

UNIVERSITY OF NAIROBI

DEPARTMENT OF SOCIOLOGY AND SOCIAL WORK

**THE DYNAMICS OF ROADSIDE MICRO-ENTERPRISES:
A CASE STUDY OF KAYOLE-SOWETO INFORMAL SETTLEMENT**

BY

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DECLARATION

This Research Project is my original work and has not been submitted for a degree in this University or any other institution:

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TABLE OF CONTENTS

DECLARATION	i
ACKNOWLEDGEMENTS	ii
TABLE OF CONTENTS	iv
LIST OF TABLES	vii
LIST OF FIGURES	ix
LIST OF PLATES	x
LIST OF BOXES	xi
ACRONYMS	xii
ABSTRACT	xiii
CHAPTER ONE: INTRODUCTION	
1.1. Background of the Study	1
1.2. Problem Statement	2
1.3. Key Research Questions.....	4
1.4. Objectives of the Study	5
1.4.1. Overall Objective	5
1.4.2. Specific Objectives.....	5
1.5. Significance of the Study	5
1.6. Scope and Limitations of the Study	6
1.7. Definition of Key Terms and Concepts.....	7
CHAPTER TWO: LITERATURE REVIEW AND THEORETICAL FRAMEWORK	
2.1. Introduction	11
2.2. Literature Review	11
2.2.1. Urbanisation	12
2.2.1.1. Urban Centres Growth.....	12
2.2.1.2. The Urban Population	12
2.2.1.3. The Potentially Economically Active Population	13
2.2.1.4. Nairobi City.....	16
2.2.2. Potentially Economically Active Vis-à-vis Economically Active Population.....	21
2.2.3. The Informal Sector of Kenya.....	23
2.2.3.1. Existence and Growth of the Informal Sector	23
2.2.3.2. Roadside Micro-Enterprises in Kenya	26

2.2.3.3. Features of the Informal Sector Establishments that makes them Less Appreciated..	28
2.2.3.4. Features of the Informal Sector Establishments that makes them Appreciated	31
2.3. Theoretical Framework	32
2.3.1. The Dual Economy Model	32
2.3.1.1. Preliminary Contribution to the Subject of ME in the Informal Sector	32
2.3.1.2. The Lewis Dual Sector Model.....	33
2.3.1.3. Critique of the Lewis Dual Sector Model	34
2.3.2. The Micro-Enterprise View Theory	40
2.3.3. Rational Choice Theory.....	40

CHAPTER THREE: RESEARCH METHODOLOGY

3.1. Introduction	44
3.2. Site Description	44
3.3. Research Design	47
3.4. Unit of Observation and Analysis	47
3.5. Sources of Data	48
3.6. Sampling Procedure	48
3.7. Methods of Data Collection	49
3.8. Data Analysis	50
3.9. Validity and Reliability of the Data	50
3.9.1. Validity	50
3.9.2. Reliability	51
3.10. Ethical Dimension	51

CHAPTER FOUR: DATA ANALYSIS, PRESENTATION AND INTERPRETATION

4.1. Introduction	52
4.2. Background	52
4.2.1. Estimated Number of Enterprises.....	52
4.2.2. Size of the Enterprises and Estimated Total Employment	53
4.2.3. Average Net Business Income of the Enterprises per Day	53
4.2.4. Type of Business Premises.....	54
4.2.5. Ownership of the Business Premises.....	57
4.3. Typology of the Roadside Micro-Enterprises	58
4.3.1. Legality of the Micro-Enterprises Occupation and/or Utilisation of the Road Reserves	58

4.3.2. Nature of Activities Undertaken.....	60
4.4. Services Received from the Nairobi City County Government	62
4.4.1. Does the County Government Earn Revenue from the Enterprises?	63
4.4.2. Access to Water and Sanitation Services	64
4.4.3. Access to Lighting Services	67
4.4.4. Purpose of the Fee Charged by the County Government.....	68
4.4.5. Resultant Drawbacks	70
4.5. Implications for the MEs on Implementation of the Development Projects	72
4.5.1. Impact on the Informal Roadside Micro-Enterprises	72
4.5.2. Suggested Mitigations	76
CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATIONS	
5.1. Introduction	81
5.2. Study Findings.....	81
5.3. Conclusion.....	88
5.4. Recommendations	89
5.5. Recommendations for Further Studies	90
REFERENCES.....	91
APPENDICES	100
APPENDIX 1. LETTER REQUESTING FOR PERMISSION TO UTILISE KISIP DATA	100
APPENDIX 2. LETTER FROM KISIP APPROVING UTILISATION OF ITS DATA	101
APPENDIX 3. INTERVIEW GUIDE.....	102
APPENDIX 4. LETTER FROM DEPARTMENT TO FACILITATE FIELD WORK	103
APPENDIX 5. INFORMAL SETTLEMENTS IN NAIROBI BY LAND TENURE STATUS	104
APPENDIX 6. LETTER TO KENYA NATIONAL BUREAU OF STATISTICS TO PROVIDE SPECIFIC INFORMATION FOR USE IN THE STUDY	113

LIST OF TABLES

Table 2.1: Growth of Urban Centres in Kenya by Census Results of 1948 to 2009 (Excluding Urban Centres with Less than 2000 Individuals).....	12
Table 2.2: Rural Versus Urban Population Increase in Kenya by the Census Results 1979 to 2009.....	12
Table 2.3: Percent Growth of individuals in Kenya Aged 15 to 64 Years Basing on Census Years 1979 to 2009	13
Table 2.4: Distribution of Individuals Aged 15-64 Years in Kenya, Urban Centres of Kenya with a Population of 2000 and Above, and Nairobi by Census Years 1979 to 2009	14
Table 2.5: Population Increase in Kenya by the Census Results 1979 to 2009.....	16
Table 2.6: Growth of Urban Centres in Kenya by Census Results of 1979 to 2009	17
Table 2.7: Summary Information on Informal Settlements in Nairobi.....	19
Table 2.8: Goods and Services the Mobile and Stationary Informal Street Traders of Nakuru Handle	26
Table 2.9: Summary of the Contributions on the Formal and Informal Sectors Labour Market Link	36
Table 4.1: Is the Business Registered?.....	52
Table 4.2: Estimated Number of Proprietors	53
Table 4.3: A Cross Tabulation of Operator Having More than One Establishment and Nature of the Establishments Owned.....	53
Table 4.4: Total Number of Employees in the Business.....	53
Table 4.5: An Enterprise's Average Net Business Income (Profit) per Day in Kenyan Shillings	54
Table 4.6: Classification of Type of Business Premise	55
Table 4.7: Nature of the Business Premises Utilised by the Enterprises	56
Table 4.8: A Cross-Tabulation of Description of Main Construction Materials Utilised to Make the Business Premise of the Micro-Enterprises	56

Table 4.9: The Enterprises Floor Area (in Square Metres).....	56
Table 4.10: Enterprise Pays Rent to Other Persons to Occupy Business Premise.....	57
Table 4.11: Rent Paid Per Month in Kenyan Shillings	57
Table 4.12: A Cross Tabulation of Business Type, Enterprises Pays Rent and Location of the Premise.....	58
Table 4.13: Nature of Businesses Engaged by the Enterprises.....	61
Table 4.14: Comments on Business Type.....	62
Table 4.15: Does the Enterprise Make Payment to the County Government?	63
Table 4.16: How Much an Enterprise Pays the Nairobi City County Government per Visit.	63
Table 4.17: Evidence of Enterprises Paying a Fee to the County Government.....	64
Table 4.18: A Cross Tabulation of Main Mode of Human Waste Disposal and Main Source of Water for an Enterprise	65
Table 4.19: A Cross Tabulation of an Enterprise Makes a Payment to the County Government and the Enterprises Main Source of Water and Main Mode Of Human Waste Disposal.....	66
Table 4.20: Number of Days in a Week an Enterprise is opened for Business	67
Table 4.21: Main Type of Lighting Fuel.....	68
Table 4.22: A Cross Tabulation of Main Mode of Human Waste Disposal, Main Source of Water and an Enterprise Handles a Food and /or Beverage Related Product.....	71
Table 4.23: Type of Water and Sanitation Structures that are likely to be affected on Implementation of the Projects	75
Table 4.24: Would the Enterprises want Compensation from the Projects	76
Table 4.25: How Enterprises would like to be Compensated	77
Table 0.1: List of Informal Settlements in Nairobi by Region and, Land Tenure Status	104

LIST OF FIGURES

Figure 1.1: Method Used to Define Economically Active Persons Aged 5 Years and Above	9
Figure 2.1: Distribution of Individuals Aged 15-64 Years in Kenya, Urban Centres of Kenya with a Population of 2000 and Above, Rural Kenya Including Centres with a Population of Below 2000, and Nairobi by Census Years 1979 to 2009.....	15
Figure 2.2: Summary of Population Trend of Persons Aged 15 to 64 Years Old in Kenya...	20
Figure 2.3: Distribution of the Population of Kenya Aged 15-64 Years by Employment Status, 1989 to 2009 Censuses.....	22
Figure 2.4: Total Recorded Employment ¹ , 2004-2015.....	24
Figure 2.5: Application of Employment Concept under Dual Economy Model	37
Figure 2.6: Summary on the Official Approaches Advanced on the Informal Sector.....	40
Figure 3.1: Informal Population Distribution of Persons in Kayole by Age by Sex and Economic Activity; 2009 Census.....	46

LIST OF PLATES

Plate 1.1: Examples of Roadside Micro-Enterprises	8
Plate 2.1: An Example Showing the Employment Challenge for Kenya	21
Plate 2.3: Shops in a Nairobi City Suburb Closed in Protest of Obstruction of Roadside Informal Micro-Enterprises.....	29
Plate 2.4: Roadside Micro-entrepreneurs in Nairobi City Fleeing from Nairobi City County Law Enforcers	30
Plate 3.1: Boundary of Kayole-Soweto.....	44
Plate 4.1: Along One of the Project Roads in the Study Area	60
Plate 4.2: Decongestion of the CBD – Example illustrating how the Agreement Positively Facilitated Movement of Pedestrians on the Streets	69
Plate 4.3: An Example of Revenue Collection from Micro-Enterprises in the Informal Sector of Nairobi	72

LIST OF BOXES

Box 2.1: Closure of the Nakuru Plant of Eveready East Africa Limited	23
Box 4.1: Example of a MoU between a County Government and ME Welfare Association .	69

ACRONYMS

Acronym	Full Name
CBS	Central Bureau of Statistics
EAC	East African Community
eKLR	Kenya Law Reform
GoK	Government of Kenya
ILO	International Labour Organisation
Kenya Law	National Council for Law Reporting
KIPPRA	Kenya Institute for Public Policy Research and Analysis
KISIP	Kenya Informal Settlement Improvement Project
KNBS	Kenya National Bureau of Statistics
KRA	Kenya Revenue Authority
Ksh.	Kenyan Shillings
ME	Micro-Enterprise
MSEs	Micro and Small Enterprises
MSMEs	Micro, Small and Medium Establishments
NASTHA	Nakuru Street Traders and Hawkers Association
NCCG	Nairobi City County Government
NESC	National Economic and Social Council
NHIF	National Health Insurance Fund
NSSF	National Social Security Fund
OP/BP	Operational Policy and Bank Procedures
RAP	Resettlement Action Plan
RPF	Resettlement Policy Framework
WaSSIP	Water Supply and Sanitation Services Improvement Project
WB	World Bank

ABSTRACT

Kenya's informal sector has over the years grown faster than the formal sector. Eventually, observed today is that the micro-enterprise (ME) sector of Kenya has the largest number of establishments in the Country (MSME, 2016). Therefore, so long as the factors that have contributed to this fast growth persist, the likelihood of an expanded informal ME sector in the future seems inevitable. This is the reality for Kenya. The concern of this study, however, was not centred on the fear of an expansion of total employment in the informal ME sector, rather with the challenge a section of this informal ME sector constitutes for an effective development strategy. This is MEs illegally occupying and/or utilising an existing public road reserve.

The study was carried out in Kayole-Soweto Informal Settlement, an informal settlement in Nairobi, Kenya. At the time of the study, formalisation of the settlement had commenced, and this was under the GoK in partnership with international development partners, one of who was the World Bank (WB) Group. The formalisation included implementation of infrastructure services for purposes of public good. With respect, fourteen key public road reserves had been identified for the effective implementation of the infrastructure services. Therefore, demanded was a clear public road reserve. Following, MEs operating from the public road reserves of interest would be amongst the affected assets. The study investigated the dynamics of these MEs, with the purpose of determining the possible courses of action the GoK could consider in supporting them, and then selecting from among these options the most promising. This is in addition to contributing to the knowledge, which would be referred to during review for appropriateness of the MSE sector national policy and interventions, therefore support this type of enterprises in creative ways that develop their potential, hence contribute to the achievement of Kenya's long-term development blueprint *Kenya Vision 2030*.

Findings of the study established that these MEs have features that makes them appreciable and these relate to their developmental value. They also have unappreciable features and these relate to their non-formal registration status and unauthorised occupation of a public road reserve. Combined, these features present a challenge for an effective development strategy.

The study also established there is a gap as regards to the effective development strategy in use in Kenya. What is recommended and provided for is a MSE development strategy which, is not clear on the appropriate support for informal roadside MEs that are illegally occupying or utilising a public road reserve, particularly when faced with immediate displacement for purposes of implementation of an infrastructural service for public purposes. What follows then is that these MEs are exposed to inappropriate support from their local government and the road authority responsible for the public road reserve the MEs illegally occupy.

Following, taking into account the findings from the primary and secondary sources, the conclusion of the study is that the GoK should view the action of implementing infrastructure services that require a public road reserve, as an opportunity to allocate resources for use to appropriately address the challenge presented by the informal roadside MEs that are illegally occupying or utilising the public road reserve of interest and, are due for immediate displacement. Overall, it is time the national and county governments, in collaboration with the road authorities, gave more thought to the development strategy to adopt about informal roadside MEs. Discouraging them from occupying public road reserves due to the features which make them less appreciable is commendable. However, this should be accompanied with a plan. This plan should be guided by the principle of sustainable development. Additionally, it should be developed in collaboration with the roadside establishments.

CHAPTER ONE:INTRODUCTION

1.1. Background of the Study

Research informs of three reasons that have contributed to expansion of total employment in the informal sector of Kenya. These are: i) growth of enumerated employment in the formal sector of Kenya having, over the past years, been relatively lower than growth of the economically active population of Kenya (KNBS₁, 2010; CBS₁ [now KNBS], 2001; CBS₂ [now KNBS], 1994; CBS₃, 1988; CBS, 1996; and CBS, 2002; Economic survey reports of 1996 to 2016; and, KNBS, 2016); ii) economically active persons who view work in the informal sector more desirable, therefore prefer it to formal sector work (KNBS, 2016); and, ii) employees in the formal sector who establish enterprises in the informal sector, a practice they engage in with an objective of enabling them survive their low wages or reduce some of the risk associated with dependence on wage employment, or both (Ronge *et al*, 2002 quoting McCormick, 1988).

Thus, should these contributing factors persist, the likelihood of Kenya having an expanded informal sector in the future is inevitable. The concern of this study, however, was not centred on the fear of an expansion of total employment in the informal sector, rather with the challenge which a section of this informal sector constitutes for an effective development strategy. This is the micro-entrepreneurs occupying or utilising a public road reserve.

The study site was Kayole-Soweto Informal Settlement, an informal settlement in Nairobi, Kenya. At the time of the study, formalisation of the settlement had commenced. This was under the GoK in collaboration with international development partners. The formalisation included implementation of infrastructure services for purposes of public good. With respect, fourteen key public road reserves had been identified for the effective implementation of the infrastructure services. Therefore, demanded was a clear public road reserve. Following, micro-enterprises (MEs) operating from a public road reserve would be among the affected assets. The study investigated the dynamics of these MEs, with the purpose of determining the possible courses of action the GoK could consider in supporting them, and then selecting from among these options the most promising. This is in addition to contributing to the knowledge, which would be referred to during review for appropriateness of the MSE sector national policy and interventions, therefore support this type of enterprises in creative ways that develop their potential, hence contribute to the achievement of *Kenya Vision 2030*.

1.2. Problem Statement

The latest WB ranking describes Kenya to be in the lower-middle income countries (World Bank, 2017₂). But the Country's collective long-term development goal is "to be a newly-industrialising middle-income country, providing a high quality of life to all its citizens by the year 2030". Following, Kenya has identified the individual long-term development goals to attain by the year 2030. Then by each goal, the development challenges to overcome, the available opportunities, the strategies to utilise, a structured period of action and, the sources of resources. These are contained in a blueprint named *Kenya Vision 2030*. Overall, implementation of *Kenya Vision 2030* is expected to take place, the while observing compliance with the regulatory framework of Kenya and recognition of the role of the GoK as the provider of public goods (NESC, 2007; and, Ministry of Devolution and Planning, 2013).

One individual goal *Kenya Vision 2030* identifies concerns wholesale and retail trade sector, and this is because of its link between production and consumption, both of which are expected to expand substantially as the economy grows (NESC, 2007). With respect, of interest to this study is the MSE sector. *Kenya Vision 2030* recognises this sector as having a role in the realisation of Kenya's long-term development goal. Making part of this MSE sector is informal MEs that are unlawfully occupying or utilising an existing public road reserve.

Another individual goal *Kenya Vision 2030* identifies concerns infrastructural services (transport, telecommunication, energy, water, sewerage and sanitation, and metrological services). Of interest to this study is infrastructural services that require an existing public road reserve, namely: public roads, sewerage, water and electricity services. Presently, all public road reserves in Kenya are protected by the Kenya Roads Act (CAP 408). By this law, it is a punishable offence to unlawfully occupy or utilise an existing public road reserve. This law in addition, and supported by The Land Act 2012 (one of the land laws of Kenya), provides that upon the need for lawful occupation or utilisation for purposes of public good, illegal occupants or utilisers shall vacate the public road reserve without the option of compensation.

Now, one source of resources the GoK has identified to implement the infrastructural services of interest to this study, is collaboration with international development partners such as the WB Group, European Union, German Development Bank, Japan International Cooperation Agency and, African Development Bank (NESC, 2007; KJAS, 2007; Sanga, 2017; Construction Review Online, 2016; World Highways, 2014; and, AWSB, 2015). These have

policies and they expect recipients of their resources to comply with the policies (AfDB, 2013; AWSB, 2015; World Bank, 2017₁; and, KISIP, 2012). One policy provision some require that should be observed, is payment of just compensation to all that are due for immediate displacement by a development project they are a partner. By all, this includes those with rights and those without rights to the land they occupy or utilise (see for example World Bank, 2017₁; and AfDB, 2013). The consequence of this is a variance between the development partner's policy and the existing regulatory framework of Kenya.

Therefore, taking into account this variance, the role of infrastructure services and the MSE sector in the realisation of Kenya's long-term development goal, and the existence of informal MEs that are unlawfully occupying or utilising a public road reserve, what course of action could the GoK then take? Unresolved, besides threatening implementation of infrastructural services to the desired level, it threatens inclusive development of the MSE sector. This is the catch-22 situation the GoK has been facing to-date.

An assessment of the strategies proposed in the first and second medium term *Kenya Vision 2030*, for guidance on the effective course of action the GoK could take, informs of a gap. None is clear on how to suitably support informal roadside MEs, particularly when faced with immediate involuntary displacement for purposes of implementing development projects for public good (Ministry of Devolution & Planning, 2013; and, NESC, 2007). A review of other documents thereafter neither provides a clear-cut answer. Instead, they bring out that the lack of a clear policy guideline has resulted to roadside MEs being vulnerable to inappropriate support from their local government and the road agency responsible for the public road reserve the MEs illegally occupy or utilise. Also, it has contributed to the roadside MEs mobilising and registering associations or umbrella organisations through which to lobby and negotiate for suitable support. And, to ensure the agreed upon issues get applied, cause representatives of all parties involved to sign a binding document which, should the need arise, the MEs can produce at a court of law for direction (Munandi, 2012; eKLR, 2014; Sanga, 2017; and, Macharia, 2015). This is arduous on the roadside MEs.

