2% of the hawkers are from Central province, 20.5% from the Rift-valley, Nairobi 11.4% and 25% from the other five provinces. According to the 2004 Socio-economic survey in the Nairobi CBD by NCBDA 78.2% of the vendors were from Central province, Rift-valley 5.5%, Nairobi 2.6% and 13.7% for the other five provinces. The high hawkers' percentage from Central province can be attributed to its proximity to the city. The hawkers' percentages from the other provinces are increasing as the number of migrants from those areas increase and unemployment levels increase.

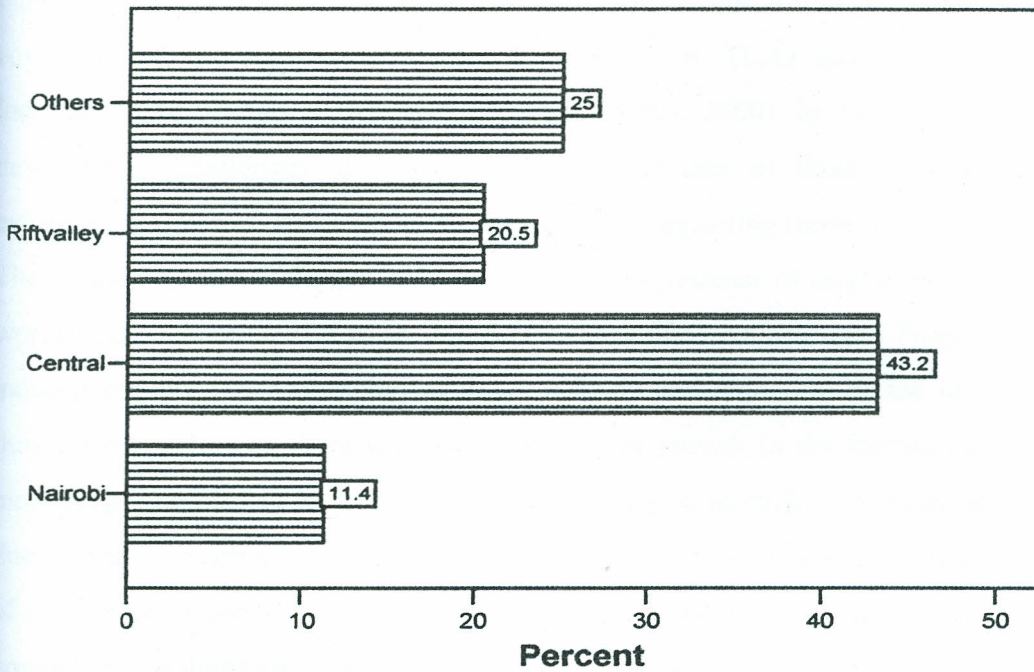


Fig.5.1 Place Origin of vendors

Source: Nairobi CBD Field Survey, 2006

5.2.3 Year of migration to Nairobi

Figure 5.2 shows the years of migration to Nairobi. There has been a gradual increase since the 1970s peaking in the 1990s. The rise between 1970 and 80s can be attributed to the improved agricultural production especially coffee leading to higher incomes resulting to land speculation and settlement. The period between 1964-1971, the economy recorded remarkable growth as the government was involved in heavy expenditure, active involvement in economic development and heavy foreign investment resulting in a high average GDP growth rate of 6.4 per cent

(Mireri, 2000). Hence the public and private sectors were developing and provided job opportunities to various cadres.

Between 1980 and 1990 the rise was marginal and could be attributed to two significant occurrences during the period thus the 1982 failed military coup and 1984 famine. It can also be attributed to the Rural-Urban balance policy under the Small Town's Development programme and the central government managed district planning in the 1980's which designated rural areas as prime areas for development. The government invested in infrastructure in the designated growth centre to make them attractive for investment and human settlement. The growth centre would then promote development of their hinterlands and absorb rural-urban migrants that would otherwise be attracted to Nairobi or Mombasa towns. The initial phase of growth center policy covered: Kisumu, Kakamega, Nakuru, Eldoret, Nyeri, Thika and Embu and the second phase included Meru, Bungoma, Kericho and Kisii (Mireri, 2000). In the quest of promoting regional development challenges have been faced such as lack of financial and technical resources, excessive number of designated centres leading to neglecting those in arid and semi-arid regions. The period between 1990 and 2000 had remarkable increase of migration and can be attributed to world-wide economic recession, the SAPs (Structural Adjustments Programmes) World Bank induced resulting in suspension of donor's funds and reduction of the civil service workforce through retrenchment, there was low employment growth in the formal sector. This resulted in most people remaining in the city while others came in to engage in informal sector employment due to reasons such as agriculture was declining due to poor prices for their yields and collapse of marketing cooperatives such as KCC, NCPB, CBK among others. Economic liberalization opened up the domestic economy to external competition this led to closure and reduced out-put in most manufacturing industries such as textile industries e.g. Kicomi, Rivatex among others. This resulted in massive lay off and reduced employment.

The rate of migration to the city from 2000 to present has been on the decline and can be attributed to the reforms in the agriculture sector where prices of produce are government controlled; collapsed companies have been revived such as K.C.C, sugar companies, pyrethrum depots among others. Improvement of infrastructures and services, improved education facilities, improved transport and communication facilities in other towns has reduced the number of people into the city.