This study therefore set out to investigate this problem - what course of action the GoK could consider taking. The investigation was carried out in one of the informal settlements in Nairobi, namely Kayole-Soweto Informal Settlement. At the time of the study, formalisation of the settlement had commenced. This was through two projects, namely Kenya Informal Settlements Improvement Project (KISIP) and Water and Sanitation Services Improvement

Project (WaSSIP); and, the GoK was funding the Projects in partnership with international development partners. Among the partners was the WB. The WB has a policy that provides for just compensation to all persons displaced by a project it supports. This is the WB Operational Policy and Bank Procedures (WB OP/BP) 4.12 (World Bank, 2017₁; and, World Bank, 2013).

Through KISIP, fourteen key public roads within the settlement were to be upgraded to bitumen standards. In addition, storm water drainage and security and street lighting were to be provided. Under WaSSIP, it was expansion of centralised piped water supply and sewerage services to the entire informal settlement. However, this study was only interested on WaSSIP's works in the fourteen roads identified under KISIP (henceforth referred to as project roads). The KISIP and WaSSIP works were organised to be carried out concurrently.

Among the assets located on the road reserves of the project roads was MEs. And, for the Projects to be effectively implemented, one immediate concern was for these MEs to vacate the road reserves. This study examined the dynamics of these roadside MEs in terms of their typology, nature of services received from the Nairobi City County Government (NCCG), and implications of implementing KISIP and WaSSIP on them. This was with the purpose of determining the possible courses of action the GoK could consider in supporting them, and then selecting from among these options the most promising. This is in addition to contributing to the knowledge, which would be referred to during review for appropriateness of the MSE sector national policy and interventions, therefore support this type of enterprises in creative ways that develop their potential, hence contribute to the achievement of *Kenya Vision 2030*.

1.3. Key Research Questions

The research questions of the study were:

- (a) What is the typology of roadside MEs which, are located on public road reserves of fourteen key roads identified under KISIP for development of centralised infrastructure services in Kayole-Soweto Informal Settlement?
- (b) What type of services does the NCCG offer these roadside MEs?
- (c) What are the implications of immediate implementation of the development project KISIP, on these roadside MEs?

- (d) Given the abovementioned research questions, how can the affected roadside micro-entrepreneurs be suitably supported?

1.4. Objectives of the Study

1.4.1. Overall Objective

The overall objective of the study is to assess the dynamics of roadside MEs located on fourteen key public road reserves identified in Kayole-Soweto Informal Settlement for immediate developments under KISIP, with a view to suggesting how the micro-entrepreneurs could be suitably supported.

1.4.2. Specific Objectives

The specific objectives of the study were:

- (a) To establish the typology of the roadside MEs which, are located on public road reserves of fourteen key roads identified under KISIP for development of centralised infrastructure services in Kayole-Soweto Informal Settlement.
- (b) To ascertain the type of services these roadside MEs receive from the NCCG.
- (c) To establish the implications of immediate implementation of the development project KISIP, on these roadside MEs.
- (d) Given the information established under the abovementioned specific objectives, to suggest how the affected roadside MEs could be suitably supported.

1.5. Significance of the Study

A review of official documents dating back to 1966 informs that, over these years, the reality for Kenya has been that the growth of its informal sector has been relatively higher than growth of its formal sector (Economic Surveys 1966, 2009, 2013, 2014 and 2016; MSME 2016; and, ILO, 1972). Eventually, observed today is that the ME sector of Kenya has the largest number of establishments in the Country (MSME, 2016). These establishments are either licensed or unlicensed, and operating either in or outside markets (NESC, 2007; and, MSME, 2016). Therefore, so long as the factors that have contributed to difference in growth of the informal and formal sectors of Kenya persists, the likelihood of an expanded ME sector in the future seems inevitable.

In recognition of this fact, the ME sector of Kenya has been identified as having a role in the realisation of Kenya's long-term development goal. And so, the GoK must appropriately support it (NESC, 2007). And, to authorise this support, Kenya has in place a law that provides for the regulation as well as promotion and development of the ME sector by, in addition to other approaches, providing the MEs with an enabling business environment. The main law that provides for this is the Micro and Small Enterprise (MSE) Act No. 55 of 2012. By this law, recognised is that toward provision of this enabling business environment, among others: a) it is advisable that the existing MSE policies and programmes are regularly reviewed for appropriateness and, b) it is advisable that the GoK receives regular advice on the appropriate policies and course of action to be taken (NESC, 2007; and, MSE Act No 55 of 2012). Consequently, regular access to comprehensive scientific up-to-date information is essential. And, recommended, the Government should take charge of this by developing a comprehensive scientific inventory that is updated annually (ILO, 1972; NESC, 2007; and, KNBS, 2016).

Taking into consideration this information, development of the ME sector in Kenya should be inclusive. Therefore, it would be advisable that implementers of a development project such as KISIP acknowledge informal roadside MEs, as well as adopt an attitude that supports creative and sustainably productive assistance to them. Therefore, by investigating the roadside MEs that are due for immediate displacement on implementation of the development Project KISIP, this study hoped to generate knowledge which foremost, would appeal to the implementer of KISIP on the need to consider an intervention that appropriately supports the affected roadside MEs. And ultimately, generate knowledge that would encourage or appeal for the adoption of a national development strategy that appropriately supports informal roadside MEs.

1.6. Scope and Limitations of the Study

The study presented through this report was carried out in one of the over 200 informal settlements scattered across Nairobi City, namely Kayole-Soweto Informal Settlement. Nairobi City, which is the capital city of Kenya, is located in Nairobi City County, and its boundary is synonymous with Nairobi City County.

At the time of the study, as discussed under Sub-section 1.2, formalisation of Kayole-Soweto Informal Settlement had commenced under KISIP and WaSSIP. Through KISIP, it involved fourteen key public roads within the settlement. With WaSSIP, it involved the reserve land of the entire public road network within the settlement. However, this study was only interested

on WaSSIP's works that involved public road reserves identified for developments under KISIP, referred to in this study as the project roads. Located on the road reserves of these project roads were assets, one of which was MEs. These MEs are the focus of this study. Vis-à-vis, for the Projects to be effectively implemented, one immediate concern was for these MEs to vacate the road reserves of the Projects Roads. Consequently, under the specific conditions faced, what would be the suitable support the GoK could consider to extend to the roadside MEs? To effectively respond to this question, the study examined the dynamics of the affected roadside MEs in terms of their typology, nature of services received from the NCCG, and implications of implementing KISIP and WaSSIP on them. This was with the purpose of determining the available support options and then selecting from among these the most promising option that the GoK, through the Projects, could consider. This in addition to contributing to the knowledge, which would be referred to during review for appropriateness of the MSE sector national policy and interventions, and so support this type of enterprises in creative ways that develop their potential, hence contribute to achievement of Kenya's long-term development blueprint *Kenya Vision 2030*.

Therefore, a major limitation of this study is use of results only from one locality in Kenya, namely Kayole-Soweto Informal Settlement in Nairobi City County; and from this locality, use of results of roadside MEs operating from the project roads. Another limitation is errors from responses. An interview guide was developed and used to collect responses from the MEs. Local research assistants were trained to assist in collecting the responses. Subsequently, likely to have occurred are slips of phrasing and the ear, thus existence of errors from responses.

1.7. Definition of Key Terms and Concepts

Certain terms and concepts feature prominently in this study. These terms and concepts, and their definitions as used in this report are as follows:

(a) **Enterprise:** A formal or informal undertaking or business establishment involved in the production of goods or provision of services (MSE Act No. 55 of 2012).

(b) **Micro-Enterprises:** An enterprise: a) with an annual turnover that does not exceed five hundred thousand shillings; b) employs less than ten people; and, c) it's assets and financial investment includes:

- i. The manufacturing sector, the investment in plant and machinery or the registered capital of the enterprise does not exceed ten million shillings; and,
- ii. The service sector and farming enterprises, the investment in equipment or registered capital of the enterprise does not exceed five million shillings (MSE Act No. 55 of 2012).

(c) **Informal Enterprises:** Enterprises that have not met all the requirements of the law. They have not regularised their operations beyond the licensing requirements of the NCCG. Additionally, they are mostly run on spoken agreements with little or no written plans (Ronge *et al*, 2002; Moyi, 2006; GoK *et al*, 2010; and, Kenya Economic Report 2009). Subsequently they are not formally registered entities.

(d) **Formal Enterprises:** Enterprises that have met all the requirements of the law: they have regularised their operations beyond the licensing requirement of the NCCG. Additionally, they are run according to written plans (Ronge *et al*, 2002; Moyi, 2006; GoK *et al*, 2010; and, Kenya Economic Report 2009). Hence they are formally registered entities.

(e) **Roadside Micro-Enterprise:** A formal or informal undertaking or business establishment involved in the production of goods or provision of services from an existing public road reserve. The micro-enterprise may either be mobile or stationary.

(f) **Roadside Micro-Entrepreneur:** An operator of a roadside micro-enterprise.

(g) **Potentially Economically Active Population:** Individuals aged 15 to 64 years of age.

(h) **Economically Active Population:** The definition used in this report is that officially recognised by the GoK (as Figure 1.1 illustrates). It comprises all persons aged five (5) years and above that are: a) working for pay;

Plate 1.1: Examples of Roadside Micro-Enterprises



Top - Location: KCC Embakasi Informal Settlement, Nairobi City County

Bottom: Charcoal selling. Location: Kariobangi Informal Settlement, Machakos County

b) on leave/sick leave; c) working on own/family business; d) working on own/family agricultural holding; e) seeking work; and f) no work available.

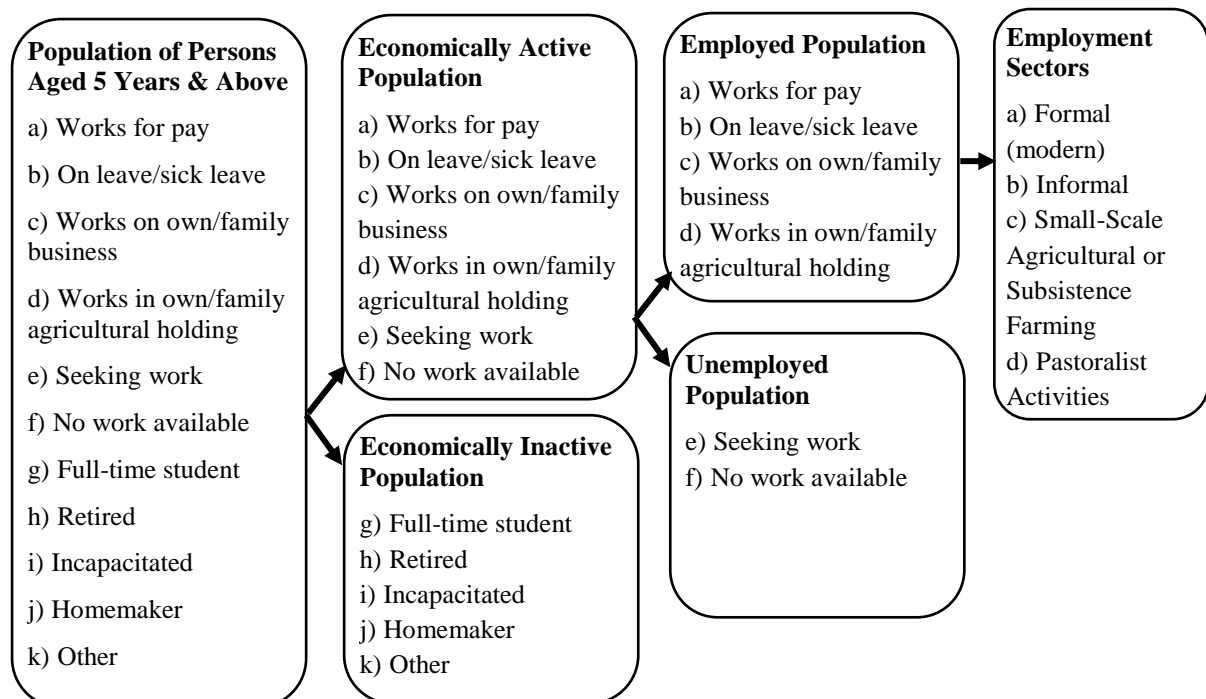
(i) **Economically Inactive Population:** The definition used in this report is that officially recognised by the GoK (as Figure 1.1 illustrates). It comprises all persons aged five (5) years and above that are: g) full-time student; h) retired; i) incapacitated; j) homemaker; and, k) other.

(j) **Employed Population:** All economically active persons that are: a) working for pay; b) on leave/sick leave; c) working on own/family business; and d) working on own/family agricultural holding;

(k) **Unemployed Population:** All economically active persons that are classified under: e) seeking work; and f) no work available.

(l) **Labour Force Population:** The definition used in this report is that officially recognised by the GoK. Vis-a-vis the labour force of Kenya is synonymous to the economically active population of Kenya (CBS, 1996; and, CBS, 2002). Thus it is the population of persons in Kenya that is supplying labour for the production of goods and services, as well as that which is not supplying but is available to supply labour for production of goods and services.

Figure 1.1: Method Used to Define Economically Active Persons Aged 5 Years and Above



Sources: CBS, 2002; and Economic survey reports 2006 to 2014

(m) **Informal Settlement:** Residential area where: a) inhabitants have no security of tenure vis-à-vis the land or dwellings they inhabit, with modalities ranging from squatting to informal rental housing; b) the neighbourhood usually lacks, or is cut off from, basic services and city infrastructure; and, c) the housing may not comply with current planning and building regulations, and is often situated in geographically and environmentally hazardous areas. In addition, an informal settlement can be a form of real estate speculation for all income levels of urban residents, affluent and poor (UN Task Team, 2015).

(n) **Slum:** The most deprived and excluded form of an informal settlement characterised by poverty and large agglomerations of dilapidated housing often located in the most hazardous land. In addition to tenure insecurity, slum dwellers lack formal supply of basic infrastructure and services, public space and green areas, and are constantly exposed to eviction, disease and violence (UN Task Team, 2015).

CHAPTER TWO: LITERATURE REVIEW AND THEORETICAL FRAMEWORK

2.1. Introduction

The Lewis Model introduced in 1954 influenced preliminary contribution to the subject of MSE in the informal sector. And in 1972, findings of a mission from the ILO (which undertook a study on employment, incomes and equality in Kenya), significantly advanced the existing knowledge on the sector. This advancement by the ILO mission is acknowledged as a revolutionary contribution (Lewis, 1954; Ronge *et al*, 2002; Mullei, 2003; ILO, 1972).

Immediately after publication of the ILO 1972 study, thinking on the developmental value of MEs operating under the informal sector (of Kenya) was shifted appreciably. Thereafter, what followed was commissioning of various surveys aimed at estimating the size of the MSE sector, as well as understanding the enterprises salient features. The knowledge generated has been used variously to influence the development of policy, legislation and interventions that respond and support the informal sector in Kenya (see for example KIT *et al*, 2006; McCormick₁ *et al*, 2007; GoK 2005; GoK *et al*, 2010; KIPPRA, 2005).

This Chapter reviews the literature on the informal sector in Kenya, narrowing to Nairobi City, where the site for the study is located. It also reviews and presents the theoretical framework.

2.2. Literature Review

This section of the report briefly discusses the informal sector of Kenya, as well as the relationship of the sector with roadside MEs and the economically active population of Kenya. The section, in addition, briefly discusses the relationship between the economically active population of Kenya and Nairobi.

The discussion relies heavily on official documents, mainly the 1979 to 2009 census results and selected economic surveys. The premise of this review is to explain the empirical reality of the informal sector in Kenya, and therefore the informal roadside MEs. This is with an aim of describing the sector as well as demonstrating the sector's value. And for that reason, creative and sustainably productive assistance to the sector should be the mantra.

2.2.1. Urbanisation

2.2.1.1. Urban Centres Growth

As Table 2.1 illustrates, the sum of urban centres of Kenya with a population of 2000 persons and above has increased over the years. In 1948, it was 17 and by the 2009 census results, 215 (KNBS₁, 2010; CBS₁, 2001; CBS₂, 1994; CBS₃, 1988). Among the urban centres is Nairobi City. This City is the capital city of the Country.

Table 2.1: Growth of Urban Centres in Kenya by Census Results of 1948 to 2009 (Excluding Urban Centres with Less than 2000 Individuals)

Size of Centres	No of Towns							Population					
	1948	1962	1969	1979	1989	1999	2009	1962	1969	1979	1989	1999	2009
100,000+	1	2	2	3	6	20	28	523,075	756,359	1,321,566	2,371,158	5,459,857	8,478,767
20,000 – 99,999	1	2	2	13	21	82	88	61,707	79,582	568,099	822,971	3,852,775	4,552,376
10,000 – 19,999	2	3	7	11	19	18	19	44,005	90,685	149,756	257,755	259,564	271,329
5,000 – 9,999	3	11	11	22	32	23	41	69,862	71,396	154,181	232,259	161,468	290,732
2,000 – 4,999	10	16	25	42	62	51	39	49,002	81,886	122,094	194,554	170,380	128,865
Total	17	34	47	91	140	194	215	747,651	1,079,908	2,315,696	3,878,697	9,904,044	13,722,069

Sources: KNBS₁, 2010; CBS₁, 2001; CBS₂, 1994; CBS₃, 1988

2.2.1.2. The Urban Population

On a par with the increase in urban centres in Kenya, is an increase in the country's urban population. This increase has been such that, with respect to distribution, the rural population of Kenya has significantly reduced. For example, from the 1979 census results, the rural population of Kenya comprised about 84.89% of the population of Kenya. By the 2009 census results, this had reduced to 64.46%. And, between the 1979 and 2009 census results, the urban population of Kenya increased by 492.57%, while the rural population increased by 91.28%.

Table 2.2: Rural Versus Urban Population Increase in Kenya by the Census Results 1979 to 2009

Census Year	Count			As % of Kenya		
	Urban Kenya	Rural Kenya	Kenya	Urban Kenya	Rural Kenya	Kenya
1979	2,315,696	13,011,365	15,327,061	15.11	84.89	100
1989	3,878,697	17,564,939	21,443,636	18.09	81.91	100
1999	9,904,044	18,782,563	28,686,607	34.52	65.48	100
2009	13,722,069	24,888,028	38,610,097	35.54	64.46	100

Sources: KNBS₁, 2010; CBS₁, 2001; CBS₂, 1994; CBS₃, 1988; KNBS_{1c}, 2010; CBS₁, 1994; CBS₁, 1981

2.2.1.3. The Potentially Economically Active Population

Similar to the urban centres and urban population, the potentially economically active population of Kenya has been on an upward trend. Its rate of growth, (as Table 2.3, Table 2.4 and Figure 2.1 illustrate), has been such that the demographic structure of Kenya has tilted towards it. For example, from the 1979 census results, it was estimated to be slightly less than half the population of Kenya. By the 2009 census results, it was slightly more than half the population of Kenya (See Table 2.4 and Figure 2.1) (KNBS_{1c}, 2010; CBS₁, 2001; CBS₁, 1994; CBS₂, 1994; CBS₁, 1981).

Table 2.3: Percent Growth of individuals in Kenya Aged 15 to 64 Years Basing on Census Years 1979 to 2009

Inter-Census Year		Age Set (Years)		
		15-64	0-14 & 65+	0-65+
Kenya: Growth rate (%)	1979-1989	41.22	38.68	39.91
	1989-1999	43.77	24.27	33.78
	1999-2009	37.66	31.23	34.59
	1989-2009	97.91	63.08	80.05
	1979-2009	179.48	126.16	151.91

Source: Derived from Table 2.4 below

This potentially economically active population of Kenya, as Figure 2.1 illustrates, has largely been made up of the youth. Slightly over two-thirds ($\approx 66.79\%$) has been persons aged 15-34 years (*ibid*). In Kenya, persons aged 15-35 years are categorised as youth (NESC, 2007).

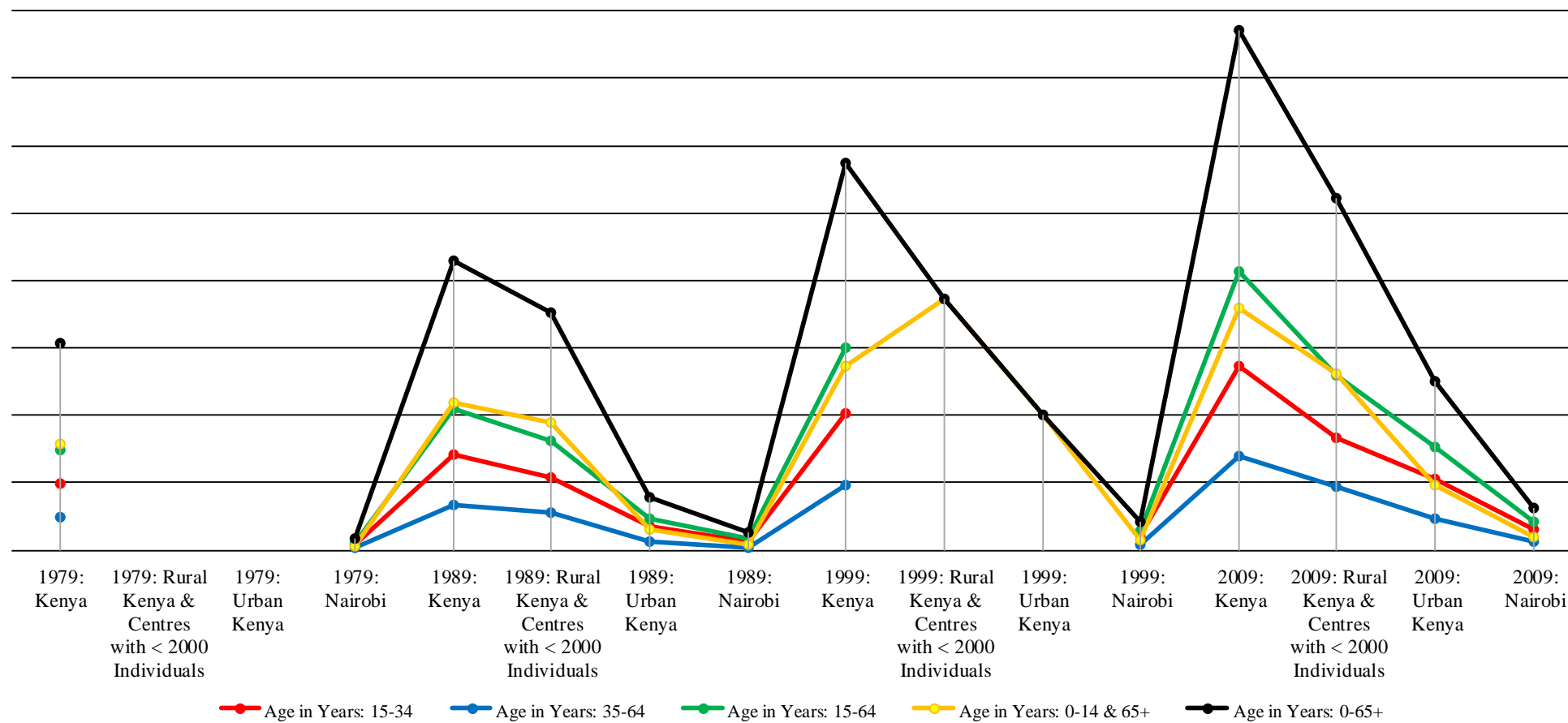
Additionally, with regard to its urban-rural distribution, this has through the years been shifting in favour of urban. For example, from the 1989 census results, an estimated 22.5% of the potentially economically active was urban. By the 2009 census results, it was estimated at 37.08% (see Table 2.4) (KNBS_{1c}, 2010; CBS₁, 2001; CBS₁, 1994; CBS₂, 1994; CBS₁, 1981).

Table 2.4: Distribution of Individuals Aged 15-64 Years in Kenya, Urban Centres of Kenya with a Population of 2000 and Above, and Nairobi by Census Years 1979 to 2009

Status		Age Set (Years)										Total			
		15-19	20-24	25-29	30-34	35-39	40-44	45-49	50-54	55-59	60-64	15-64	0-65+	Percentage	
Census Year	1979	Kenya	1,741,845	1,327,404	1,055,712	818,076	615,594	535,182	440,879	373,930	275,311	217,228	7,401,161	15,327,061	48.29
		*Urban Kenya													
		Nairobi	87,496	133,007	107,922	73,368	44,851	33,700	24,127	16,174	9,797	5,618	536,060	827,775	64.76
	1989	Kenya	2,378,696	1,903,134	1,629,761	1,159,424	918,892	732,178	574,532	476,523	360,172	318,397	10,451,709	21,443,636	48.74
		Urban Kenya	400,297	522,632	486,183	315,475	222,399	154,883	104,471	75,582	43,911	32,410	2,358,243	3,877,222	60.82
		Nairobi	127,762	212,735	195,293	122,565	86,008	59,121	37,987	25,842	13,779	8,573	889,665	1,324,570	67.17
	1999	Kenya	3,403,178	2,832,918	2,259,503	1,685,922	1,419,012	1,033,491	838,828	684,806	459,916	409,228	15,026,802	28,686,607	52.38
		*Urban Kenya												9,996,991	
		Nairobi	215,566	338,034	299,569	200,757	141,989	91,090	64,523	45,279	21,314	14,147	1,432,268	2,143,254	66.83
	2009	Kenya	4,169,543	3,775,103	3,201,226	2,519,506	2,008,632	1,476,169	1,272,745	956,206	711,953	593,778	20,684,861	38,610,097	53.57
		Urban Kenya	1,244,054	1,572,026	1,442,798	1,056,483	785,390	533,174	422,941	286,074	187,793	139,271	7,670,004	12,487,375	61.42
		Nairobi	270,064	477,396	462,753	324,129	229,632	146,601	107,003	66,576	39,285	25,166	2,148,605	3,138,369	68.46

Sources: KNBS_{1c}, 2010; CBS₁, 2001; CBS₁, 1994; CBS₂, 1994; CBS₁, 1981 | Note: * Disaggregated stats by the age-sets was unavailable from the official documents accessed

Figure 2.1: Distribution of Individuals Aged 15-64 Years in Kenya, Urban Centres of Kenya with a Population of 2000 and Above, Rural Kenya Including Centres with a Population of Below 2000, and Nairobi by Census Years 1979 to 2009



Source: Derived from **Table 2.4** above

2.2.1.4. Nairobi City

The increase in the urban population and the urban potentially economically active population of Kenya has been such that, among the urban centres, Nairobi City has continued to have the largest figures of the respective populations, making it year-in-year-out the largest urban centre in Kenya. However, in terms of distribution, observed with each successive census results is a reduction as Table 2.5 demonstrates. The reduction has happened together with an increase in the number of urban centres with a population of 2000 persons and above (refer to Table 2.1 above), implying a shift in the flow of urban migration in Kenya. (KNBS₁, 2010; CBS₁, 2001; CBS₂, 1994; CBS₃, 1988; KNBS_{1c}, 2010; CBS₁, 1994; CBS₁, 1981). Also notable, but with respect to the potentially economically active population of persons in Nairobi City, it has over the years consisted of a sizable number of persons in the youth category. On average, about three quarters of the demographic has been individuals aged 15-35 years old.

Table 2.5: Population Increase in Kenya by the Census Results 1979 to 2009

Census Year	Count			As % of Kenya			As % of Urban Kenya	
	Nairobi	Urban Kenya	Kenya	Nairobi	Urban Kenya	Kenya	Nairobi	Urban Kenya
1979	827,775	2,315,696	15,327,061	5.40	15.11	100	35.75	100
1989	1,324,570	3,878,697	21,443,636	6.18	18.09	100	34.15	100
1999	2,143,254	9,904,044	28,686,607	7.47	34.52	100	21.64	100
2009	3,133,518	13,722,069	38,610,097	8.12	35.54	100	22.84	100

Sources: KNBS₁, 2010; CBS₁, 2001; CBS₂, 1994; CBS₃, 1988; KNBS_{1c}, 2010; CBS₁, 1994; CBS₁, 1981

Two factors contribute to the abovementioned demographic trend of Nairobi City: a) the City's urban administrative area; and, b) the City's infrastructure and functions. With regard to the City's urban administrative area, this was increased between 1900 and 1963. In 1900, Nairobi covered an area of 10 Km², and by 1963 this had been extended to its current 686 Km². The extensions resulted to an increase in the boundary containing the City's population. On the other hand, the City's infrastructure and functions have been and are of such level of advancement that, with respect, the City has been and is presently the largest urban centre of Kenya. Subsequently, it is domestically and internationally significant. Domestically, this is in terms of the economic, political, social and cultural life of the people of Kenya. Internationally, it is in the role in the global economy – e.g., the headquarters of the United Nations in Africa, the United Nations Environment Programmes, and the United Nations Centre for Human Settlement are located in Nairobi (Aligula *et al*, 2005; Omwenga, 2008; Mitullah, 2003; World Bank, 2016; and, UNON, 2012).

Table 2.6: Growth of Urban Centres in Kenya by Census Results of 1979 to 2009

Urban Centres	1979			1989			1999			2009		
	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male*	Female*	Total*
Nairobi	479,448	348,327	827,775	752,597	571,973	1,324,570	1,153,828	989,426	2,143,254	1,602,104	1,531,414	3,133,518
Mombasa	189,942	151,206	341,148	256,674	205,079	461,753	363,552	301,466	665,018	486,208	451,923	938,131
Kisumu	77,722	74,921	152,643	99,879	92,854	192,733	162,354	160,380	322,734	204,234	205,694	409,928
Nakuru	51,301	41,550	92,851	88,042	75,885	163,927	119,281	111,981	231,262	155,881	152,109	307,990
Eldoret	28,930	21,573	50,503	61,574	50,308	111,882	103,402	94,047	197,449	146,596	142,784	289,380
Sub-Total	827,343	637,577	1,464,920	1,258,766	996,099	2,254,865	1,902,417	1,657,300	3,559,717	2,595,023	2,483,924	5,078,947
Sub-Total Other Urban Centres			853,449	876,664	824,014	1,700,678	3,187,038	3,250,236	6,437,274	4,287,597	4,355,525	8,643,122
Total All Urban Centres	Count		2,318,369	2,135,430	1,820,113	3,955,543	5,089,455	4,907,536	9,996,991	6,882,620	6,839,449	13,722,069
	As % of General Population of Kenya		15.13	9.96	8.49	18.45	17.74	17.11	34.85	17.83	17.71	35.54

Key: Male*/Female*/Total* - The estimated figures are the sum of core-urban, peri-urban and rural-urban populations

Sources: KNBS₁, 2010; KNBS_{1c}, 2010; CBS₁, 2001; CBS₁, 1994; CBS₂, 1994; CBS₃, 1988; CBS₁, 1981

Notes: From the census results of 1979 and 1989, Eldoret urban centre had a lower urban population than Machakos urban centre. From the 1979 results, Machakos urban centre had a total of 84,320 individuals (males: 41,153 and Females: 43,167), and from the 1989 results, it had 116,293 individuals (males: 57,463; and, Females: 58,830)

One outcome of this past and present level of advancement in the City's infrastructure and functions is, the cumulative perception by a large number of persons, particularly the youth, about accessibility to rewarding opportunities. This perception is that it is comparatively high, thus the place to be.

This primacy position of Nairobi City is expected to be strengthened in the years to come. Vis-à-vis, in the year 2008 the Nairobi Metro 2030 was launched, under which Nairobi as a metropolis (covering four of the 47 counties of Kenya, namely: Nairobi, Kiambu, Machakos, and Kajiado Counties) was launched. Following, Nairobi's boundary as a metropolis, was further extended to some 32,000 Km². This latest expansion of Nairobi is partly explained from the facts of Nairobi having both a night-time and day-time population; and, therefore, the development plans for Nairobi should take this into account (Ministry of Nairobi Metropolitan Development¹, 2008). The night-time population is the resident or permanent population. The day-time population includes both the night-time population and population of persons mainly from the adjacent counties who come into the city during business hours for business related reasons. Due to the presence of these persons, it is estimated that the day-time population of Nairobi may be as much as 20 - 25 percent higher than its night-time population (Okpala, 2001; and, City Council of Nairobi [now County Council of Nairobi], 2006).

The increase in the population of Nairobi City has however taken place against inadequate urban planning. The outcome of this is appearance of adverse conditions in relation to the physical environment, the social and the economic matters. One of this is proliferation of informal settlements. By the 2009 census results, as Table 2.7 illustrates, Nairobi was estimated to have over 200 informal settlements scattered across it. Collectively these settlements occupied about 2% of the City's land and, were by the 2009 census results resident to approximately 44% of the City's population. The settlements, as **Appendix 5** informs, are located on insufficiently serviced land – i.e. land wanting on infrastructure such as road, water, electricity, and sanitation. Additionally, they have insecure land tenure status which originates from illegal occupation, and oftentimes accompanied by sub-division, of public or private land. What is more, part of the illegally inhabited land is unsuitable for occupancy, e.g. riparian or electric power wayleaves (CAS Consultants *et al*, 2014; and, and, Runji & Partners, 2013).

¹ Now Directorate of Nairobi Metropolitan

Table 2.7: Summary Information on Informal Settlements in Nairobi

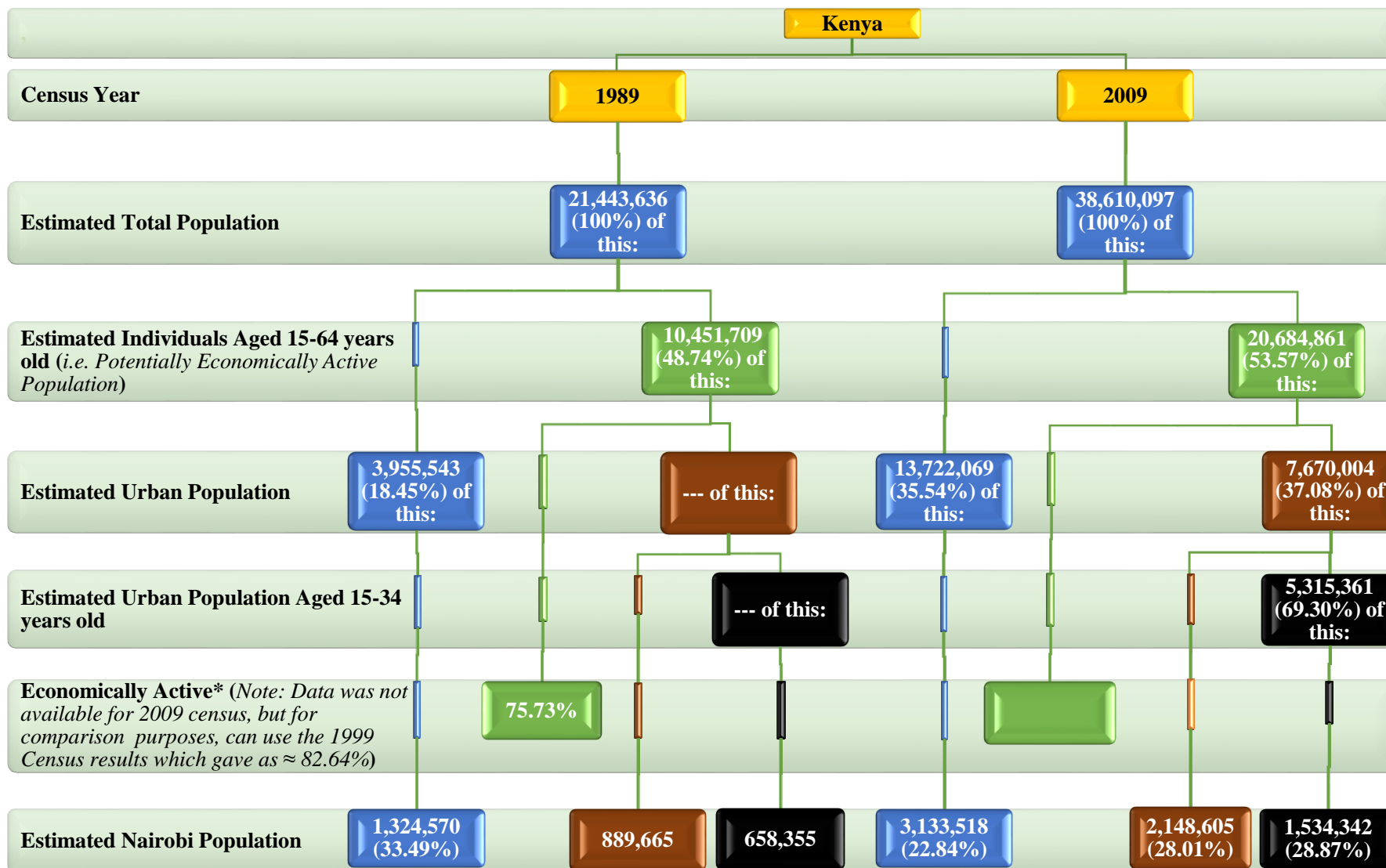
Region (described using old constituency boundary and name)	Total number of Informal Settlements Counted in region	Total land size occupied (ha)	Total population	Distribution of informal settlement population (%)
Westlands	13	14	42,770	3.09
Lang'ata	31	329.5	585,250	42.34
Embakasi	30	117	190,200	13.76
Starehe	21	55	82,315	5.96
Kamukunji	20	46	103,350	7.48
Dagoretti	37	36	63,050	4.56
Kasarani	30	525	132,770	9.61
Makadara	24	61	182,500	13.20
TOTAL	206	1183.5	1,382,205	100

Source: CAS Consultants *et al*, 2014; and, Runji & Partners, 2013 – quoting KNBS Director, 2011 (based on the 2009 national population census results)

This challenge of informal settlements in Nairobi is however being addressed. This is through projects funded by the GoK, and in alignment with Kenya's long-term development plan i.e. *Kenya Vision 2030*. Implementation of some of the projects is in collaboration with international development partners. At the time of the study, two of the Projects were KISIP, and WaSSIP. KISIP was designed to address the challenge through priority interventions in three areas, two of which were: a) Improving security of land tenure and investing in infrastructure in informal settlements based on plans developed in consultation with communities; and, b) Support to proactive planning to better anticipate population growth and help develop options to dampen formation of new slums (KISIP, 2012). WaSSIP's support involved, among others, expansion of centralised piped water supply and sewerage collection infrastructure (AWSB, 2015).

Under KISIP, the collaborating international development partners were French Development Agency, Swedish International Development Agency and the WB (KISIP, 2012). As regards to WaSSIP, it was WB (AWSB, 2015).

Figure 2.2: Summary of Population Trend of Persons Aged 15 to 64 Years Old in Kenya



2.2.2. Potentially Economically Active Vis-à-vis Economically Active Population

As defined under *Definition of Key Terms and Concepts* section, the potentially economically active population of Kenya is sub-dividable into two contrasting groups: the economically active and economically inactive. The economically active, also referred to as the labour force, is an important segment of the population of Kenya and this is due to its functional role in the production of economic goods and services (CBS, 1996; and CBS, 2002)².