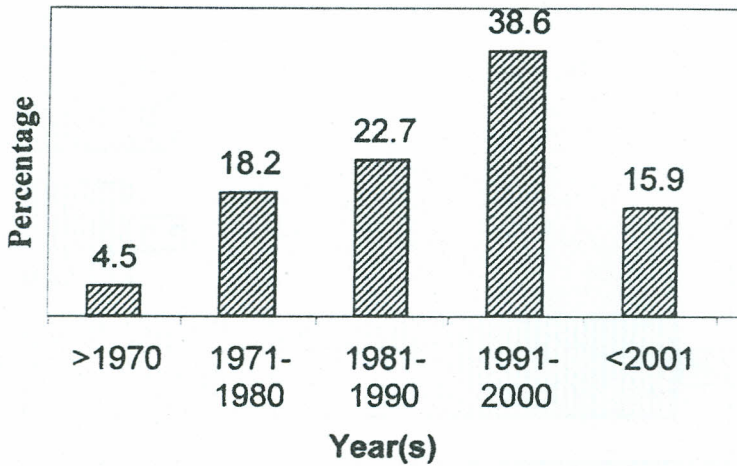


Fig.5.2 Year of migration to Nairobi

Source: Nairobi CBD Field Study, 2006

5.2.4 Reasons for migration to Nairobi

Figure 5.3 below shows that the main reason for migrating to Nairobi is to seek employment accounting for 68.2% of the responses. 15.9% for settlement, 11.4% for education and 4.5% due to tribal clashes. Due to increasing rural population, farm land subdivision into agricultural unviable sizes, and desire for the city life has resulted in most rural inhabitants migration to the urban areas especially Nairobi to seek better employment opportunities in the industrial, service, construction sectors among others. Nairobi is the country main educational centre with the availability of various learning institutions such as Kenya Polytechnic; Nairobi University, Kenyatta University, city colleges among others within the city attracts people from the other regions giving them more choice to choose from. The prospects of living in the city is perceived to be appealing to most people due to the various services and opportunities it offers such as shopping malls, entertainment spots, medical facilities, improved communication and transport facilities among others hence 16% of the respondents opted to settle in the city. Previous land and political clashes in 1990s in Rift valley and Coast provinces have contributed too to movement into the city as indicated by 4.5% of the respondents.

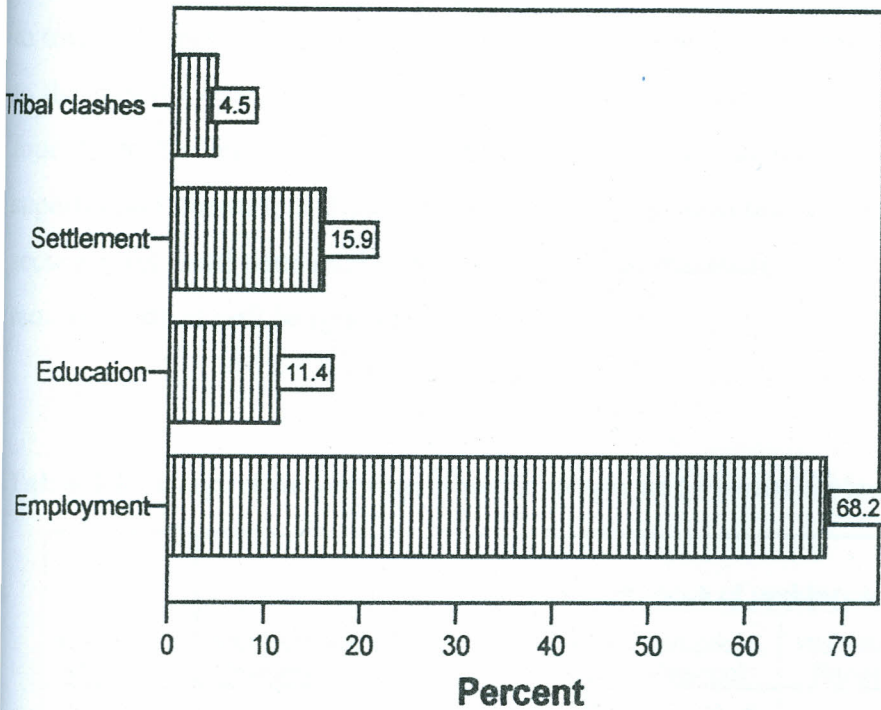


Fig.5.3 Reasons for migration to Nairobi

Source: Nairobi CBD Field Study, 2006

5.2.5 Comparison between place of origin and vendor’s place of residence

From the field study the choice place of residence for most hawkers is Eastlands area thus Mathare, Korogocho, Lungalunga, Majengo with hawkers from Central represented by 57.9%, Riftvalley 33.3%, Nairobi 20% hawkers from the other provinces represented 63.6%. The North of Nairobi thus Kahawa, Githurai, Kasarani and its environs is preferred mostly by migrants from Riftvalley (55.6%), Central (26.3%) and 20% from Nairobi province. Others are West of Nairobi thus Kawangware, Kangemi, Uthiru and Southlands of Nairobi which include Kibera. The choice of place of residence is determined by the cost of housing, transport, food and other basic necessities. Eastland is popular as it is near the city thus most prefer to walk and the cost of transport is minimal compared to other areas. Housing is also cheap and affordable as most are slums and shanties. Other areas such as the Northern side housing is more decent but less affordable to most and transport costs are among the City’s high. According to the Nairobi CBD 2004 Socio-economic survey 87.7% of the respondents resided on the eastern and western

outskirts of the CBD where housing is cheaper. The authorities should allow the hawkers access to trade in parking lots, bus-parks in the evening as vehicular traffic recedes since most live close to the city they can trade late. A new trend is emerging of extended trading hours and twenty four hour trading and service provision such as Nakumatt Ukay a branch of Nakumatt supermarket chain; this should be replicated in the hawking sector too by provision of adequate security light and personnel. They in-turn should maintain order, cleanliness, security and other requirements as will be required.