Basing on census results dating back to 1989, the larger percent of the potentially economically active population of Kenya is economically active. As Figure 2.3 shows, the economically active individuals are either employed or looking for employment (CBS, 1996; CBS, 2002; and, KNBS₂, 2010); and, this would be in any of the following three employment sectors: formal (modern), informal and, small-scale agriculture or subsistence farming and pastoralist activities. Why the three employment sectors, it is because employment in Kenya is categorised into the three sectors (Economic Surveys, 2006 to 2016).

Also noteworthy of the economically active population of Kenya is its figures over consecutive censuses. It has grown. And, the percent of the employed has been higher than the unemployed. But, the sum of the unemployed has been increasing and in the thousands as Figure 2.3 illustrates. These persons include both skilled and unskilled, both male and female. On the sexes, more females have been unemployed (CBS, 1996; CBS, 2002; and, KNBS₂, 2010). And, on the skilled, the situation is of such a state that advertised job vacancies attract applications from both the qualified and the over qualified as Plate 2.1 above illustrates.

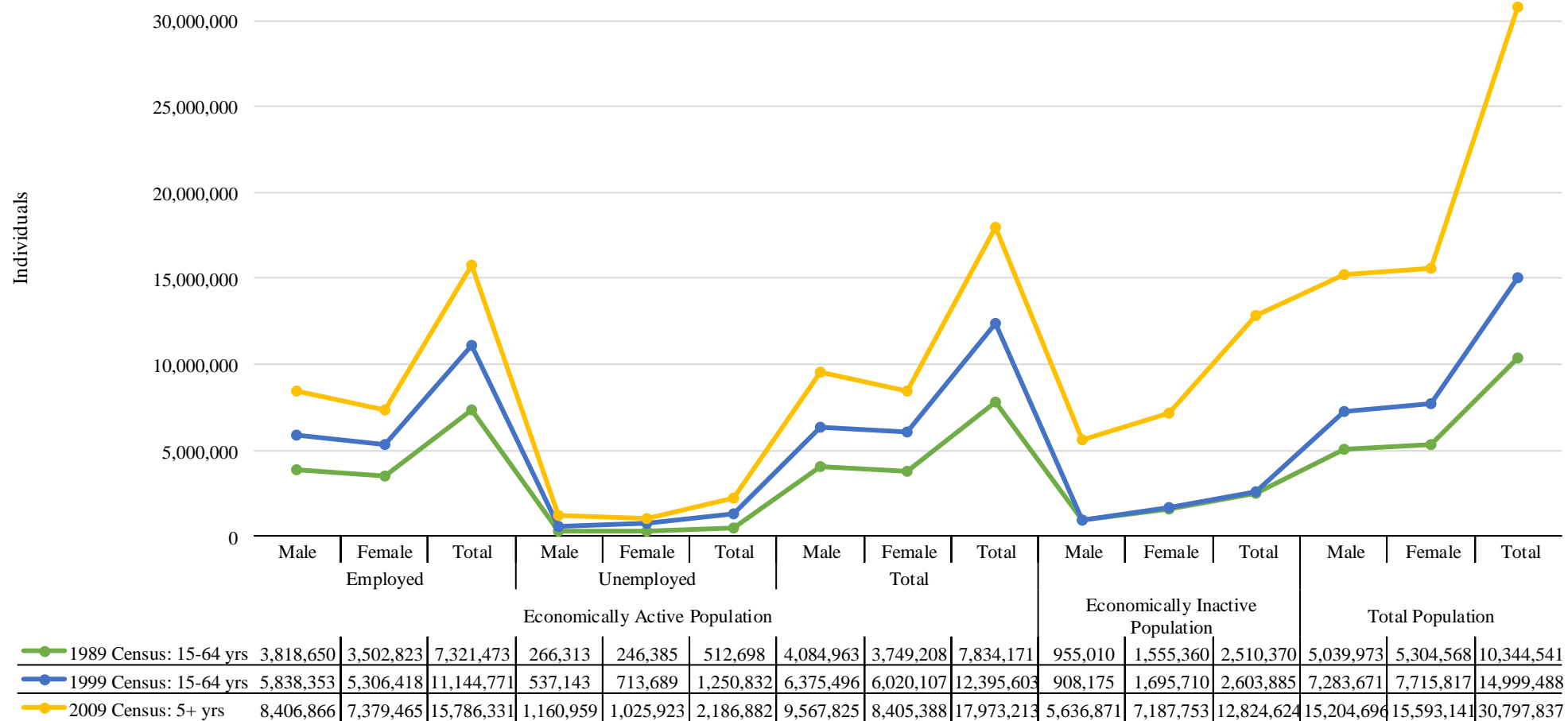
Plate 2.1: An Example Showing the Employment Challenge for Kenya



Source: (Menya, 2015)

² Today, the Central Bureau of Statistics (CBS) is known as the Kenya National Bureau of Statistics (KNBS)

Figure 2.3: Distribution of the Population of Kenya Aged 15-64 Years by Employment Status, 1989 to 2009 Censuses



Key

- ❖ For the 2009 census results, data disaggregated by age set was unavailable at the time of the study – A labour force analytical report was not available from the KNBS. Thus, the information includes persons of age 5 and above. This does not give good comparison with the information from 1989 and 1999 census results.
- ❖ For the total of the 2009 census results, this excludes the individuals that could not be classified (i.e. the unclassified). The tally of the unclassified was 1,680,733 (males: 847,509; and, females: 833,224)

Sources: CBS, 1996; CBS, 2002; and, KNBS₂, 2010

2.2.3. The Informal Sector of Kenya

2.2.3.1. Existence and Growth of the Informal Sector

Zeroing on the employed, a review of total recorded employment for the years 2004 to 2015, as Figure 2.4 illustrates, lends the interpretation that the economically active population of Kenya has been growing at a relatively higher rate than enumerated employment in the formal sector. Subsequently, due to this difference in growth, thousands of economically active Kenyans have found themselves faced with the following choices: a) employment in the informal sector; b) employment in the small-scale agriculture or subsistence farming and pastoralist activities; and, c) unemployment. Those that selected employment in the informal sector then contributed to the existence of the informal sector. They in addition contributed to an expanding total of the employed in the informal sector. Eventually, they contributed to the informal sector growing at a much faster rate than the formal sector. Also, they contributed to the informal sector having the larger number of the estimated total number of persons recorded in the formal and informal employments. In the years 2004 to 2015, this was estimated at slightly more than three-quarters of the estimated total number of persons recorded in employment (Economic survey reports 2009, 2013, 2014, and 2016).

Box 2.1: Closure of the Nakuru Plant of Eveready East Africa Limited

Kenya: Eveready Shutting Nakuru Plant over Cheap Imports

By Kennedy Kangethe

Nairobi — Eveready East Africa Limited is set to close down its manufacturing plant in Nakuru from October 1, 2014 owing to competition from cheap imports from the East.....

The closure will see about 99 employees lose their jobs. The company will use Sh110 million to lay them off....

Retrieved from

<http://allafrica.com/stories/201409300148.html> (posted on 29 September 2014)

NAKURU: Shutdown of factory affects locals

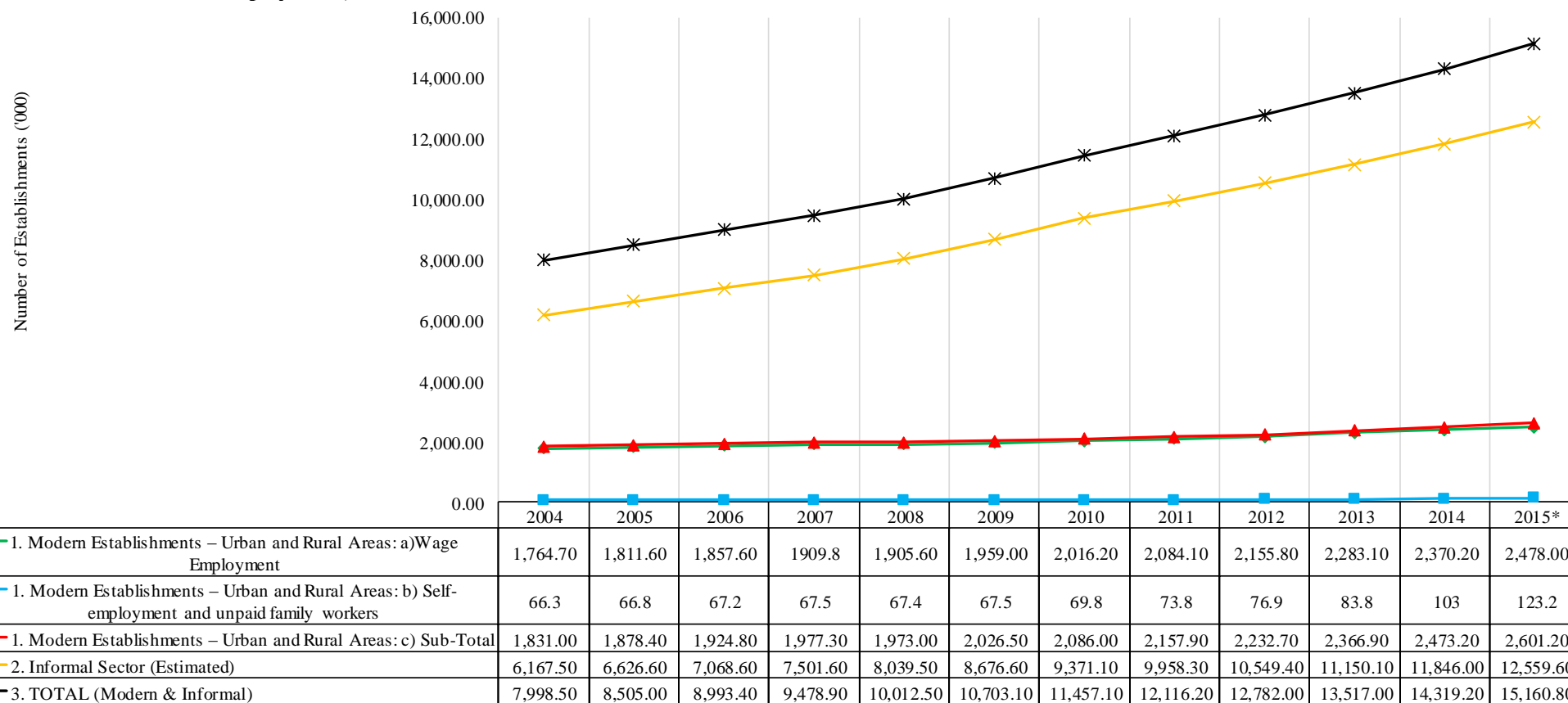
By Francis Mureithi

News of Eveready East Africa's closure of its Nakuru plant has been received with mixed reaction by residents. Mr. Simeon ole Nasieku, the Director of Micro and Small Enterprises Authority, said hundreds of workers are likely to join the informal sector in the county. He urged the county government to facilitate this by offering them business space.

Source: Sunday Nation, October 5, 2014 (Sunday Review | 31)

This reality of employment in Kenya has been apparent from the sixties (Economic Surveys 1966 and 1975; ILO, 1972; and, KNBS, 2016). For example, Chapter 5 of the Economic Survey 1975 reports that, "It is apparent that employment is growing at a much faster rate in the informal sector than the formal sector..."

Figure 2.4: Total Recorded Employment¹, 2004-2015



Key: *Provisional; ¹Figures refer to employment stock as at 30th June and excludes small scale farming and pastoralist activities; ²Estimated

Sources: Economic survey reports 2009, 2013, 2014, and 2016

Besides the increasing number of prospective employees who, when they fail to secure formal employment, turn to the informal sector, research further informs of two other reasons contributing to the existence and growth of the informal sector of Kenya. One is a number of economically active persons who view work in the informal sector to be more desirable (KNBS, 2016). These persons justify their decision on an evaluation of the costs and benefits of formalising. With respect, operational in Kenya are legal obligations that an enterprise must comply with when formal. Part of the obligations is inclusive, i.e. it applies to all enterprises irrespective of the nature of industry an enterprise is engaged in; while other is additional, affecting specific industries. One of the obligations is a registered business. As regards, the principal types of formally registered enterprises in Kenya include: Registered Companies (private and public), Branch Offices of companies registered outside Kenya, Partnerships, Sole Proprietorships, and Societies. Other obligations include obtaining a National Social Security Fund (NSSF) employer registration, a National Hospital Insurance Fund (NHIF) employer registration, a Kenya Revenue Authority (KRA) Personal Identification Number (PIN), and unified business permit from the County Government (KenInvest, 2017). Taken together, this translates to compliance with social security obligations (NSSF and NHIF), minimum wage payments obligations, tax obligations (e.g. income tax), minimum product quality requirements, property rights, security/environmental standards among others. And compliance means fulfilment of associated statutory costs. These are costs that can be evaded when operating informally. Subsequently, the informal operator would be able to offer lower prices which would make the products of the operator much more attractive to consumers from the low to the high income brackets, hence enjoy cost advantages and probably grow more than formal enterprises (NESC, 2007).

The second reason for the existence and growth of the informal sector is, a number of employees in the formal sector who establish enterprises in the informal sector, a practice they engage in with an objective of enabling them survive their low wages or reduce some of the risk associated with dependence on wage employment, or both (Ronge *et al*, 2002 quoting McCormick, 1988).

Overall, the growth in employment in the informal sector of Kenya is recorded more in urban than rural Kenya. For example, Chapter 4 of the Economic Survey 2014 reports that in the year 2013, urban Kenya recorded higher growth in employment in the informal sector at 16.7% compared with a marginal increase of 0.8% in the rural areas. One reason given for the higher

growth of the sector in urban Kenya is a high flow of migrants into the urban areas (Economic Survey, 2014).

2.2.3.2. Roadside Micro-Enterprises in Kenya

The establishments in the informal ME sector of Kenya are either licensed or unlicensed, and operating either in or outside designated markets (NESC, 2007; and, MSME, 2016). Constituting the establishments operating outside designated markets are establishments occupying or operating from an existing public road reserve. The activities of these establishments, as the example presented by Table 2.8 illustrates, cut across trade, services and manufacturing sectors; and, the frequency is highest in the trade sector (Munandi, 2012; and, Mitullah, 2003_a).

Table 2.8: Goods and Services the Mobile and Stationary Informal Street Traders of Nakuru Handle

Nature of Goods and Services Handled	Number of MEs by List type of the Nakuru Street Traders and Hawkers Association	
	2007 November List	2012 Feb to March List
Readymade Apparels (new, used or both)	301	13
Mali Mali ³	162	591
Readymade Shoes (new, used or both)	115	1
Fruits	58	8
Sodas	55	20
Cakes	41	6
Cooked Food - e.g. <i>githeri</i> , porridge	36	0
CD/DVD/ VCDs	23	6
Sweets	22	149
Electronics	18	0
Cooked Tea	16	0
Hardware	15	0
Dress Making and Repairing	14	0
Bags	13	5
Shoe Shining	12	0
Raw Milk	10	0
Charcoal	10	0
Other goods: Books, Stationery, Newspapers, Cards, Vegetables, Herbs, Cereals, Poultry, Biscuits, Bread, Snacks, Tea Leaves, General Retailing Kiosk, Cosmetics, Necklaces, Belts, Earrings, Watches, Hats/Caps, Socks, Spun wool, Ties, Plastic paper, Sacks, Tape, Nets, Ropes, Curio, Vicks, Used Toys, Soap, Cigarettes, Miraa (Khat), Household Utensils, Lamps, Driving License Holders, Wallets, Ear phones, and Tissue Paper		
Other services: Taxi/Public Service Vehicles services, Water, Plumbing, Rubber Stamps, Sign Writing, Telephone Services, Radio Repairing, Shoe Repairing, Hairdressing, Photography, Painting, Knife Sharpening, and making and selling of Juice, Sausages, Eggs, Groundnuts, Ice Cream, and Samosas		
Total (count)	1023	922

³ “Mali” is a word in the Kiswahili language. Translated in the English language, it is “wealth”. The phrase “Mali Mali” has been coined to depict the street trade whereby a trader offers for sale a range of goods. Noteworthy, this street trader does not specialise in the goods handled.

Notes:

2007 Nov. List This is a list containing of both the stationery and mobile street traders registered with the Nakuru Street Traders and Hawkers Association in the year 2007

2012 Feb to March List This is a list containing of only the mobile traders registered with the Nakuru Street Traders and Hawkers Association in the year 2012. A list of stationary traders was yet to be developed at the time of the study – the census was planned to begin in mid-July 2012.

Activities with a large number of traders

Source: Munandi, 2012

In relation to the establishments occupation of or operation from an existing public road reserve, this is most likely undertaken with a license from their County Government (which is their local authority), but without permission from the road authority responsible for the public road reserve, implying that their business premises are of insecure tenure, which constitutes a disincentive to investment that improves a business premise. The disincentive to investment applies to both the informal roadside micro-entrepreneurs and the public service providers (AfDB, 2013; Sanga, 2017; eKLR, 2014; Munandi, 2012; and, Mitullah, 2003_a).

The necessity for permission from the responsible road authority is a legal requirement with the overall objective of ensuring road safety. In Kenya, the Road Authorities from which permission must be sought are three state corporations established under the Kenya Roads Act (CAP 408), namely: Kenya National Highways Authority (KeNHA) which is responsible for national roads, Kenya Rural Roads Authority (KeRRA) which is responsible for rural roads, and Kenya Urban Roads Authority (KURA) which is responsible for urban roads. And, on the subject with respect to permission, this is provided for under section 49 of the Kenya Roads Act (CAP 408). Accordingly, it is only through the responsible Road Authority's written permission that a person or body may erect, construct, lay, establish any structure or other thing, make any structural alteration or addition to a structure or that other thing situated on or over or below the surface of the road reserves or land in building restricted areas the Authority is responsible for. Provided by the law as well is that the Authorities may, in their discretion, give or refuse to give permission. And should permission be given, this permission may contain prescriptions that must be fulfilled or complied with. Thus, failure of a person or body to either obtain the permission, or comply with the prescriptions of an awarded permission, is an offence to which the responsible Authority may initially act by issuing a notice in writing directing the offender to remove the unauthorised structure, other thing, alteration or addition within a reasonable period, which may not be shorter than thirty days calculated from the date of the notice. And, if the offender fails to comply with the notice within the period stated, the responsible Authority may then remove the item and proceed to recover the cost of the removal

from the offender. And, if the offender contravenes any of the above, the offender is liable on conviction to a term of imprisonment not exceeding one year or to a fine not exceeding one hundred thousand shillings, or to both (Kenya Roads Act - CAP 408).

2.2.3.3. Features of the Informal Sector Establishments that makes them Less Appreciated

There are features of the informal sector establishments that make them either appreciated or less appreciated. Those that make them less appreciated include: besides the local authority fee, non-payment of taxes (e.g. income tax); evasion of social security obligations; evasion of minimum wage obligations; violation of minimum product quality requirements (which manifests in selling of sub-standard goods and services); violation of property rights (e.g. copyright); and violation of environmental requirements. These, whether in combination or singly, provide a buffer which allows the informal sector establishments to offer lower prices that make them more attractive to consumers from the low to the high income brackets. And when unchecked over a prolonged period, the informal establishments eventually gain abnormal share of the market, which discourages investment in the formal sector, which has the adverse impact of limiting government revenue (NESC, 2007).

Other features that make the informal sector establishments less appreciated are with regard to unauthorised occupation or utilisation of a public road reserve. A public road reserve is officially planned for specific public purposes, namely: i) movement of goods and people from one place to another, using motorised and non-motorised means; ii) road safety; iii) future expansion; and, iv) provision of certain infrastructure services for purposes of public good, e.g. electricity distribution, storm water drainage, municipal water distribution, sewerage collection and transportation, and cable networking. Following, it becomes necessary to regulate usage of public road reserves. In Kenya, the regulation is effected through an Act of Parliament as discussed above in sub-section 2.2.3.2. Therefore, unauthorised occupation or utilisation of a public road reserve, particularly by a large number of informal activities, is potentially disruptive and harmful. The potential disruptions include (eKLR, 2014; Munandi, 2012; Dolan, 2015; Achuka, 2015₁; Achuka, 2015₂; Macharia, 2015; CAS Consultants *et al*, 2014; Ondieki *et al*, 2014; Odhiambo, 2014₁; Kiarie, 2014₂; Makori, 2014):

i. The informal roadside MEs congesting pedestrian walkways, which forces pedestrians to walk on main carriageways, which disrupts the ease in movement for motorised and other non-motorised road users.

ii. The MEs operating from the verandas and pavements located in front of shops that operate within the law - subsequently obstructing movement into and out of the shops and the display arrangements of the shops, as well as adversely affecting the aesthetics around the shops; thus, interfering with the shops legal businesses.

iii. Stalling of scheduled official infrastructure development activities that require use of the road reserve.

And the potential harms include (*ibid*):

i. Compromised road safety for pedestrians, and motorists, sometimes with fatal outcomes. For example, road accidents between pedestrians and motorists due to pedestrians being forced to walk on carriageways; also between motorists and the informal roadside MEs when the motorists

accidentally veer off the carriageway. By the Kenya Roads Act (CAP 408), the culpable roadside micro-entrepreneurs are offenders and are liable on conviction to punishment. Thus, they are not liable for any compensation when they themselves experience losses and damages.

ii. Compromised public health safety due to the micro-entrepreneurs' violation of the minimum public health requirements. For example, the premises of the unauthorised informal

Plate 2.1: Roadside Micro-Entrepreneurs Obstructing Shop Fronts on a Street in the CBD of Nairobi City



Most shop fronts on key roads (*in Nairobi CBD*) such as Tom Mboya and Ronald Ngala have been occupied by hawkers who spread their wares on the pavements, cutting off access to shops and stalls: Photo by Suleiman Mbatiah (Njoroge, 2016)

Plate 2.2: Shops in a Nairobi City Suburb Closed in Protest of Obstruction of Roadside Informal Micro-Enterprises



All Eastleigh shopping malls, with thousands of shops inside, closed on August 31, 2016 as owners protest what they see as an invasion of hawkers: Photo by Salaton Njau (Mutavi, 2016)

roadside MEs is of insecure tenure. Therefore, most likely they lack infrastructure that supplies safe water as well as facilities that enable proper disposal of human waste and other waste generated by the MEs. This weakens public health efforts as regards to prevention against introduction and spread of poor sanitation related infectious diseases.

iii. Degradation of the physical environment due to improper disposal of the waste generated by the micro-entrepreneurs.

iv. Upsurge in insecurity, e.g. the business premises may ease the escape of thugs or facilitate selling of drugs which may disturb the local community's values hence peace.

v. Extortion, intimidation and unreasonable

torture of the MEs. This is due to the informal micro-entrepreneurs being vulnerable to corrupt local government officials who exploit the micro-entrepreneurs' illegal status. The harassment meted out by the officials' results to reduced profitability for the MEs. What's more, it could trigger clashes between the micro-entrepreneurs and the officials, sometimes with fatal outcomes - damage and/or theft of property, injuries and even death of the operators (Munandi, 2012; eKLR, 2014; Ondieki *et al*, 2014; Achuka, 2015₁; Kiarie, 2014₁; Kiarie, 2014₂; Odhiambo, 2014₂; Mbatiah, 2015; and, Dolan, 2015).

Besides, the informal micro-entrepreneurs are vulnerable to manipulation by politicians. For example, the literature reviewed informs that, particularly during the period between almost immediately after a general election and before the beginning of campaigns for the next general elections in Kenya, is occasional "cat and mouse" operations between a local authority and operators of informal roadside MEs. Respectively, a local authority's enforcers arrest the operators, take them to court where they are fined, and the following day the scenario changes little. During the campaign period, the "cat and mouse" operations are temporarily suspended.

Plate 2.3: Roadside Micro-entrepreneurs in Nairobi City Fleeing from Nairobi City County Law Enforcers



Comment from the source: "If you thought Usain Bolt was fast, wait till you see a Nairobi hawker run upon sighting a NCC van. Flash has nothing on these people. One minute you're bent over trying on some shoes, the next you're left standing all alone, dazed and confused, wondering what just happened. Their agility is like no other. How they manage to dash with all their wares intact is beyond me. No hawker who is worth their salt ever leaves any of their goods behind. I tend to think it's part of the Sacred Hawker Code or something" (Retrieved from: <http://canduh.wordpress.com/tag/hawkers>. Also refer to Kiarie, 2014).

At this time, politicians intervene. The intervention by the politicians is from their knowledge of the operators' numerical supremacy to influence a win (Munandi, 2012).

One net effect of all these is displeasure from inconvenienced stakeholders, who have been documented to respond by subjectively lobbying both the national and local government authorities for the informal activities repression as Plate 2.2 illustrates (*ibid*).

2.2.3.4. Features of the Informal Sector Establishments that makes them Appreciated

In 1972, a mission from the ILO undertook a study on employment, incomes and equality in Kenya. The findings of the study suggested that the informal sector was a good deal more important than was usually assumed, and therefore advocated for its support. Indeed, after the mission's study, numerous surveys have been conducted on the MSE sector in Kenya, to which the ME in the informal sector is part. A review of these surveys informs of considerable evidence on the developmental value of the sector. The surveys demonstrate the MSE sector's potential to generate incomes and to provide employment to a large number of Kenya. Next, they link this fact with development and poverty alleviation. All in all, to-date, the acknowledged benefits of the MSE sector in Kenya include (Economic survey reports 1966, 1973 to 1975, 2006, 2009, 2013, and 2016; Moyo *et al*, 2005₁; Moyo, 2006; Ronge *et al*, 2002; GoK, 2005; GoK *et al*, 2010; KNBS, 2016; and, MSE Act No. 55 of 2012):

- (a) MSEs have the potential to generate incomes,
- (b) MSEs have the potential to provide employment to a large number of Kenyans,
- (c) MSEs contribute significantly to the output of goods and services,
- (d) MSE save on scarce capital in creating jobs,
- (e) The MSE sector has been the primary source of developing a pool of skilled and semi-skilled workers and entrepreneurial talent, who are important base for future industrial expansion,
- (f) The MSE sector has been used to strengthen forward and backward linkages among socially, economically, and geographically diverse sectors of the economy,

- (g) The MSE sector constitutes an important market and supply point for rural enterprise products, which are predominantly marketed to rural households,
- (h) MSEs promote rural-urban balance by supporting industrialisation policies in the rural areas, and
- (i) Because of their structure and ownership, MSEs are flexible and can adapt quickly to market changes.

2.3. Theoretical Framework

2.3.1. The Dual Economy Model

2.3.1.1. Preliminary Contribution to the Subject of ME in the Informal Sector

Preliminary contribution to the subject of the ME in the informal sector was influenced by a Model put forward in May 1954 by W. Arthur Lewis, through a seminal paper, “Development with Unlimited Supplies of Labour”. The Model which has come to be known as the Lewis Model, is also variously known as Lewis Dual Sector (or Economy) Model, or Lewis Growth (or Development) Model (Ranis, 2004; Ronge *et al*, 2002; Yokota *et al*, 2005). Lewis (1954) informs that, “in light of up-dated knowledge at the time, the purpose of the Model was to provide a different framework to understanding problems as well as solving problems of countries with surplus of unskilled labour. This was after considering that application of existing frameworks had proved to be inadequate”.

Countries with surplus of unskilled labour, as defined by Lewis (1954), are countries in which you find the price of labour is a wage at the subsistence level, and the supply of labour at this price exceeds the demand. Also as per Lewis (1954), they are countries in which you find the population of an economy is so large relatively to capital and natural resources that there are large sectors of the economy where the marginal productivity of labour is negligible, zero, or even negative. These large sectors of the economy, Lewis (1954) informs, cut across urban and rural districts, namely:

- (a) **In urban districts:** it is the whole range of casual *or informal* jobs (e.g. the workers on the dock, the young men who rush forward asking to carry your bag as you appear, the jobbing gardener etc.), and petty retail trading which is found in overpopulated areas.

(b) **In rural districts:** it is the subsistence or peasant farming, where the number of family members on a holding is so large relative to the family holding, which is so small.

(c) **In both urban and rural districts:** it is the domestic and commercial retainers, the unemployed wives and daughters of households (i.e. with respect to employment of women outside the household), the increase in population resulting from excess of births over deaths, and the unemployment generated by increasing efficiency (i.e. increasing use of machinery).

2.3.1.2. The Lewis Dual Sector Model

The Lewis Dual Sector Model puts forward as fact that the structure of an economy is dual in nature. It is sub-dividable into relatively two contrasted sectors, operating side-by-side; and, each of these contrasted sectors is further sub-dividable into relatively two contrasted sectors operating side-by-side, and so on. By the Model, this two sector world contrast, is also found in the labour market, as well as outside economic life (Lewis, 1954; Fields, 2005 and 2007; and, Moyi *et al*, 2005₂).

The two sector world contrast that constitutes the main subject of discussion in the Model, and is of interest to this study, is the capitalist and the subsistence (i.e. not-capitalist) sectors of an economy. The capitalist sector is portrayed in the Model as an advanced sector, and it is in this study interpreted as the formal sector. The subsistence sector is by contrast depicted as the not-advanced sector, and is interpreted in this study as the informal sector. By definition, the Model describes the capitalist sector as that part of the economy which works with capital, to produce products which are sold above wages, and obtains profits which are investable with respect to expansion. And the subsistence sector, as all that part of the economy which works with capital, to produce products which are sold, but obtains only subsistence earnings which are difficult to invest to create more capital, thus stifling of expansion of capital. Besides, output per head under the subsistence sector is lower than in the capitalist sector (Lewis, 1954).

By the Model, the capitalist and subsistence sectors operate not without a connection. This connection is with respect to the arrangement of and relations linking the capitalist and subsistence sectors labour market as development proceeds. Accordingly, in the transition to an advanced economy, the subsistence sector is supposed the dominant sector, with surplus of unskilled labour, and offering low wages. The capitalist sector by contrast is supposed small, but is potentially dynamic and expanding, and offers wages higher than of the subsistence sector. In this two sector world, as capital formation occurs in the capitalist sector, employment

expands in the capitalist sector, but contracts in the subsistence sector until the point where: i) surplus of unskilled labour is exhausted, ii) wages rise above the subsistence level, and ii) capitalist surplus (profits) is adversely affected (Ranis, 2004; Ronge *et al*, 2002; and, Lewis, 1954).

Lewis (1954) further observes that in the real world, “the capitalist sector of one country cannot expand in these ways indefinitely. This country continues to be surrounded by other countries which have an abundance of unskilled labour at a subsistence wage. This country is thus part of the expanding capitalist sector of the world economy as a whole. As soon as wages in this country begin to rise, mass immigration of unskilled labour and the export of capital operate to check the rise. The mass immigration of unskilled labour might even raise output per head, but its effect would be to keep wages in all countries near the subsistence level of the poorest countries. The export of capital reduces capital formation at home and so keeps wages down”.

This explanation of the Lewis Model on the link between the capitalist and subsistence sectors, created an opportunity for extensive research and debate, focused on both criticism and extension (i.e. elaboration, refinement and defence), including by Lewis himself. Additionally, it invited for its application (Kirkpatrick *et al*, 2004; Meier, 2002; Fields, 2005; Gries *et al*, 2010; and, Girvan, 2008).

2.3.1.3. Critique of the Lewis Dual Sector Model

1. Growth of the Informal Sector

One suggestion from the description of the link between the capitalist and subsistence sectors as development proceeds, is that the subsistence sector would gradually disappear as its labour force is absorbed into the capitalist sector. That is, that the reallocation of labour between the capitalist and subsistence sectors as capital formation occurs, will take place until a turning point is reached. This turning point is the stage when an economy is fully commercialised, the demand for labour by the capitalist sector outstrips population growth (i.e. labour is exhausted), and the dual sector economy is no more (Ranis, 2004). Therefore, as Ronge *et al* (2002) interpret it, “the natural policy prescription *would be* to ignore the existence of the informal sector (*or subsistence sector*), as it would disappear with time”.

A fault with this suggestion is in regard to explaining the increase in size of the informal sector in the years following 1954, when Lewis put forward the Model. As Lawrence (2004) notes,

“in the 1950s just as now, that process has not advanced in that way”. Instead, observed is an increase in size of the urban informal sector (Hosseini, 2012; and Knight, 2007), as well as growth of the rural subsistence sector (see for example Lawrence, 2004:p5). Thus a divergence from the dual sector account as put forward in 1954. Vis-à-vis, three factors explain this divergence:

(a) The relationship between the rate of growth of the capitalist sector of a developing economy and the rate of growth of the economy’s population – namely, the capitalist sector of a developing economy growing at a lower rate than the population of the economy (Lawrence, 2004; Lewis, 1954: p404-405; Knight, 2007). Lawrence (2004) makes the observation however, that “this generalisation does not encompass all developing countries, but is evident across the poorer countries of, mainly Sub-Saharan Africa and South Asia” – a reflection somewhat supported by Hosseini (2012) who reports that it is evident in Africa and most countries of Asia and Latin America. Consequently, from the 1950s to now, as the growth of the capitalist sector was unable to keep pace with the increased growth of the labour force in parts of Africa and most countries of Asia and Latin America, in the of words of Fields (2005) and of Ranis (2004) quoting Fields (1975), all workers not employed in the capitalist sector were faced with two choices: employment in the informal sector and unemployment, which Lewis (1954: p402) had indicated would be the case. Under these circumstances, workers that could not afford to be unemployed took up employment in the informal sector.

(b) The relationship of a developing economy with the global economy - namely, to quote Lawrence (2004), “.... expansion of the capitalist sector through different routes, many of them international, or as we now prefer it, global, but also the decline of some sectors of capitalist....production”. Consequently, as reduction of capital formation in a developing economy occurred, growth of employment in the capitalist (formal) sector of the developing economy declined. Subsequently, all workers not employed in the capitalist (formal) sector of the economy were faced with two choices as is explained in “a” above.

(c) The relationship between wage earners in the capitalist (formal) sector and the informal sector, what Ronge *et al* (2002), quoting McCormick (1988), refers to as “straddling”. Straddling is the practice where households or individuals engage in multiple productive activities that cut across both sectors (Ronge *et al*, 2002). That is workers in the capitalist (modern) sector also own enterprises in the informal sector, and the practice is engaged with an objective of enabling them survive on their low wages or reduce some of the risk associated

with dependence on wage employment, or both (*ibid*). Consequently, as straddling was actively practiced, the dual sector economy persisted.

It therefore follows that the informal sector of Kenya cannot be ignored. An early contribution to this line of argument, and is acknowledged as a revolutionary contribution, was made by a mission from the ILO in 1972 (Ronge *et al*, 2002; and, Mullei, 2003).

2. Revolutionary Contribution to the Subject of the ME in the Informal Sector

i. The Arrangement of and Relations Linking the Formal and Informal Sectors Labour Market

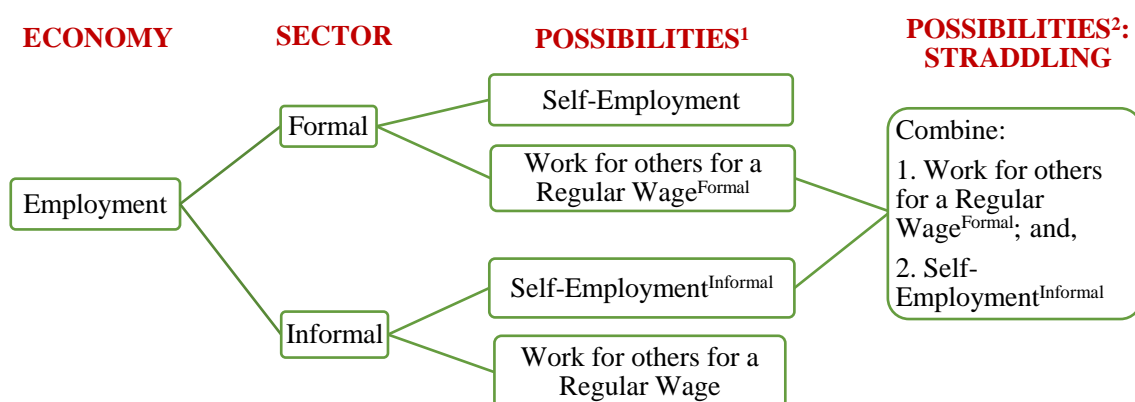
The findings of the 1972 ILO mission’s study supported the Lewis Dual Sector Model’s suggestion that: a) An economy is dual in structure, having both a formal sector and an informal sector operating side-by-side; b) These two contrasted sectors are in both the urban and rural areas of the economy; and, c) On average, the informal sector offers wages that are lower. The 1972 ILO findings, however, faulted the Model’s suggestion that the arrangement of the informal sector is surplus of unskilled labour, which implies that: a) The informal sector is a reservoir of labour, thus a temporary sector; and, b) The labour found in the informal sector is wholly unskilled. Suggested by the ILO findings: a) Skilled labour can in addition be found in the informal sector; and, b) The informal sector is not a net of surplus labour. One reason it gives for this observation is that, it is illogical to expect the same rate of growth between employment in the formal sector of an economy and the economy’s population. It is more realistic to expect employment in the formal sector of the economy to grow at a lower rate. The consequence of this then is an increase in the economically active population and, which is faced with a choice of either employment in the informal sector or unemployment. Thus, the informal sector must not be viewed as a temporary phenomenon. Also, the sector must not be viewed to be without skilled labour.

Table 2.9: Summary of the Contributions on the Formal and Informal Sectors Labour Market Link

	The Lewis Dual Sector Model’s contribution observes	The 1972 ILO Mission’s contribution observes
i.RESOURCE	The informal sector is a reservoir of unskilled surplus labour, where the unemployed & those that cannot find formal wage must fall	The informal sector is not a net of surplus labour, and the labour in the sector is not necessarily unskilled

	The Lewis Dual Sector Model's contribution observes	The 1972 ILO Mission's contribution observes
ii.DYNAMISM	The informal sector is not dynamic , it is stagnant. The production of the sector is economically inefficient . Thus, the size of the sector will diminish as the size of the formal sector increases	The informal sector is dynamic . The production of the sector is economically efficient. The size of the sector will not diminish as the size of the formal sector increases, for the rate of population growth will be higher than the rate of employment in the formal sector
iii.FUTURE	Subsequently, an economy's future wealth is in advancing the formal sector	Subsequently, an economy's future wealth also includes advancing the informal sector

Figure 2.5: Application of Employment Concept under Dual Economy Model



When a population of an economy is exposed to any two contrasted sectors that are operating side-by-side, it will be distributed across the two sectors. Therefore, a labour force of an economy that cannot afford to be unemployed has a choice of either: i) employment in the formal sector, ii) employment in the informal sector, or iii) employment in both the formal and informal sector. Then, on these choices of employment, the choices available to this labour force are: i) work for others for a regular wage, and/or ii) self-employment. It is along these lines that application of the dual sector economy Model is conceived in this study.

ii. The Difference between the Formal and Informal Sectors

The ILO findings also advanced that the difference between the formal and informal sectors is not “confined to employment on the periphery of the main towns, to particular occupations, or even to economic activities. That is, it is not confined to marginally productive activities such

as petty traders, hawkers, shoe shiners and other groups of under-employed on the streets of towns; or the manufacturing and repairing activities such as tailoring, sawmilling, bicycle repair and posho mills in the rural areas. Rather, it is in the way of doing things”. In specific (ILO, 1972):

The Informal Sector Activities are Characterised by:	The Formal Sector Activities are Characterised by:
i. Ease of entry;	i. Difficult entry;
ii. Reliance on indigenous resources;	ii. Frequent reliance on overseas resources;
iii. Family ownership of enterprises;	iii. Corporate ownership;
iv. Small scale of operation;	iv. Large scale of operation ;
v. Labour-intensive and adapted technology;	v. Capital-intensive and often imported technology;
vi. Skills acquired outside the formal school system; and	vi. Formally acquired skills, often expatriate; and
vii. Unregulated and competitive markets.	vii. Protected markets (through tariffs, quotas and trade licenses).

iii. Public Response on the Informal Sector

One other advancement the ILO findings made on the informal sector, was that a Government should notice, support, and encourage the informal sector activities; and, the “important first step” toward this, is that a “Government must collect the necessary data and learn about the relevant facts of *its* informal sector” (ILO, 1972). This advancement by the 1972 ILO mission, was based on its analysis of:

- (a) The Kenyan government “policy towards the urban informal sector ...”, which according to the mission, “contained too few elements of positive support and promotion, and too many elements of inaction, restriction and harassment. This attitude on the part of the ... government”, according to the mission, “seemed connected with three beliefs, namely: a) that persons in the informal...sector are largely temporary inhabitants or occasional migrants, many of whom could be induced to return to rural areas; b) that persons in the informal sector are unemployed or sporadically employed, contributing little to urban income, while constituting a significant health, fire, and political hazard; and, c) that any attempt to improve living conditions in the informal sector would only induce additional migration, and might thus be self-defeating” (*ibid*).
- (b) The Kenyan government national employment statistics, which according to the mission were incomplete, covering a major part of wage-earning employment and some self-

employment in the larger and more organised firms, but omitting a range of wage earners and self-employed persons, male as well as female, in the informal sector. Yet, according to the mission, “it was apparent that Kenya had a thriving informal sector” (*ibid*). Indeed, a review of the Economic survey reports reporting on Kenya’s development progress dating prior to the 1972 ILO mission’s study, support this observation made by the mission (Economic Survey reports 1966 and 1973).