Table 5.1 Comparison between place of origin and vendor’s place of residence

| Place of origin | Vendors place of residence | | | |
|-----------------|----------------------------------|---|----------------------------------|---------------|
| | North(Kahawa,Githurai, Kasarani) | East(Mathare,Korogocho, Lungalunga,Majengo) | West(Kawangware, Kangemi,Uthiru) | South(Kibera) |
| Nairobi | 20.0% | 20.0% | 20.0% | 40.0% |
| Central | 26.3% | 57.9% | 10.5% | 5.3% |
| Rift valley | 55.6% | 33.3% | 11.1% | |
| Others | | 63.6% | 27.3% | 9.1% |

Source: Nairobi CBD Field Study, 2006

5.2.6 Levels of vendors education

The field study indicates that 2.3% of the respondents have no formal education, 97.7% of the respondents are literate with 40.9 % having primary education, 43.2% having secondary education and 13.6% having gained tertiary education. Literacy rate is high due to the young age of the respondents falling under the youth age bracket of (18-40 years). Due to hard economic situations hawking sector provides a means of living to most unable to get employment in the public and private sectors though they are qualified. The trade requires literate persons who are quick in making decisions on stocks, payments, use of basic technology gadgets such mobile phones, calculators; read newspaper and other literature for information; business savvy while engaging with fellow traders and the public.

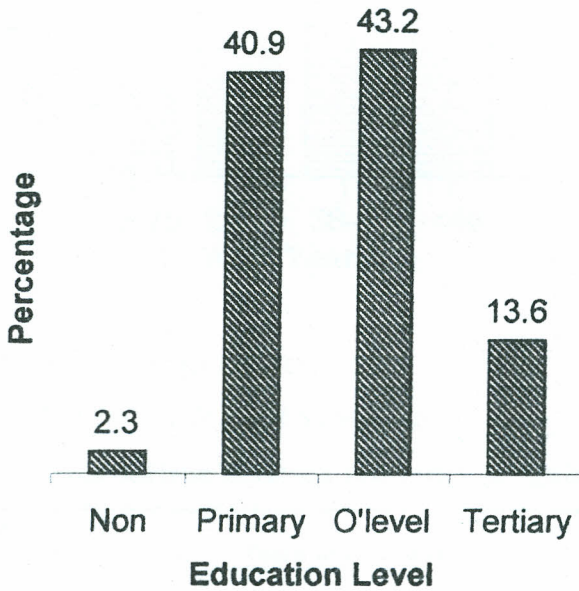


Fig. 5.4 Levels of vendors education

Source: Nairobi CBD Field Study, 2006

5.2.7 Comparison between vendors age against years in business

From the field study Fig.5.5 shows age cohorts that indicate that 26-35 years of age compose majority of the hawkers at 36.4% followed by 36-45 cohort with 29.5%. Greater than 45 years 22.7% while 18-25 is represented by 11.4%. Table 5.2 shows that the low representation in 18-25 age cohort can be attributed to the few years they have been into operation thus 40% less than 1 year and 60% at 1-5 years about 40% cited that they preferred the business as it was easy to start. The mean number of years of operations for cohort 26-35 is 6-10years with the main reason being survival at 31.3%. Cohort 35-45 is distributed among the various years with the highest being above 10 years with a representation of 46.2% this is so as the person becomes entrenched in the business and take it as a source of employment as indicated by 46. 2% of respondents in table 5.1.

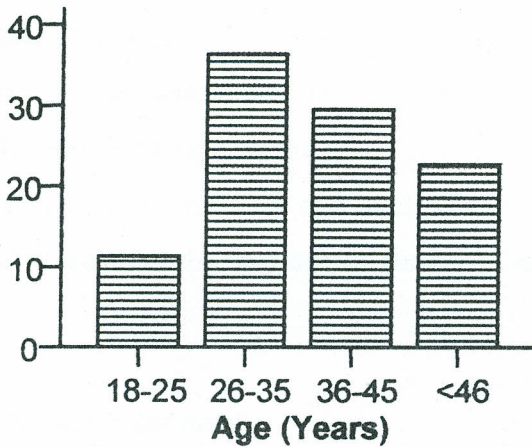


Fig. 5.5 Vendors age cohorts

Source: Nairobi CBD Field Survey, 2006

Table 5.2 Comparison between vendors age against years in business

| Vendors age | Years in business | | | |
|-------------|-------------------|-------|-------|-------|
| | >1 | 1-5 | 6-10 | <10 |
| 18-25 | 40.0% | 60.0% | | |
| 26-35 | | 56.3% | 31.3% | 12.5% |
| 36-45 | | 30.8% | 23.1% | 46.2% |
| <46 | | 10.0% | | 90.0% |

Source: Nairobi CBD Field Survey, 2006

5.2.8 Hawking hours

From the field survey 59.1% of the respondents prefer to trade full day thus twelve to fourteen hours as they take their trade as means of income and have to trade full-time to make ends meet. 34.1% hawk in the morning and evening thus eight to ten hours to capitalize on the human traffic heading to their places of work in the morning and those leaving in the evening for their places of residence. A small percent of 6.8% prefer to trade in the evening between 6-10pm as they engage in other jobs or activities during day time and carry out hawking to supplement their earnings. The busiest and most profitable trading period is in the evening as the people return from work. During these periods it is convenient to buy goods as there is time to sample what is on offer make purchases and board a vehicle for ones residence. The authorities should promote evening and late night business as indicated above it is a new emerging trend and would create

impetus for other business and service development. According to the Chairman of NISCOF Mr. Stephen Waweru involvement and integration of the hawkers in the CBD would enhance security as they would provide information on any security breach or wrong doers among them. Provision of lighting at night would promote trade, tourism and security.

This has changed recently due to the heavy presence of council and administration police on street patrols after the presidential directive banning hawking in the CBD.

5.2.9 Monthly Income

According to the field study the mean, medium and mode income group was 5000-10,000 KES with a representation of 54.5%. The NCBDA Socio-Economic survey of 2004 indicated the average profit before relocation to New Ngara was KES 7,011.42 and KES 5,778.08. The field study results show that the same average group has been maintained even after the refusal to settle in the new allocated areas by the Nairobi city council. 27.3% of the respondents receive over KES 10,000 per month thus can afford relative comforts of life and expand their operations and staff base. From the field study 18.2% of respondents receive between KES1000-5000 and can be attributed to the number of years in business and a person's age usually early adulthood.

5.2.10 Comparison between goods types and the nature of business operations

From Table 5.3 below the nature of business operation is influenced by the good type. Electronics and accessories are hawked in fixed kiosks (40%) and mobile by hands (40%) these types of goods are sold in pieces and are small in size and light weight thus portable they include calculators, electrical appliances among others. Perishables such as fruits and vegetables are spread on the ground by 45% of the respondents since they need to be displayed in to different groups for the customers to choose from, there are those who peddle theirs by hands (18.2%) especially to motorists. Spreading on the ground poses health risks to the customers due to dust, rubbish and the dirty nature of the streets and lanes. They are major contributors to pavement obstruction too. The wears vendors prefer to display their goods on cartons (60%), 30% spread on the ground especially shoes. This enables the customer to have a closer look at the goods and to the vendors a quick exit incase the Council askaris appear. Video and literature are hawked at

60% being spread on cartons and 40% mobile by hands this is so as to enable the customer to select what they like.

From the field survey the most preferred mode of operation and goods display is on cartons as it has a better display and it is easy to windup and vacate once the authority shows up. The Local Authorities should develop display prototypes for the different business types that are well labeled that will enhance sanitation, aesthetics, uniformity, protection from the elements among others.

Table 5.3 Comparison between goods types and the nature of business operations

| Goods Type | Nature of business operation | | | |
|--------------------------|------------------------------|-------------------------|---------------------------|---------------------|
| | Fixed location (kiosk) | Mobile (carry by hands) | Mobile (spread on ground) | Mobile (on cartons) |
| Electronic & Accessories | 40.0% | 40.0% | 20.0% | |
| Perishables | 18.2% | 18.2% | 45.5% | 18.2% |
| Wear(clothes, shoes) | | 10.0% | 30.0% | 60.0% |
| Video, literature | | 40.0% | | 60.0% |
| Assorted goods | | 22.2% | | 77.8% |
| Consumables | | 100.0% | | |

Source: Nairobi CBD Field Study, 2006



Plate 5.2: Display methods: Spread on the ground and on cartons

Source: Field survey, 2007

5.2.11 Comparison between goods type and goods source and quantity

From the field study table 5.4 indicates that goods source and quantity is determined by the good type. Electronic accessories such as phone covers and wallets are sourced from the manufacturers (40%) and distributor (60%). All the perishables are sourced from Retail market also known as Marikiti and the wholesale market adjacent. Most of the vendors buy in bulk (81.8%). Wear dealers source their goods from various sources thus manufacturers (10%) from the industrial area, EPZ industries, and local tailors. 50% from distributors such as apparel exhibition stalls, Eastleigh stalls such as Garissa lodge, wear dealers such as Kings collection among others in the CBD. 40% source their goods from Gikomba which is a market for imported second hand wear which most prefer for their quality, label, design and affordability especially footwear. 90% buy their goods in pieces as volume is determined by sales. Videos and literature material are sourced a 100% from the distributors who include cyber café owners and video dealers in exhibition stalls. Most buy their goods in bulk (60%) while others (40%) in pieces. The hawkers provide a vital link in the goods distribution chain as they sell goods from the established formal business and industries thus the relationship is symbiotic. From the Nairobi CBD 2004 Socio-economic survey 92.4% source merchandise from wholesalers within the country, local manufacturers 6.8%. This has remained so as evidenced by the hawkers field study where goods sourced from local manufacturers accounts for 9.1% and from distributors i.e. wholesalers, Gikomba, Retail market among others at 90.9%.

Table 5.4 Comparison between goods type and goods source and quantity

| Goods Type | Goods Source | | | | Goods Quantity | | | |
|--------------------------|--------------|-------------|---------------|---------|----------------|--------|---------|-------|
| | Manufacturer | Distributor | Retail Market | Gikomba | Pieces | Carton | Packets | Bulk |
| Electronic & Accessories | 40.0% | 60.0% | | | 60.0% | | | 40.0% |
| Perishables | | | 100.0% | | 18.2% | | | 81.8% |
| Wear (clothes, shoes) | 10.0% | 50.0% | | 40.0% | 90.0% | | | 10.0% |
| Video, literature | | 100.0% | | | 40.0% | | | 60.0% |
| Assorted goods | | 100.0% | | | 44.4% | 11.1% | 44.4% | |
| Consumables | 25.0% | 75.0% | | | | | 50.0% | 50.0% |

Source: Nairobi CBD Field Study, 2006

5.2.12 Reasons for hawking

From the field study various reasons were given for engaging in hawking 27.3% engaged in their business as a source of employment, 22.7% termed their businesses as profitable, 20.5% a mean of survival for being not able to secure alternative employment in the formal sector. Some of the businesses are easy to start and require minimal requirements as indicated by 18.2%. It is evident that most of the urban populace benefit directly and indirectly from engaging in hawking business. As formal employment opportunities diminish street vending is being practiced as a source of employment by many residents. Further from the field study it was evident that hawking business is very viable and brings contentment to most as indicated by 95.5% of the respondents while only 4.5% termed their business as being inconsistent in its returns. Informal sector employment grew by 7% in 2005 and accounted for 90% of all new jobs created as indicated in the KIPPRA Policy brief No.6/2006. This indicates that the sector has a lot of potential to develop and be an important sector of the economic growth.