- (c) The rife view of the informal sector of Kenya amongst the Kenyans. This view undervalued the significance of the informal sector to Kenya’s economy, thus encouraging an inhibitive attitude toward the sector. As the 1972 ILO mission’s study reported:

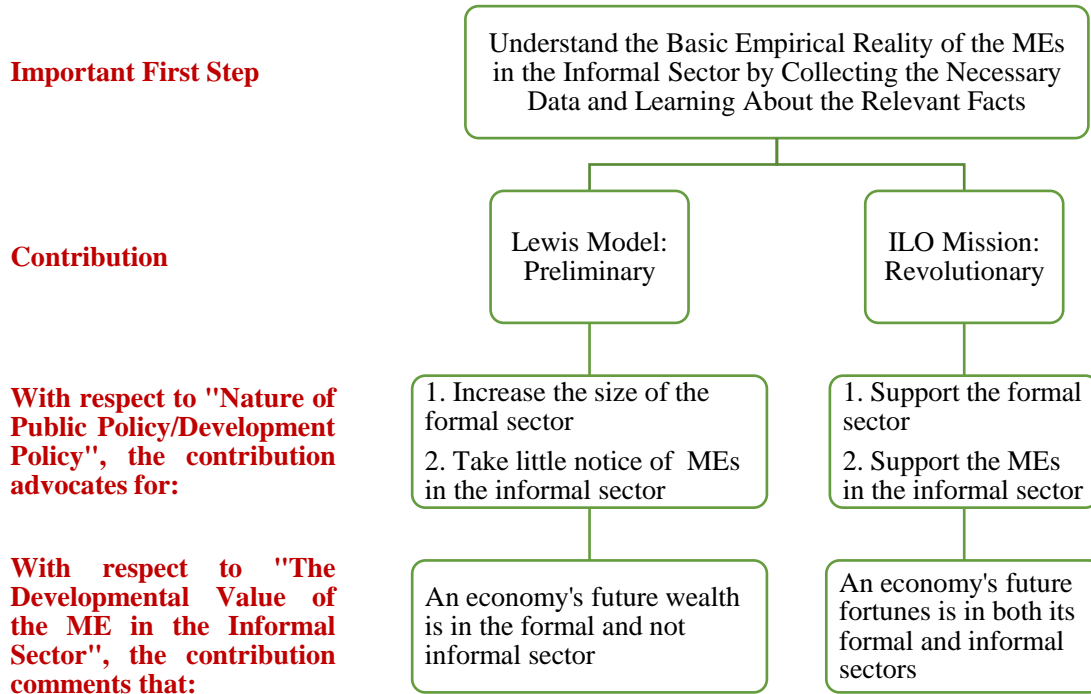
“Often people fail to realise the extent of economically efficient production in the informal sector because of the low incomes received by most workers in the sector. A common interpretation of the cause of these low incomes (in comparison to average wage levels in the formal sector) has been to presume that the problem lies within the informal sector; that it is stagnant, non-dynamic, and a net for the unemployed and for the thinly veiled idleness into which those who cannot find formal wage jobs must fall. It is hardly surprising that this view should be widespread, for academic analysts have often encouraged and fostered such an interpretation. Further, from the vantage point of central Nairobi, with its gleaming skyscrapers, the dwellings and commercial structures of the informal sector look indeed like hovels. For observers surrounded by imported steel, glass and concrete, it requires a leap of the imagination and considerable openness of mind to perceive the informal sector as a sector of thriving economic activity and a source of Kenya's future wealth.

.... such an imaginative leap and openness of mind is not only necessary to solve Kenya's employment problem, but is entirely called for by the evidence about the informal sector.

*...Tens of thousands of Kenyan men and women earn their livelihood working in small-scale non-farming activities in towns of all sizes and in rural market centres. With an anticipated increase of 8 per cent in the African urban population in coming years * this number will increase absolutely and relatively, for it is not reasonable to imagine that urban employment in the formal sector could grow at the same rate as the population. Therefore, vigorous action must be taken to facilitate employment and raise incomes in the*

informal sector, where the migrant will seek a livelihood if he cannot find wage employment through the formal recruitment system....”.

Figure 2.6: Summary on the Official Approaches Advanced on the Informal Sector



2.3.2. The Micro-Enterprise View Theory

The 1972 ILO mission’s advancement in knowledge on the informal sector is acknowledged to have played a role in shaping up of the micro-enterprise view theory (Moyi *et al*, 2005₂), another informal sector theory applied by this study. The micro-enterprise view theory, as Moyi *et al*, 2005₂ explain it, “considers the informal sector as a group of MEs that take the option to operate within the informal economy as a rational choice, the micro-entrepreneurs basing their decision on an evaluation of the costs and benefits of formalising in view of their institutional and resource configuration. Also, according to the theory, a government can harness the entrepreneurial energies of this sector by creating an enabling environment, thus improving on the development fortunes of the economy”.

2.3.3. Rational Choice Theory

This explanation of the micro-enterprise view theory introduces the other theory considered useful to this study - the rational choice theory (also referred to as choice theory or rational action theory). Lovett (2006) defines rational choice theory as a theory with the role of

developing explanations of social phenomenon - more specifically, with the role of contributing to the construction of ordinary causal explanations, rather than as providing intentional explanations of social phenomenon. Thus, it is an approach to the study of social phenomena; and, this approach is characterised by a small bundle of three core methodological assumptions. These three core assumptions are discrete purposeful actor assumption, utility theory assumption, and rationality assumption. Regarding the discrete purposeful actor assumption, Lovett (2006) explains that, in the world of social phenomenon, there exist individuals and collective agents capable of acting intentionally. With respect, these individuals and collective agents are capable of considering more than two potential courses of action, and intentionally picking and executing (or make an effort to execute) one or more of them. This, however, is not to be interpreted to mean that the individuals and collective agents will consistently act in an intentional way, or their carefully considered action would be uninfluenced or unconstrained by external factors. Rather, the individuals and collective agents can on a minimum be expected from time to time to act in an intentional way; and, at the very least, the influences and constraints they face allow for some options now and then.

On the utility theory and rationality assumptions, Lovett (2006) explains that, under certain very general conditions, it has been shown that the choice or decision of an individual and a collective agent can be described as if they were attempting to optimise a mathematical function. This act by the individual and collective agent, he further explains, can be related to the utility theory, which holds that we can expect that the choice or decision of an individual or collective agent will be in compliance with the general conditions they happen to face. And so, when this is the case, it is possible to assign the individual or collective agent a utility function. Whereby, a utility function is a mathematical representation of what we expect the individual or a collective agent to do, given the general conditions they happen to face. That is, it provides, as it were, a brief but comprehensive mathematical description of the choice or decision we expect the individual or collective agent to pick, in compliance to the general conditions faced. Following then, an individual and a collective agent are capable of maximising their utility function – i.e., they can be expected to pick the optimal choice or take the optimal decision, given the constraints they face. Generally, the individual or collective agent is expected to act in this latter manner when fixated on an outcome. As per Lovett (2006), this act of picking and acting on the optimal alternative explains the rationality assumption (*ibid*).

Lovett (2006)'s description of rational choice theory as looking at a social actor's preference, then trying to construct causal explanation of the preference, and thereafter trying to fathom whether the preferences are consistent with optimisation and what this implies about the social actor's decision-making way, is in this study found to be particularly useful in providing guidance which assists in understanding and explaining the observations made in relation to the first three specific objectives of the study, and thereafter, drawing of inferences in related situations. On the other hand, this study finds this description of rational choice theory by Lovett (2006) to be limiting with respect to providing intentional explanations – i.e. with respect to the role that rational decision-making could play in bringing about a desired outcome. Subsequently, it would be inadequate in providing guidance particularly in relation to the fourth specific objective of the study, which is “to suggest how the affected roadside MEs could be sustainably supported”. For this reason, the study also embraces Levin *et al* (2004) definition and understanding of the standard economic model of rational choice decision making.

According to Levin *et al* (2004), in the standard view, rational choice is defined to mean as the process of determining what possibilities are available and then picking the most preferred according to some consistent or reasoned criterion. What follows then is that this rational choice model can be described as an optimisation-based approach. And, when ‘bundled’ with the utility theory assumption, it can be represented as one of maximising a utility function. Subsequently, due to the thinking of rational choice theory as a “utility maximisation approach to choice” and an “optimisation-based approach”, the theory has several qualities that makes it considerably useful, thus justifying its endurance over time. Regarding “utility maximisation approach to choice”, among the qualities is the thinking that welfare criteria could be developed from choice data (Levin *et al*, 2006). Thus, according to Levin *et al* (2006), from its earliest development, the rational choice theory has considerably been attributed to principles of government policy making. In other words, from its earliest development, the rational choice theory remains as an effectual approach to picking and well-defining the government policy or strategy that will provide the greater public benefit. Besides, since as an approach it considers people's individual preferences on the policy or strategy a government could adopt:

a) It embraces the principle that the criterion of a government's welfare should be determined upon consent with the governed. Hence, it gives support to present-day democratic values (Levin *et al*, 2006; and, KAS, 2011) - which, significantly, are in alignment with the Constitution of Kenya (2010).

b) It embraces the knowledge that people's individual preferences change as their environment changes (Levin *et al*, 2006). Thus, it gives support to the awareness that it is advisable that existing government policies and strategies should be regularly reviewed for appropriateness (as discussed under Section 1.5 which is on the significance of this study).

With respect to the "optimisation based-approach", among the qualities is the thinking that it provides a compact theory that makes empirical predictions from a relatively sparse model of the preference problem – just an account of the individual or collective agent's objectives and restrictions (Levin *et al*, 2006).

All in all, by this theory, an assumption made in this study is that the observations made will be stable. As a result, it is hoped that the knowledge generated through this study can be used to draw inferences in related situations.

CHAPTER THREE: RESEARCH METHODOLOGY

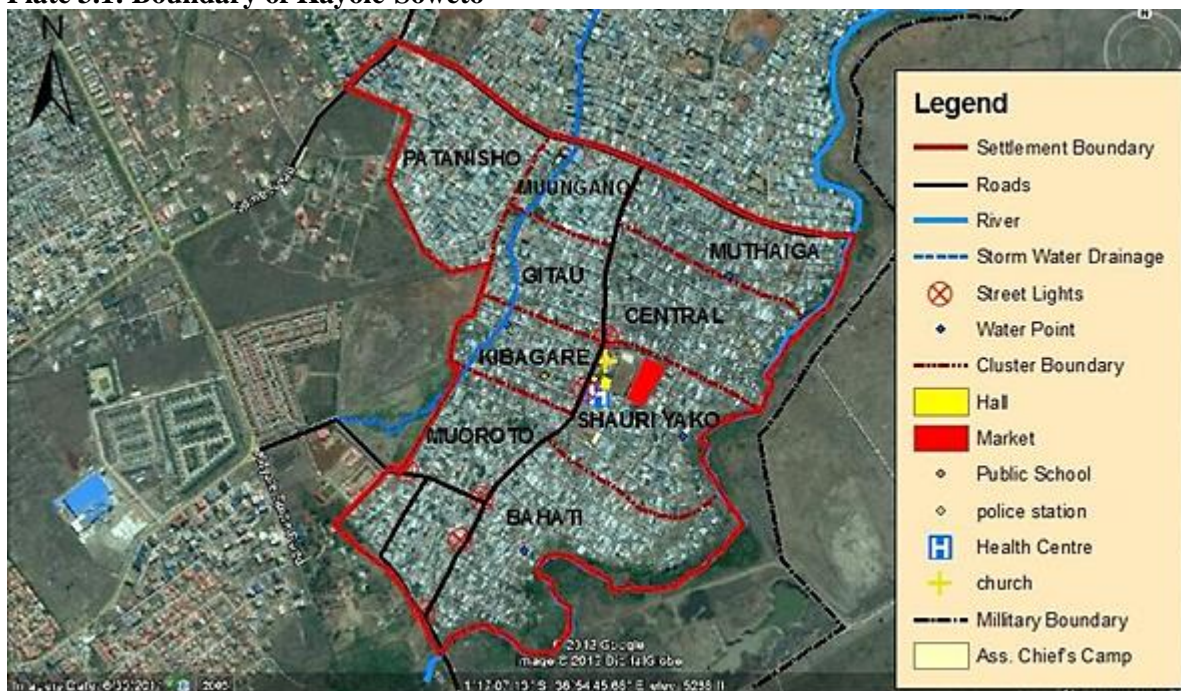
3.1. Introduction

This Chapter describes the approach taken in the search for the appropriate information on the study's topic of interest. This is presented under the following topics: site description, research design, unit of observation and analysis, sources of data, sampling procedure, methods of data collection, data analysis, validity and reliability of the data, and ethical dimension of the study.

3.2. Site Description

Kayole-Soweto Informal Settlement is located in Kayole Sub-Location in Embakasi Central Sub-County, in the Eastlands region of Nairobi City County. It is built on approximately eight hectare parcel of land belonging to the NCCG; and, as Plate 3.1 illustrates, the Settlement is sub-divided into nine zones, namely: Muoroto, Bahati, Shauri Yako, Kibagare, Muthaiga, Central, Museasa, Muungano, and Patanisho (KISIP, 2012).

Plate 3.1: Boundary of Kayole-Soweto



Source: KISIP, 2012

As at the time of the study, land use planning and sub-division that provides for road reserves, residential and commercial areas, as well as social service places had been done in the Settlement; and, the official document landowners possessed, which gives proof of rights to occupy or utilise the land, was an allotment letter from the County Government. Also, at the time of conducting the study, centralised piped water supply and sewerage collection

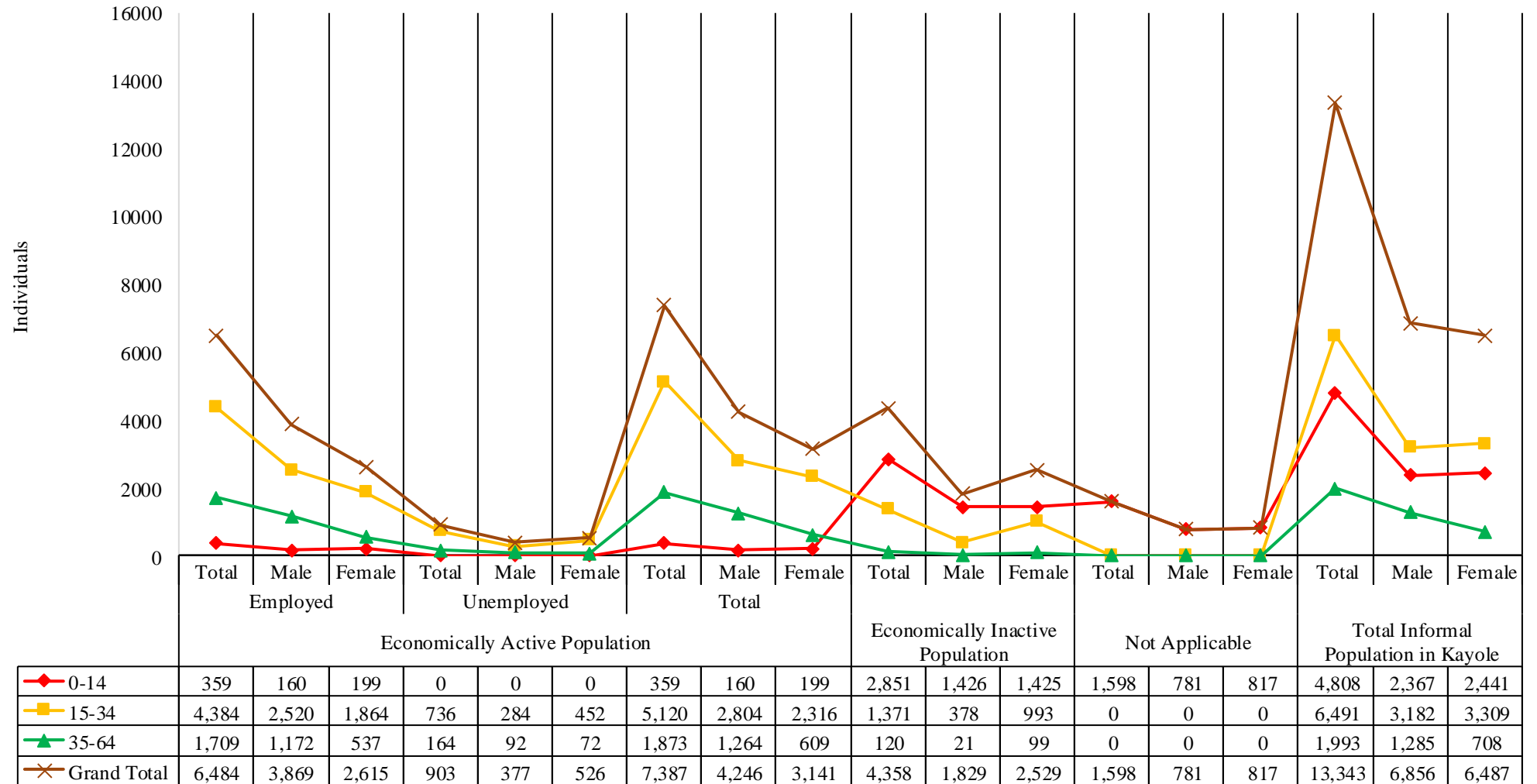
infrastructure in the Settlement, as well as the conditions of the Settlement's road network, were wanting: - none of the roads in the Settlement were to bitumen standards, few residents had access to piped water, and none of the residents were connected to the main sewer serving Nairobi City (KISIP, 2012).

As regards to its labour force, from the 2009 census results, the Settlement had an estimated total population of 13,343 individuals, which was approximately 0.43% of the estimated total population of Nairobi. This population was distributed by age, sex and employment status as is presented in Figure 3.1 below. Of this population, about two-thirds (i.e. $\approx 63.58\%$) was potentially economically active. Of the potentially economically active, majority ($\approx 82.43\%$) were economically active. And of the economically active, majority ($\approx 69.31\%$) were youth aged 15-34 year old (KNBS).