Reasons for hawking

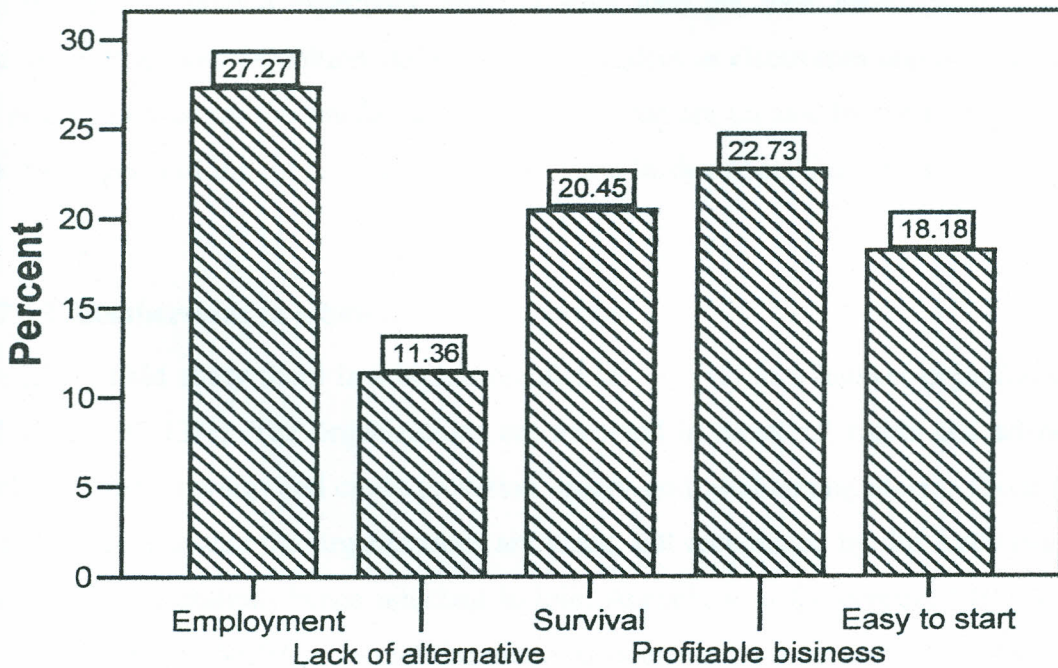


Fig. 5.6 Reasons for hawking

Source: Nairobi CBD Field Survey, 2006

5.2.13 Reasons for street of choice

According to the field study 70.5% responded that they preferred their streets of operation mainly due to their high number of customers which is inter-related to near matatu terminuses reason given by 25% of the respondents. This was further observed by Nairobi City Council Assistant Director of Urban Design and Development Mr. Gatimu, who stated that research by the department, had observed that mass transport hubs went hand in hand with intense hawking activities such as areas around Kenya Bus Station, Tea-room area, OTC, Globe-cinema round-about, Ambassadeur hotel, Odeon Cinema among others due to the high number of customers heading out and in of the City.

5.2.14 Relationship with formal businesses

From the field study 72.7% of the respondents have poor relationship with the established businesses who accuse them of obstructing business entrances, selling counterfeits, lack of payment of license fee or any remittances to the government hence creating unfair competition, pavement obstruction and littering among other problems. Though 27.3% termed their relationship as mutual especially wear hawkers who get their merchandise from established business shops and exhibition stalls others are dealers in electronics and other accessories. This is also evidenced by the similar nature of goods that are on sale by the two. This indicates that they are agents of the formal businesses and could be developed into stronger links.

5.2.15 Memberships to a hawker's organization

From the field study there is a higher membership (57%) to a hawker organization than those who are not (43%). The organizations are involved in hawkers' rights and advocacy matters, welfare issues, savings and credit provision, merry-go round among others. Those not yet in any organization cite that the organizations are weak, not recognized by the Authorities and do not meet their expectations hence reluctant to join. According to the Nairobi CBD socio-economic survey 2004 by NCBDA, street hawkers association membership was (41.3%) and non-membership (58.7%). The membership has increased due to changing attitude by the Authorities and the private sector on the importance of the hawking business and their association hence their support and involvement in decision making. According to the NISCOF Chair, leadership

wrangles and imposters cause apathy, disintegration and disorganization of solidarity among the members and prospective members hence they do not receive full support they would wish. It is though an opportunity for the relevant Authorities to recognize these organisations and work with them, they in-turn to provide leadership to their members, regulate the activities of their members and be the link with other organisations and partners.

5.2.16 Hawking license holders

According to the field study results 97.7% of the hawkers do not have hawking license while only 2.3% possess a license. Few have license due to the non-discriminative nature of the authorities when carrying out swoops and arrests in which the license holders too are treated in the same way as those without. According to the Nairobi CBD 2004 Socio-economic survey 89% of the vendors had no license and only 2.6% had acquired license by 2003.

The Hawkers By-laws of 1963 are punitive as it is at the Town Clerk discretion to license or not. By-law 5 states: (Part 1) "The council may in its discretion, upon payment to the town clerk of the appropriate fee thereof prescribed in the Schedule to these By-laws, issue under the head of the Town Clerk a license permitting the person named therein to engage in hawking, subject to such terms and conditions, if any, as may be specified in the license". (Part 2) "Without prejudice to the generalities of paragraph (1) of this By-law, a license may be restricted to a particular area or place and maybe issued in respect of specified goods, wares, merchandise and refreshments."

License fee are a potential source of revenue that has not been exploited by the Council.

5.3 Challenges and Opportunities of Practicing Hawking

5.3.1 Challenges to hawking

According to the hawkers they face numerous problems which include harassment by the authorities, goods confiscation, arrest and jail term for engaging in unlicensed hawking activities, limited working space, lack of basic services such as storage facilities, toilets among others.