The economically active residents of Kayole-Soweto Informal Settlement are mainly occupied in low skilled occupations either as employed or self-employed. The employed are either in casual or permanent labour in occupations such as security guards, domestic servants, construction workers, factory production and, office support workers. The self-employed are largely engaged in activities whose level is micro in scale, and oriented to serving the resident community. These activities are more on retailing of goods and services (Mitullah, 2003; Runji & Partners, 2013; and, GoK, 2007). Thus, the residents of the Settlement are classified to be within the bracket of low income earners, with limited resources.

Noteworthy, among the self-employed located in the Settlement are micro-entrepreneurs occupying and operating from the project roads. These roadside MEs are the target population of this study.

Figure 3.1: Informal Population Distribution of Persons in Kayole by Age by Sex and Economic Activity; 2009 Census



Source: KNBS

3.3. Research Design

The existence of informal roadside MEs in Kenya and the likelihood of the numbers increasing in the future, is an empirical reality that the Country cannot ignore. Instead, it appeals for up-to-date facts on the MEs, with the purpose of facilitating formulation of appropriate policies and interventions, hence optimally exploiting the existing potential. Subsequently, using the case of Kayole-Soweto Informal Settlement, this is a descriptive research study, aimed at describing the situation as it exists today, toward contributing to the body of knowledge on the informal MEs of Kenya, but with specific focus on the Country's informal roadside MEs.

The study applied a combination of qualitative and quantitative research strategies. Quantitative research, as defined by Kothari (2007), is based on the measurement of amount. It is applicable to observable facts that can be described numerically either by measurement or counts (Kothari, 2007; Gupta *et al*, 2004), e.g. the number of roadside micro-entrepreneurs that were selling fruits from Road A in April 2016. The numerical information obtained is then analysed using statistical method, a body of theories and techniques, to give numerical description that can be used in making wise decisions (Gupta *et al*, 2004). Qualitative research, on the other hand, involves investigating the reasons for the existence of an observable behaviour, to find out the underlying motives and desires, hence provide explanation for the existence of the observable behaviour or fact (Kothari, 2007) - e.g. reasons the roadside micro-entrepreneurs were selling fruits and not vegetables from Road A in April 2016.

The quantitative approach to the research was preferred to facilitate in enumerating observable facts of informal roadside MEs, to provide numerical description, thus illustrate quantifiable patterns. The qualitative approach was decided upon to facilitate in providing an explanation, where required, of the existence of a numerical description or an observable fact. All this was with a purpose of providing current facts for use toward influencing formulation of appropriate interventions for the informal roadside MEs at the study site, as well as, in general, formulation of appropriate policies and interventions for informal roadside MEs in Kenya.

3.4. Unit of Observation and Analysis

A unit of observation is “an object or individual conceived with distinctive features, for the purpose of collecting from the relevant information on the phenomenon under study. That is, it is the object or individual that is counted or measured, or the object or individual about which

information is collected. This unit may be simple or composite. It is simple when its distinctive features are broad, e.g. enterprises. On the other hand, it is composite when the distinctive features are qualified with a limiting factor, e.g. MEs” (Gupta *et al*, 2004: 39 and 40). As regards the Unit of Analysis, it is the unit about which information is required in a research project (Scott *et al*, 2009). It is the major entity that is analysed in a study (Trochim, 2006).

Thus, in this study, the Unit of Observation is the roadside MEs, which were located on the road reserves of the project roads in Kayole-Soweto Informal Settlement. And the Unit of Analysis is the dynamics of these roadside MEs.

3.5. Sources of Data

The study used both primary and secondary sources of data. The primary sources were the operators of roadside MEs located on the project roads identified under KISIP, key informants and, general observations made by the researcher. As regards to the key informants and general observations made by the researcher, these primary sources of information were applied after sourcing information from the individual operators, and it was mainly toward filling the gaps identified from the information from the operators.

The secondary sources were largely published documents, namely: a) survey reports, records, and policy and regulatory documents by the national GoK; b) project reports and policy documents by various international bodies such as the WB Group; c) books and survey reports prepared by researchers in the industry; d) magazines and local newspapers; and, e) journals. The list of this is as presented in the references section of this report.

3.6. Sampling Procedure

From late September to early November 2013, the researcher conducted a census survey of all assets located on the road reserves of the Project Roads under KISIP, which was toward development of a Resettlement Action Plan (RAP) Report for Kayole-Soweto Informal Settlement through KISIP Contract No. MH/KISIP/CS/004/2011-2012. The duties of the researcher included, among others, designing the data collection tool, collecting that data, and writing the RAP report. Thereafter, permission to use the census data, but specific to roadside MEs was requested from the Programme Coordinator of KISIP through a letter written on 28th January 2014. Approval to utilise the data was granted through a response letter written on 21st February 2014. The approval was granted on condition that the source is acknowledge and a

copy of the final research document is given to KISIP. Copies of these letters are given under Appendixes 1 and 2 respectively. On getting the information, the census results were then sorted by roadside MEs and other assets. Subsequently, the population under study was provided.

Besides the census results, supplementary information was sought under the study. Part of this information was from key informants. The key informants were sampled through snowballing.

3.7. Methods of Data Collection

Primary and secondary data collection methods were used to gather the necessary data. This was as follows:

a. **Secondary Data Collection Method:** This involved analysis of the content of the documents identified as the secondary sources of data in Sub-section 3.6 above. The relevant information pursued through this method included the concept and characteristics of informal MEs, employment trend, and progression of informal MEs. Both general and specific information was sought after. Particular emphasis was on Kenya, narrowing to the study site.

Undertaking this activity was crucial in facilitating understanding on the informal MEs in Kenya, up until at the time of conducting the study. This was important in generating the appropriate data collection tools that facilitated targeted consultations. Its importance was also perceived from the angle of facilitating discussion of the findings and drawing fitting conclusion and recommendations.

b. **Primary Data Collection Method:** Both quantitative and qualitative data was obtained. The quantitative data was collected using a schedule, which contained a set of closed and open ended questions (see Appendix 3). The schedule was administered directly to the target roadside micro-entrepreneurs. Research assistants from the study site were recruited and trained to assist with collection of data using this method.

The qualitative data collection methods applied were the key informant interview and observation. The key informant interview method was unstructured to allow for flexibility to obtain extra and specific information that responded to the researcher's questions on why an observed characteristic. The observation method was also unstructured and, it involved a walk through the study site to obtain extra observations, particularly for the purposes of description. Data collection using these two methods was undertaken personally by the researcher.

3.8. Data Analysis

Descriptive analysis was used to analyse the data collected. “Descriptive analysis is largely the study of distribution of a variable. It provides profiles of subjects (e.g. roadside MEs) on any of a multiple of characteristics such as size, composition, preferences etc. Additionally, this sort of analysis may be in respect of one variable (described as unidimensional analysis), or two variables (bivariate analysis), or more than two variables (multivariate analysis). In this context, various measures are worked out that show size and shape of a distribution(s) along with the study of measuring relationships between two or more variables” (Kothari, 2004).

Toward facilitating analysis using the descriptive method, particularly analysis of the quantitative data collected, the study used the computer software, the “Statistical Package for Social Scientists (SPSS)”. Concerning the qualitative data, the study applied the content analysis approach. Thereafter, the emerging issues and recommendations are presented in this report either in tables, graphs or description as is seen most appropriate.

3.9. Validity and Reliability of the Data

3.9.1. Validity

The Oxford Dictionary of Sociology (2009) defines validity as “the property of being genuine, a true reflection of attitudes, behaviour, or characteristics”. The Dictionary further informs that, “a measure (such as a question, series of questions, or test) is considered valid if it is thought to measure the concept or property which it claims to measure”. Subsequently, toward designing of the data collection tools, the following steps were taken to ensure that the information collected using a tool would be valid:

(a) A comprehensive search and review of relevant information, which in addition included a series of questions used by acknowledged research works. This was considered useful in constructing appropriate, unambiguous, and easy to administer series of questions.

(b) Pre-testing of the draft data collection instrument. Here, research assistants were recruited, trained and facilitated to pre-test the interview guide developed. The researcher too participated in the pre-test by collecting the information from the target population. This activity was scheduled for one day. On day two, the team discussed the instrument – nature of information collected, consistency in the information collected, whether the words were appropriately worded, time taken, general comments from the test respondents, and how it can be bettered.

(c) Review of the draft data collection instrument to ensure: a) it is comprehensive – i.e. covers the situation well; and, b) is appropriately worded.

(d) Consultation with peers. This was considered useful in strengthening the checks. It was particularly useful for theoretical terms.

3.9.2. Reliability

According to the Oxford Dictionary of Sociology (2009), “when sociologists enquire as to the reliability of data, or a measurement procedure, they are questioning whether the same results would be produced if the research procedure were to be repeated. Reliability embraces two principal forms of repetition: temporal reliability (the same result is obtained when the measurement is repeated at a later time); and comparative reliability (the same result is obtained when two different forms of a test are used, the same test is applied by different researcher, or the same test is applied to two different samples taken from the same population). Reliability, however, raises many technical problems for the sociologist. For example, having once interviewed someone, a repeat interview may be contaminated by the earlier experience”.

Following, to ensure reliability of the information collected under the study, the improved data collection instruments were used on the same target group, but not the same persons interviewed during the testing period. The record of the information gathered was correlated with that from the testing period. From this, the measurement of reliability was found to be positive, thus qualifying the data collection instruments as reliable.

3.10. Ethical Dimension

As part of the data utilised by the study is data collected through a KISIP study, permission to use this data has been sought and granted. Appendixes 1 and 2 give the proof of this. This source of data is acknowledged in this final research report, and a copy of this report will be presented to KISIP as agreed. Other sources of information are also appropriately acknowledged in this final research report.

Regarding respondents for the additional information sought after, their permission to participate in the study was requested prior to obtaining information from them. The information obtained from the respondents was voluntary. Coercion, intimidation or violence were not used to get the additional information pursued.

CHAPTER FOUR: DATA ANALYSIS, PRESENTATION AND INTERPRETATION

4.1. Introduction

This Chapter presents and discusses the findings of the study; and this is under the following main topics: background, typology of the roadside micro-enterprises, services the micro-enterprises received from the NCCG, and implications for the ME on implementation of the development projects.

4.2. Background

On the months of September and October 2013, an inventory of assets located on fourteen public road reserves identified for upgrading under a formalisation process of Kayole-Soweto Informal Settlement through KISIP, was undertaken. From the inventory, roadside enterprises were among the assets. This Sub-section presents the background information of these enterprises. From this background, and going by the definition provided under sub-section 1.7 in Chapter 1, it will be demonstrated that the enterprises captured during the inventory were generally informal and micro in scale. The information also sets the stage for the subsequent sub-sections.

4.2.1. Estimated Number of Enterprises

An estimated 2,345 enterprises were established to be on the public road reserves. Twenty three of these were non-operational, but their structures were up at the time of the study. And, nearly all (i.e. $\approx 97.9\%$) the enterprises, as Table 4.2 illustrates, were not registered, thus were informal.

On the proprietorship, it was estimated at 2,198 – implying existence of proprietors with more than one establishment on the public road reserves (see Table 4.2). And, as Table 4.3 illustrates, majority of the establishments were in the trade sector. Noteworthy too, the establishments comprised a mix of wholesalers only, retailers only, combination of wholesaler and retailers, and a distributor.

Table 4.1: Is the Business Registered?

Is the Business Registered		Frequency	Percent	Valid Percent
Valid	Yes	1	.0	.0
	No	2285	97.9	100.0
	Total	2286	97.9	100.0
Missing	N/A	24	1.0	
	System	24	1.0	
	Total	48	2.1	
Total		2334	100.0	

Source: The Study

Table 4.2: Estimated Number of Proprietors

		Operator has More than One Enterprise			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	62	2.8	2.9	2.9
	No	2104	95.7	97.1	100.0
	Total	2166	98.5	100.0	
Missing	N/A*	23	1.0		
	System	9	.4		
	Total	32	1.5		
Total		2198	100.0		

Key: N/A* - Not Operational at the time of the study, but the structures were up

Source: The Study

Table 4.3: A Cross Tabulation of Operator Having More than One Establishment and Nature of the Establishments Owned

Operator has More than One Enterprise	Nature of Business ^a				Total
	Not Operating at the Time of the Study	Trade	Service	Manufacturing	
Yes	.0%	2.9%	.7%	.0%	3.0%
No	.2%	75.2%	20.0%	3.4%	97.0%
Total	.2%	78.1%	20.6%	3.4%	100.0%

Key:

Percentages and totals are based on respondents.

a. Group

Source: The Study

4.2.2. Size of the Enterprises and Estimated Total Employment

Basing on the definition with respect to number of employees, the enterprises could generally be described as micro. They employed between one and 13 individuals. However, as Table 4.4 illustrates, an estimated 99.2% had not more than five employees, of which majority (i.e. $\approx 86.6\%$) were established to have only one employee.

Table 4.4: Total Number of Employees in the Business

Number of Employees	Valid Percent	Cumulative Percent
1	86.6	86.6
2	9.4	96.1
3	2.2	98.3
4	.7	99.0
5	.2	99.2
6	.3	99.5
7	.1	99.7
8	.1	99.7
9	.2	99.9
10	.0	100.0
13	.0	100.0
Total	100.0	

Source: The Study

Overall, the enterprises provided employment to a large number of persons - to more than 2,800 individuals, of which an estimated 59% were females.

4.2.3. Average Net Business Income of the Enterprises per Day

On the daily average net business income, according to enterprises that provided this information, as Table 4.5 below illustrates, most ($\approx 54.7\%$) earned less than the legal basic

minimum wage for the lowest paid occupation in Nairobi (thus falling within the category of low income earners in Nairobi). The basic minimum wage in Nairobi for the lowest paid occupation at the time of the study, was Ksh. 470.60 per day (or Ksh. 87.40 per hour). This is according to a Legal Notice No. 197 advising on the revised basic minimum wages for Kenya with effect from 1st May 2013 (Kenya Law, 2017₁). With effect from 1st May 2015, it was revised upwards to Ksh. 527.10 per day (or Ksh. 97.90 per hour) (Kenya Law, 2017₂).

All in all, an estimated 86.1% of the enterprises earned not more than Ksh. 1000 per day. Thus, the annual turnover for the majority did not exceed five hundred thousand Kenyan shillings. An annual turnover of not more than Ksh. 500,000 is consistent with part of the definition of a micro-enterprise (as defined in Sub-section 1.7 - *Definition of Key Terms and Concepts*). Subsequently, combining this finding with the finding in Section 4.2.2, the interpretation is that generally the enterprises observed were micro-enterprises.

Table 4.5: An Enterprise's Average Net Business Income (Profit) per Day in Kenyan Shillings

	Average Net Business Income (Ksh)	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Up to 180	143	6.1	6.7	6.7
	200-350	691	29.6	32.4	32.4
	400-501	477	20.3	22.2	54.7
	600-750	258	11.1	12.1	66.8
	800-950	116	4.9	5.3	72.3
	1000	295	12.6	13.8	86.1
	1100 to 1500	88	3.8	4.1	90.2
	1600 to 2000	87	3.7	4.1	94.3
	2100 to 2500	16	.7	.7	95.0
	2600 to 3000	37	1.6	1.7	96.8
	Over 3000	69	3.0	3.2	100.0
Total	2134	91.4	100.0		
Missing	N/A	82	3.5		
	System	118	5.1		
	Total	200	8.6		
Total		2334	100.0		

Source: The Study

4.2.4. Type of Business Premises

Part of the background information collected on the roadside MEs was main construction material of the roof, wall and floor of their respective premises. This information is used here to facilitate in classifying a premise as either temporary, semi-permanent or permanent. Following, the decision on the temporary or not state of a business premise is arrived at basing on a combination of the premise's main construction materials of its walls and roof. The main

construction material of the floor is excluded from the combination because, from analysis as Table 4.6 below illustrates, it was observed as possible to have a temporary premise as well as a permanent premise with a floor constructed of cement/concrete/stone, which are permanent construction materials. Then, the key determining factors would be the main construction materials of a premise's roof and wall.

Table 4.6: Classification of Type of Business Premise

Premise Type	Main Construction Material of			
	Floor	Roof	Wall	
Temporary	Mud/ earth/clay;	None, Iron sheets, Wood, Concrete/ stone, Metal Bars/ Mesh Wire, Plastic, & Metal	None, Iron sheets, Wood, Mud/ earth/clay, Metal Bars/Mesh Wire, and/or Plastic	
	Iron sheets	Iron sheets	None, Iron sheets, and/or Plastic	
	Wood	None, Iron sheets, Plastic	None, Iron sheets, and/or Plastic	
	Tiles	Iron sheets	None	
	Cement/ Concrete/ stone	None	None	None
		Iron sheets	Iron sheets	None, Iron sheets, Wood, Mud/ earth/clay, Metal Bars/Mesh Wire, and/or Plastic
		Wood	Wood	Iron sheets, Wood
		Concrete/ stone	Concrete/ stone	None
		Plastic	Plastic	None, and/or Plastic
	Metal Bars/ Mesh Wire	Plastic	Plastic	
Plastic	Plastic	None		
Semi-Permanent	Cement/ Concrete/ stone	Iron sheets	Metal Bars/Mesh Wire	
Permanent	Cement/ Concrete/ stone	Iron sheets; Concrete/ stone	Cement/ Concrete/ stone	

Source: The Study

Following, as Table 4.7 illustrates, an estimated 99.3% of the enterprises were established to operate from temporary premises. Among this type of premise is veranda of shops located adjacent to the Project Roads. And, as Table 4.8 illustrates, about half of the temporary premises were open air (i.e. had neither roof nor wall). These open air premises comprised a mix of the: a) normal *Kibanda*, whose floor is bare ground; b) wheelbarrow; c) table/bench, which could or not be accompanied with a stool for the employee to sit on; and, d) sack and plastic paper laid on the bare ground to provide a neat and clean place to display wares. Overall, only slightly less than a quarter ($\approx 22.71\%$) of the premises were established to provide adequate shelter from harsh elements of the weather as well as surrounding environment.

Table 4.7: Nature of the Business Premises Utilised by the Enterprises

Business Premise is Located on Road Reserve		Classification of Business Premise ^a			Total		
		Temporary	Semi-Permanent	Permanent	Count	Percent	Valid Percent
Valid	Yes	2310	4	26	2327	99.7%	99.9%
	No	2	0	0	2	0.1%	0.1%
	Total	2312	4	26	2329	99.8%	100.0%
Missing	System	5	0	0	5	0.2%	
Total responses		2315	4	26	2345	100.0%	
Percent of responses		98.7%	0.2%	1.1%	100.0%		
Percent of cases		99.3%	0.2%	1.1%	100.6%		

Percentages and totals are based on respondents | a. Group

Source: The Study

Table 4.8: A Cross-Tabulation of Description of Main Construction Materials Utilised to Make the Business Premise of the Micro-Enterprises

Main Construction Material of Roof	Main Construction Material of Wall							Total (Count)	
	None	Iron sheets	Wood	Mud/ earth/ clay	Cement/ Concrete/ stone	Metal Bars/Mesh Wire	Plastic		
None	1076	24		0	0	0	8	1108	
Iron sheets	385	500	3	2	18		9	102	1019
Plastic	111	2		0	0		0	54	167
Wood	19	3	1	1	0		0	1	25
Concrete/ stone	3	0		0	7		0	1	11
Metal	3	0		0	0		0	0	3
Metal Bars/ Mesh Wire	0	0		0	0		1	0	1
Total	1597	529	4	3	25		10	166	2334

Key

Estimated count of enterprises with premises that provide adequate shelter from harsh elements of the weather as well as surrounding environment

Source: The Study

Regarding sizes of the premises, they were typically small. As Table 4.9 illustrates, the space occupied ranged from about a square metre to over 17m². However, most premises ($\approx 96.18\%$) were established to be not more than 16m²; and, nearly half were not more than 3m².