Table 5.5 Comparison between type of goods and problems associated with hawkers operations, waste disposal and hawkers' opinion on pavement obstruction

| Goods Type | Problems associated with your operations | | | | | Waste disposal | | | Opinion on road/pavement obstruction | | |
|--------------------------|--|----------------------|-------------|-------|------------|----------------|-----------|--------------------|--------------------------------------|----------------|---------------|
| | Littering | Pavement obstruction | Competition | None | Insecurity | Litter | Dust bins | No waste generated | Poor space management | Too many users | Limited space |
| Electronic & Accessories | | 80.0% | | | 20.0% | 20.0% | 60.0% | 20.0% | 40.0% | 40.0% | 20.0% |
| Perishables | 54.5% | 27.3% | 18.2% | | | 36.4% | 54.5% | 9.1% | 27.3% | 72.7% | |
| Wear(clothes, shoes) | | 60.0% | 20.0% | 10.0% | 10.0% | | 30.0% | 70.0% | 30.0% | 60.0% | 10.0% |
| Video, literature | | 60.0% | | 40.0% | | 20.0% | 20.0% | 60.0% | 20.0% | 60.0% | 20.0% |
| Assorted goods | | 66.7% | 33.3% | | | | 44.4% | 55.6% | 33.3% | 33.3% | 33.3% |
| Consumables | 25.0% | | | 75.0% | | 25.0% | 25.0% | 50.0% | | 50.0% | 50.0% |

Source: Nairobi CBD Field Study, 2006

5.3.2 Problems associated with hawking operations

■ Pavement Obstruction

From the field study the major problem that can be attributed to the hawkers' activities is pavement obstruction with the electronic accessories vendors contributing most (80%), assorted goods vendors (66.7%), perishables hawkers cause the least (27.3%). Electronic vendors cause most obstruction as they use cartons to display their wares and occupy pavement space.

■ Littering

Littering is mostly contributed by perishables hawkers (54.5%) and consumables (25%), these two are food related and litter is composed of fruit peels, vegetables wastes and cuttings among others.

■ Insecurity

According to the study insecurity is contributed differently among the different hawkers, thus electronic and accessories (20%) and (10%) among wear hawkers. These two provide suitable hide-outs and disguise for criminals as they are very mobile and most congested hence criminals commit crime and then masquerade as hawkers.

■ Waste disposal

Waste disposal is a problem in the CBD though majority of the hawkers indicated that they were not directly responsible for the untidiness caused by their goods. They cited that the consumers were the last people in the distribution chain hence responsible for the disposal of any wastage generated such as wrappings, peels, plastic bags among others. According to most traders they dispose their wastes into the bins along the streets. Littering is mostly attributed to the perishables dealers (36.4%), consumables vendors (25%), electronic accessories (20%), video and literature (20%). Litter includes peels, cuttings, plastic bags, covers, cartons among other wastes.

Due to lack of foresighted planning, rapid urban population growth, lack of public participation, exclusion by the authorities among other reasons the above problems have arisen and persisted. There need to be concerted efforts from all the stakeholders to work together for integrated planning and governance of the hawking activities in Nairobi CBD.



Plate 5.3: Pavement obstruction and congestion

Source: Field survey, 2007

CHAPTER SIX – SUMMARY OF FINDINGS AND RECOMENDATIONS

6.1 Summary of Findings

From the field synthesis, some salient issues are evident. Despite the important role of street hawking, the activity is less understood, less recognised, and unaccounted for in National economic statistics until recently. This has resulted in lack of enabling policies, regulations and organisation of the sector. The authorities operate with out-dated restrictive policies and regulations that lay emphasis on illegality of street trade. Beside this, many hawkers are not aware of these policies and regulations.

Poor economic performance, poverty and high unemployment rate have played a key role in driving most people into hawking trade. This has made regulation and control an important aspect of street vending management and development by the authorities.

Majority of street vendors regard hawking as their full-time occupation and source of income. Hence a threat to their source of income is a threat to their livelihoods and dependants. It is an important as a source of income and employment.

There is also minimal communication between the street vendors and urban authorities. Few street vendors associations have managed to influence policies and regulations. This is because the vendors associations are weak, lack resources, finances and require facilitation in organizing and advocacy.

The street traders work in hostile environment without basic infrastructure and services, full of harassment, including beating and confiscation of goods by urban authorities. Overcrowding, dwindling sales due to frequent disruption by law enforcers and arrests are other problems faced.

6.2 Recommendations

6.2.1 Hawking Policy Review

The fact that the hawking involves a huge number of population and that the sector plays significant roles in curtailing a problem of mass unemployment and poverty, makes it “irrational” for policy makers to ignore the sector. Therefore, the sector must be accepted as a reality of urban life not only in Nairobi, but perhaps in other cities of developing countries as well. Government authorities and urban planners should recognize the need to accommodate hawking sector in the policy-making of urban development planning.

Drafting of Local Government Legislation and By-laws that specifically acknowledges the existence of street enterprises and addresses the problems associated with it is the critical factor in the shaping of business environment as well as in creating conditions that are conducive for hawking business in Nairobi. Existing legislations have no adequate rules to address the issue of street vending comprehensively. The rules in the legislation can cover main regulations ranging from “stabilizing” issue (e.g. formulating permit and licensing procedures, special zoning and time regulation for the hawking operations and may include issuing means of identification such as badges, hawking license card, uniform among others and control of the number of hawkers in a particular area of operation with its order and cleanliness being maintained by the traders) to a broader issue of “supporting” the sector (e.g. the provision of suitable storage sites, the provision of adequate and appropriate shelter and infrastructural services, and the development of access to appropriate technology and credit schemes).

6.2.2 Appointment of a Central Agency

Policies on street hawking are the concern of different offices in the Kenya government structures and no central coordinating body is specifically responsible for implementing the policies. The number of different agencies involved in this regard makes the intervention burdensome, as the various bodies involved have overlapping jurisdiction and differing priorities as to the resources available for interventions. In order to streamline and coordinate the hawking sector planning and development process as well as to minimise possible conflicts, the policy planning and implementation require a central agency that can coordinate a wide range of activities, which cut across established government structures.

6.2.3 Creation of a “forum of Nairobi urban development stakeholders”

Absence of effective public participation or consultation in the policy making process was noted earlier. Participation can be regarded as a key to the success of the urban development planning and regularisation of public spaces. The establishment of forum of urban development stakeholders is needed to increase their participation in the urban development planning. The stakeholders will ideally involve street trader associations, academia, mass media, NGOs, think tanks and other respective local organisations. The forum can be used as a vehicle for different stakeholders to have access to the policy-making process on typical urban development issues in general and on hawking in

particular. The stakeholders' role here will be more consultative rather than decisional. While the forum can serve as a crucial source of policy input for local governments, it can act as a public caucus to monitor closely the implementation of new policies and regulations.

6.2.4 Recognising the Diversity and Dynamism of the Hawking Sector

From the field survey and other studies it is evidence that street traders are not always the poorest of the urban society. The hawking sector is dynamic and responsive to markets though still inherit vulnerability which includes insecure premises, volatile incomes, limited economic resources, inadequate technology for advancement, and lack of access to formal financial services. In aggregate, however, they demonstrate characteristics of the successful merchants who tend to operate small enterprises successfully and earn relatively high revenues and household incomes from the business.

They can respond successfully to open and competitive markets. The rapid response of many street enterprises in Kenya to new opportunities and more open market conditions created by the SAPs, liberalization, and economic crisis, among others underlines the flexibility and dynamism of the hawking sector.

Recognising such diversity and dynamism is a crucial strategy to choose the most appropriate interventions. In this regard, policy should not take a heavy regulatory and "welfare-based" approach to this sector. Rather, it should pursue a more "growth-oriented" strategy. For example, safety net policies are vital, particularly to "surviving" traders living in substandard conditions. The policies should also not be focused only on the provision of social welfare services but include provision of infrastructural and institutional facilities, such as business sites, electricity, licensing, and access to appropriate technology and credit at relatively lower costs among others.

6.2.5 Designating Hawking Streets and Hawking Hours

From the field survey 15.9% of the respondents suggested that they be allowed to trade in specific streets and another 15.9% be allowed to operate at specific hours thus 12-2 pm and 5-7pm to capitalize on the lunch hour and after work traffic. The new emerging trend of extended hours and twenty four hour trading and service provision should be replicated in the hawking sector as most reside near the city and it is expanding as a regional hub. Specific streets that were cited that could be closed at specific times of the day include

Luthuli Avenue, Bus-station and Koinange Street and on weekends be closed full day. According to Sessional Paper No.2 of 2005 on Development of Micro and Small Enterprises for Wealth and Employment Creation for Poverty Reduction section 4.18 “ The Local Authorities will continue to implement creative approaches aimed at promoting marketing for MSE products. Such approaches include marketing in public parks on specific days, operating evening markets and temporary closure of certain streets to allow MSE operators to sell their wares”. These approaches need to be actualized and implemented. Integration of the hawkers in the CBD would enhance security as they would provide information on any security breach or wrong doers among them. Provision of lighting at night would promote trade, tourism and security.

6.2.6 Research

Periodic research to determine the economic contribution of street vendors to the economy of the city should be carried out to produce results and facilitate an appreciation by local government of the economic role of hawkers in the informal economy and also allow for better and more informed economic planning. This will add data to the scanty, outdated documented information now available making it more useful and available to researchers, government officials and organizations that may require the information.

Since most local municipalities and councils have not yet done this kind of investigation, it needs to be done in most authorities.

6.2.7 Hawkers Organization Recognition and Empowerment

Street hawkers are increasingly becoming more resistant to unilateral planning and can (and do) sabotage plans which they perceive to be unilateral and do not buy into. The Central and Local governments should give more recognition to the existing hawkers associations, encourage merging into more powerful and well structured associations, technical and financial assistance, be ready to work with the sitting officials, participation should be at all levels. Effective policies and bylaws cannot be developed unilaterally. The process has to involve the active participation of organized street hawkers, market vendors and any other informal economy workers affected. Organizations of hawkers have to be actively involved in the implementation of the policies. Established labor unions and employers' organizations have a concrete role to play in the organization of informal

economy entrepreneurs and workers who include hawkers as they have come to the realization that lack of informal economy representation is becoming detrimental in terms of their future economic, social, and political influence. In summary street vendors need to be represented by their own elected representatives in at least the following ways:

- In urban planning and policy forums, including those, which draft legislation for the regulation of street vending;
- In municipal planning bodies that allocate and zone urban space, regulate urban activities and implement bylaws for the regulation of street vending;
- In courts to settle summary arrest warrants, institute urgent injunction or preplanned test cases for establishment of good legal precedents, and other cases.

6.3 Conclusion

The general perception of street vending as a temporary phenomenon affects planning for the sector coupled with lack of reliable figures on the numbers of street traders and workers in the informal economy. Hence planning has to integrate hawking sector as a permanent feature of urban development and national economy. Political commitment to improving the sector is key to the growth of the sector. Governments should create enabling environment by formulating appropriate policies and reviewing the outdated by-laws through a consultative process. In collaboration with other development partners, the Government must strengthen street vendors associations to enable them lobby for hawkers' interests in the context of economic reforms taking place across the country through creating effective communication channels. Self-management supported by urban authorities is encouraged.

This will enable the informal economy grow alongside the formal economy as a poverty eradication strategy and wealth creation, as stipulated in the country economic blueprints.

6.4 Areas for Further Research

Most urban authorities view street traders as criminals or collaborators and it has been claimed that when evicted from the CBD crime within the city and its environs increase, it has also been observed that they engage police in armed fire confrontation resulting in injuries and deaths. The link or relation between hawking and crime should be further investigated.

The role that the formal workers trade unions can play to help hawkers' and their organizations to organize and improve their operations should be established.

REFERENCES

Chen Martha Alter, 2006. *Rethinking the Informal Economy*. John Hopkins University Press, Baltimore

KIPPRA Policy Brief No.6/2006 "Flaws in the development and allocation of jua-kali sheds and hawkers markets in Kenya"

Kuiper M, (2006). Growing out of poverty: Urban job creation and the Millennium Development Goals. Volume 2, Issue 1, March *Global Urban Development Magazine*

Madara. J, (2003). From voters to partners and beneficiaries: A case for Municipal Governance Africa Local Government Action Forum Phase III (ALGAF III) Session IV. Local Government consultant pearlstone associates, Kenya.

Makeni John. Sunday Standard May 29, 2005. Hawkers a boon for economic growth

Mbaru Jimnah, 2005. *How hawking in the city could be enhanced*, www.jimnahmbaru.com

Mireri Caleb, 2000. Trends and instruments of industrial development in Kenya. Shaker Verlag publishers, Dusserdolf Germany

Mitullah Winnie V, (2003). Street trade in Kenya: The contribution of research in policy dialogue and response. University of Nairobi, Institute for Development Studies, Kenya

Nairobi Urban Study Group, 1969. Nairobi Urban Study report. World Bank, Washington

NCBDA, (2004). Street vending in Nairobi: A socio-economic survey in the Central Business District - Nairobi. NCBDA Secretariat, Nairobi, Kenya

Republic of Kenya (ROK). 2006. Draft National Land Policy. Nairobi: Ministry of Lands and Settlements

Republic of Kenya [ROK]. 2005. Sessional Paper No.2 of 2005 on Development of Micro and Small Enterprises for Wealth and Employment Creation for Poverty Reduction. Nairobi: Ministry for Labour and Human Resource Development; Government Printer

Republic of Kenya (ROK). 2003. Labour Force Survey. Nairobi: Ministry of Economic Planning and National Development

Republic of Kenya [ROK]. 2003a. Economic Recovery Strategy for Wealth and

Employment Creation 2003 – 2007. Nairobi: Ministry of Economic Planning and National Development

Republic of Kenya [ROK]. 2002. National Development Plan 2002 – 2008. Nairobi: Government Printer

Republic of Kenya [ROK]. 1963. The City of Nairobi (Hawkers By-Laws 1963) Legal Notice No.748: Government Printer

Suharto Edi, 2003. Accommodating the urban informal sector in the public policy process: a case study of street enterprises in Bandung Metropolitan Region (BMR), Indonesia. Center for policy studies, Open Society Institute-Central European University Budapest, Hungary

Taafe Edward, Gauthier Howard, 1973. Geography of transportation. Prentice-Hall, Inc. Englewood cliffs, N.J

UNCHS, (1996). An Urbanization World Global Report on Human Settlements 1996, Oxford University Press, oxford UK

Victor Tokman (ed.), 1992. Beyond Regulation: The Informal Economy in Latin America. Lynne Rienner Publishers, Boulder, Colorado

Yankson Paul W.K. (2000), “Accommodating Informal Economic Units in the Urban Built Environment: Petty Commodity Enterprises in the Accra Metropolitan Area, Ghana”, *Third World Planning Review*, Vol.22, No.3, pp.313-334

Web sites visited

www.en.wikipedia.org accessed on 21 August 2006

www.ilo.org/seed/

www.streetnet.org/

www.theodora.com/maps

APPENDIX 1 – Hawkers Questionnaire

**KENYATTA UNIVERSITY
DEPARTMENT OF ENVIRONMENTAL PLANNING AND MANAGEMENT AND
COMMUNITY DEVELOPMENT
Master of Environmental Planning and Management**

**INTEGRATING HAWKING IN URBAN PLANNING, MANAGEMENT AND
GOVERNANCE IN NAIROBI CENTRAL BUSINESS DISTRICT.**

VENDORS QUESTIONNAIRE

(Please note that the information sought will be used strictly for academic purposes)

Background Information

1. What is your place of origin.....
2. When did you migrate to the city
3. Why did you migrate to the city?

Vendors Information

4. Fill in the details below

| Household Member | Age | Sex | Education | Previous Occupation | Hawking Time | Years in business | Monthly Income | Residence |
|------------------|-----|-----|-----------|---------------------|--------------|-------------------|----------------|-----------|
| | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |

5. Goods characteristics

| Type of Good | Source | Quantity |
|--------------|--------|----------|
| | | |
| | | |
| | | |

6. Nature of business operations and the main street of operation?

- Fixed location (kiosk) **Street**
- Mobile (carry by hands)
- Mobile (spread on ground)
- Mobile (on cartons)
- Others specify

7. Why do you engage in this type of business?

8. Why do prefer to operate in this street?
9. Problems encountered in acquiring and selling the goods?
10. What is your relationship with the formal/established businesses?
11. What should be done to improve your operations?
12. Are you a member of any trader's organisation? If yes state
13. What are its benefits and challenges?

Challenges and Opportunities

14. What are the benefits of your business?
15. Is the business viable?
16. Income use breakdown

| Use | Allocation |
|------------------------------------|-------------------|
| Rent | |
| Food | |
| Education | |
| Clothing | |
| Transport | |
| Others(Medical, entertainment etc) | |

17. Do you have any other income sources? State

18. What can be done to improve your business operations?

19. What problems can be associated with your business operations?

20. How do you dispose your waste and what type do you generate?

21. What is your opinion on road and pavement obstruction?

22. What are the challenges do you face in your business operations?

23. What is your opinion on the success and failures of:

- Backlanes

- New Ngara

24. What should be done in future to make the efforts successful?

Policies and Regulatory Framework

25. Do you have a hawking license? Yes.... No....

26. What are the license requirements, its duration and the issuing office?

27. What are the benefits of having a license?

28. What are the challenges faced for lacking a license?

29. Are you involved in council matters as regarding your operations if any state?

30. What can be done to strengthen your relationship with the council?