Table 4.9: The Enterprises Floor Area (in Square Metres)

Floor Area (m ²)	Responses		Cumulative Responses	
	N	Percent	N	Percent
1-3	979	47.34	979	47.34
4-6	413	19.97	1392	67.31
7-9	319	15.43	1711	82.74
10-12	161	7.79	1872	90.52
13-15	87	4.21	1959	94.73
16	30	1.45	1989	96.18
Sub-Total: 1 to 16	1989	96.18		
Sub-Total: 17 and above	79	3.82	2068	+100
Total	2,068	100.00		

Percentages and totals are based on respondents | a. Group

Source: The Study

Thus, on average, the enterprises were established to be operating from temporary premises, which provided inadequate shelter from harsh elements of the weather and the surroundings (e.g. dust particularly during the dry season; and, mud during the rainy season).

4.2.5. Ownership of the Business Premises

Approximately 55.03% of the premises were not rented, implying that a significant number were rented. And, as Table 4.10 illustrates, majority of the rented premises were temporary. The rent ranged as shown in Table 4.11 below. With respect, the rent for nearly three quarters was not more than Ksh. 2,000 per month.

Table 4.10: Enterprise Pays Rent to Other Persons to Occupy Business Premise

Premise is Located on Public Road Reserve	Classification of Business Premise ^a	Do you Rent the Business Premise?		Total Count	
		Yes	No		
Valid	Yes	Temporary	967	1199	2166
		Semi-Permanent	3	0	3
		Permanent	15	9	24
		Total	985	1208	2193
	No	Temporary		2	2
		Total		2	2
Total			985	1210	2195
Missing Cases					139
Total					2334

Percentages and totals are based on respondents | a. Group

Source: The Study

Table 4.11: Rent Paid Per Month in Kenyan Shillings

Rent Paid Per Month (Ksh)		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Up to Ksh 500	149	6.4	21.7	21.7
	600 to 1000	161	6.9	23.5	45.2
	1100 to 2000	185	8	27	72.2
	2100 to 3000	91	3.9	13.2	85.4
	3100 to 4000	35	1.5	5.1	90.5
	4100 to 5000	25	1.1	3.7	94.2
	5100 to 6000	16	0.7	2.3	96.6
	6100 to 7000	11	0.4	1.6	98.1
	7100 to 8000	6	0.3	0.9	99.0
	10000	2	0.1	0.3	99.3
	Above 10000	5	0.2	0.7	100.0
Total		686	29.4	100.0	
Missing	N/A	1260	54.0		
	System	388	16.6		
	Total	1648	70.6		
Total		2334	100.0		

Source: The Study

As discussed above, among the premises observed were verandas of shops adjacent to the Project Roads. A number of the wholesalers enumerated operated from such premise. Established from the study, majority of these wholesalers (estimated at 82.67%, as Table 4.12 illustrates), rented their premises.

Table 4.12: A Cross Tabulation of Business Type, Enterprises Pays Rent and Location of the Premise

Premise is on Road Reserve	Business Type	Do You Rent the Business Premise?		Total Count
		Yes	No	
Yes	Wholesaler	120	24	144
	Wholesaler and Retailer	3	1	4
	Distributor	1	1	2
	Total	124	26	150

Percentages and totals are based on respondents.

Source: The Study

4.3. Typology of the Roadside Micro-Enterprises

4.3.1. Legality of the Micro-Enterprises Occupation and/or Utilisation of the Road Reserves

None of the enterprises had permission from a relevant roads authority to occupy and/or utilise the public road reserve located on, as is required by law. Thus, the micro-entrepreneurs contravened the law. This fact implied certain disadvantages for the micro-entrepreneurs. It also implied that the conditions on which the micro-entrepreneurs occupied and/or utilised their business site was not supported by any prescribed official specifications as is required by law (refer to Kenya Roads Act [Cap 408]).

Regarding the disadvantages, one is that strict enforcement of the law would be steep for the micro-entrepreneurs. This is because, by contravening the law, the micro-entrepreneurs commit an offence and are liable on conviction to a term of imprisonment not exceeding one year or to a fine not exceeding one hundred thousand shillings, or both (Kenya Roads Act [Cap 408]). And, as presented in Sub-section 4.1 above, generally, the micro-entrepreneurs fall within the category of low income earners in Nairobi; and, the majority earn less than the legal basic minimum wage for the lowest paid occupation in Nairobi. Subsequently, it is most likely that a convicted micro-entrepreneur would experience difficulties raising the fine meted for contravening the law, which implies imprisonment.

A second disadvantage is that, by unlawfully occupying and/or utilising a public road reserve, the business premise of a micro-entrepreneur is of insecure tenure, implying that the enterprise

is in constant threat of eviction. Moreover, the micro-entrepreneur does not qualify for compensation on displacement for a public purpose or in the public interest (Land Act, 2012; and Constitution of Kenya, 2010). When these, and the previous paragraph's facts are considered together, a service provider is therefore likely to be discouraged from using public funds to invest on infrastructure that encourages the informal roadside enterprises to be more "comfortable" to continue operating unlawfully from a public road reserve. Additionally, it would be unwise for an informal roadside micro-entrepreneur to upgrade their formality status as well as improve on their business premises beyond the barest. It would instead be wiser for the micro-entrepreneur to have, with respect to a premise, one that is flexible, whereby it is easy to modify to respond to altered surroundings. Indeed, on average, this is what was observed on the nature of the premises of the enterprises observed (refer to Sub-section 4.2.4 above). The insecure nature of the business premises, it was observed, contributed to the micro-entrepreneurs decision-making process on the nature of business premise to put together.

The third disadvantage is that the abovementioned knowledge exposes the micro-entrepreneurs to exploitation. Corrupt local government officials are most likely to use this knowledge to extort or unreasonably intimidate the micro-entrepreneurs. Additionally, a dishonest politician is also likely to use the knowledge to manipulate the micro-entrepreneurs to support him/her for an elective seat as the following example with respect to a review on literature on Nakuru Town street traders illustrates:

.....In 2002, when the informal traders thought the Councillors were 'with them', they discovered otherwise. These councillors would send Council Askaris to arrest the informal traders; then be at the forefront in agitating for the release of the traders. This way, the plot was to get the informal traders to elect them in the coming national elections, which were to be held in December 2002. Prior to the national elections, the informal traders were not aware of this strategy between the enforcement officers and Councillors. They got to find out about it after the elections, after they had elected the Councillors back into office. The scheme was revealed to the informal traders by some Council Askaris (Munandi, 2012).

Lastly, on the perception that the condition on which the micro-entrepreneurs occupied and/or utilised their business site was not supported by any prescribed official specifications', the observations made during the field study suggest this to be highly likely. As Plate 4.1 illustrates,

the informal roadside MEs congested pedestrian walkways. This forced pedestrians to walk on the main carriageways.

Plate 4.1: Along One of the Project Roads in the Study Area



4.3.2. Nature of Activities Undertaken

The activities of the roadside enterprises, as the list presented in Table 4.13 illustrates, were generally outside small-scale agriculture and pastoralist activities, which is consistent with urban area setting. Additionally, they were concentrated in the foods, clothing, footwear, household items, and hair grooming (hairdressing and/or barber services) industries respectively. These activities cut across trade, service and manufacturing sectors; and, most were in the trade sector, followed by the service sector. What's more, they could be grouped into wholesalers only, retailers only, distributors only, and combination of wholesaler and retailer (refer to Table 4.14). Of these, majority, estimated at slightly over 90%, were retailers.

Regarding the wholesalers and distributors, as Table 4.14 informs, majority were in the foods industry; and, in this industry, most were in selling of vegetables and/or fruits. The vegetable and/or fruit wholesalers, it was informed, got their wares mainly from Nairobi's Wakulima Market. Some got from Gikomba Market. These vegetable and/or fruit wholesalers then sold their wares largely to retailers from the Settlement, who in turn sold to the resident community. Worth mentioning too, there were households that purchased their vegetables and fruits from the wholesalers. These, it was established, purchased at the price offered to retailers, which implied a saving to the household.

By these facts, it can be deduced that the roadside enterprises were oriented to servicing the resident community. Indeed, this was affirmed by the enterprises and follow-up information from key informants from the resident community. Thus, determined by this study is that the roadside enterprises are an important market and supply point for the resident community.

Table 4.13: Nature of Businesses Engaged by the Enterprises

Business Type ^a		Responses	
		N	Percent
None - Business premise was not being utilised at the time of the study		29	1.25
Trading	Selling vegetables and/or fruits	955	41.11
	Selling garments (clothes - outer and/or inner wear, new and/or second hand)	306	13.17
	Selling shoes (new and/or second hand)	157	6.76
	Food items: Selling fish, chicken, eggs, tea leaves, ice (cream), & biscuits, keeping goats & selling their products, & butchery	140	6.03
	Household items 1: Selling utensils, tissue paper, soap, diapers, toothpaste, body oil (petroleum jelly, lotions and/or creams), dishwashing scrub (“wire”) and Mali Mali	84	3.62
	General retail shop	62	2.67
	Trading in lighting and/or cooking fuel: Selling charcoal, gas & kerosene/paraffin	35	1.51
	Other: Selling handbags (ladies handbags), cosmetics, earrings, second had goods, materials (fabric), herbs, music CDs, plastic paper bags/paper, pesticides, cigarettes, plastic containers/basins, wood, water storage containers, empty boxes, carpentry machines, and/or radios, curio shop, & coca cola depot	51	2.20
	Mobile phone industry: Selling mobile phones and/or accessories	25	1.08
	Household items 2: Selling blankets, bedsheets, mattresses, nets, and/or curtains	18	0.77
	Hardware/Jua Kali industry: Selling hardware, cement papers, stones, and/or jikos, Jua kali/metal works, dealing in scrap metal	18	0.77
	Stationary, books and school items: Selling old books and/or text books, stationery, school bags and/or school items	8	0.34
	Selling miraa	2	0.09
	Sub-Total: Trading		1,861
Services	Food: Selling cooked food (or processed food products)	176	7.58
	Hairdressing: Salon, Barber (Kinyozi) and/or selling weaves/hair extensions	93	4.00
	Mobile phone industry: repairing mobile phones, and/or M-Pesa services	26	1.12
	Shoes: repairing, cleaning, polishing, and shining shoes	17	0.73
	Other: Pub and/or selling wines and spirits	9	0.39
	Bicycles and motorcycles: Repairing and/or selling spares	6	0.26
	Milling (posho mill)	4	0.17
	Transportation: Hand drawn cart and/or boda boda	4	0.17
	Other: Video library, Photo studio, Video shooting and editing	4	0.17
	Selling water (water vendor or water kiosk)	2	0.09
	Cyber cafe and computer services	2	0.09
	Agent for a commercial bank - facilitating deposits and withdrawals	1	0.04
	Watches: Repairing	1	0.04
	Electronics: Selling and/or repair (and/or maintenance)	34	1.46
Sub-Total: Services		379	16.32
Manufacturing	Garment industry: Tailoring and dressmaking, selling of sewing accessories, embroidery and/or knitting	51	2.20
	Jua Kali Industry: welding and/or making jikos	3	0.13
Sub-Total: Manufacturing		54	2.32
Total		2323	100.0

Key

Activities with a high concentration of enterprises

Percentages and totals are based on respondents

a. Group

Source: The Study

Table 4.14: Comments on Business Type

Business Type ^a	Comments on Business Type									Total Count		
	Wholesaler			Combined Wholesaler & Retailer			Distributor			M	F	Total
Sex of Entrepreneur	M	F	Total	M	F	Total	M	F	Total			
General retail shop	0	0	0	0	0	0	1	0	1	1	0	1
Selling vegetables and/or fruits	42	82	124	2	2	4	0	0	0	44	84	128
Selling fish	0	6	6	0	0	0	0	0	0	0	6	6
Selling eggs	1	2	3	1	0	1	0	0	0	2	2	4
Selling garments (outer and/or inner wear)	1	0	1	0	0	0	0	0	0	1	0	1
Selling charcoal and/or firewood	1	0	1	0	0	0	0	0	0	1	0	1
Selling shoes	4	1	5	0	0	0	0	0	0	4	1	5
Selling ladies handbags	1	0	1	0	0	0	0	0	0	1	0	1
Coca Cola Depot	0	0	0	0	0	0	0	1	1	0	1	1
Total Count	50	91	141	2	2	4	1	1	2	53	94	147

Key: Percentages and totals are based on respondents | a. Group | **M:** Male | **F:** Female

Source: The Study

Further established on the vegetable and/or fruits wholesalers, they comprised entrepreneurs from both sexes, but females were more. Additionally, they operated from verandas of shops located adjacent to the roads identified for upgrading under KISIP; and, them occupying the verandas was on certain agreement with the shop operators, which is discussed further in the subsequent sub-section.

4.4. Services Received from the Nairobi City County Government

The NCCG is mandated by law to provide certain services. With respect, Part II of the Fourth Schedule of the Constitution of Kenya (2010) provides for the services the County Government should offer. Some of the services include: licensing and control of undertakings that sell food to the public; refuse removal, and solid waste disposal; street lighting; development of markets; trade licenses - excluding regulation of professions; storm water management systems in built-up areas; and, water and sanitation.

Besides the Constitution (2010), enacted is legislation that makes further provisions. Of interest to this report is the Urban and Cities Act (2011). As regards, the First Schedule of this Act lists the services the NCCG should offer within its area of jurisdiction. An example of the services is water and sanitation, which the County Government provides through the Nairobi City Water and Sewerage Company (NCWSC). This Company is wholly owned by the County Government

(NCWSC, 2017). All in all, for Nairobi City residents to access a service offered by their County Government, they are normally charged a fee. This fee constitutes a proportion of the County Government's revenue.

4.4.1. Does the County Government Earn Revenue from the Enterprises?

Thus, was the NCCG earning revenue from the enterprises? Findings inform that it was, but from only about a third of the enterprises (see Table 4.15). The payments were made under a flexible fee platform that provided a choice ranging from daily to yearly rate. However, majority ($\approx 97.4\%$) of the paying enterprises preferred the daily rate platform - favouring daily, weekly or fortnightly payment (see Table 4.16) – implying the enterprises were not keen for longer commitment. The daily rate, it was informed, was Ksh. 50. Informed also by findings is that the revenue the NCCG was earning from the enterprises was regardless of whether an enterprise's premise was temporary or not (see Table 4.17).

Table 4.15: Does the Enterprise Make Payment to the County Government?

Is the Business Registered	Do You Make a Payment to the County Government		Total (Count)
	Frequency Yes	Frequency No	
Yes	0	1	1
No	511	962	1473
Total	Count	511	963
	Percent	34.7	65.3
Missing	N/A		
	System		
	Total		860
Total			2334

Source: The Study

Table 4.16: How Much an Enterprise Pays the Nairobi City County Government per Visit

Amount Paid per Visit (Ksh)	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	50	114	4.9	22.4
	100	1	.0	22.6
	200	1	.0	22.8
	400	177	7.6	34.8
	500	202	8.7	39.7
	800	1	.0	97.4
	Over Ksh. 800	13	.6	2.6
Total	509	21.8	100.0	
Missing	N/A	989	42.4	
	System	836	35.8	
Total	1825	78.2		
Total	2334	100.0		

Statistics

If yes how much do you pay per visit	
N	509
	Valid
	Missing
Mean	459.92
Mode	500

Source: The Study

Table 4.17: Evidence of Enterprises Paying a Fee to the County Government

Business Premise is located on Road Reserve	Classification of Business Premise	Do You Pay to the County Government		Total
		Yes	No	
Yes	Temporary	509	985	1494
	Semi-Permanent	0	1	1
	Permanent	3	6	9
	Total	511	988	1499
No	Temporary		1	1
	Total		1	1
Total		511	989	1500

Key: Percentages and totals are based on respondents | a. Group
Source: The Study

4.4.2. Access to Water and Sanitation Services


What was the main source of water and main mode of human waste disposal for the enterprises? The enterprises responses were as given in Table 4.18. Observed, the enterprises access to improved water and sanitation services can by and large be described as wanting. According to majority of the enterprises, they considered it was not applicable to enquire from them about access to a respective service, suggesting that they operated in the absence of formal services of that nature. Among those that considered the question applicable, only a handful utilised improved modes of a respective service. That is: a) about 9.2% used an improved water service, namely: borehole with pump, water kiosk, public tap, piped water into plot/yard and piped water into dwelling; and, b) an estimated 3.2% used an improved mode of human waste disposal, namely: Ventilated Improved Pit (VIP) latrine, cess pool, septic tank, main sewer and flash toilet.

What is more, of the enterprises that utilised an improved mode of a respective service, as Table 4.18 illustrates, a lower count stated having both an improved main mode of human waste disposal and an improved main source of water. And, of the enterprises that indicated paying a fee to the County Government, a significant number, as Table 4.19 illustrates, used neither an improved source of water nor mode of human waste disposal.

Table 4.18: A Cross Tabulation of Main Mode of Human Waste Disposal and Main Source of Water for an Enterprise

Main Mode of Human Waste Disposal for the Enterprise		Main Source of Water for the Enterprise											Total Count
		Unimproved Main Water Source						Improved Main Source					
		None	N/A	Rainwater collection/ roof catchment	Unprotected spring	Unprotected dug well	Water vendor	Borehole with pump	Water kiosk	Public tap	Piped water into plot/ yard	Piped water into dwelling	
Unimproved Main Mode	N/A	0	1722	1	0	303	0	0	1	1	3	0	2031
	None	1	0	0	0	0	0	0	0	0	0	0	1
	Bush/flying toilet	0	1	0	1	0	0	0	0	0	0	0	2
	Bucket	0	1	0	0	0	0	0	0	0	0	0	1
	Traditional pit latrine	0	30	0	1	1	15	15	21	14	53	49	199
Improved Main Mode	VIP Latrine	0	3	0	1	13	0	0	0	0	1	0	18
	Cess pool	0	0	0	0	0	0	0	0	0	1	0	1
	Septic tank	0	7	0	0	1	0	0	1	0	18	12	39
	Main sewer	0	2	0	0	3	1	0	0	0	4	5	15
	Flash Toilet	0	1	0	0	2	0	0	0	0	0	0	3
Other	Other	0	1	0	0	5	0	0	0	0	0	0	6
	Assisted by a neighbour	0	0	0	0	1	0	0	0	0	0	0	1
Total Count		1	1768	1	3	329	16	15	23	15	80	66	2317

Key

 Estimated count of enterprises combining use of improved main mode of human waste disposal and improved main source of water

Source: The Study

Table 4.19: A Cross Tabulation of an Enterprise Makes a Payment to the County Government and the Enterprises Main Source of Water and Main Mode of Human Waste Disposal

	Main Source of Water		Main Mode of Human Waste Disposal									Total Count		
			Unimproved Mode				Improved Mode						Other	
			N/A	Bush/ flying toilet	Bucket	Traditional pit latrine	VIP Latrine	Cess pool	Septic tank	Main sewer	Flash Toilet		Other	
Enterprise makes a Payment to the County Government	Yes	Unimproved Source	N/A	136		0	1		1	1	0	0	139	
			Unprotected dug well	262		0	8		0	3	2	4	279	
			Unprotected spring	0		1	0		0	0	0	0	1	
	Improved Source	Piped water into plot/yard	1			10	0		13	1	0	0	25	
		Piped water into dwelling	0			47	0		11	5	0	0	63	
	Total count		399			58	9		25	10	2	4	507	
	No	Unimproved Source	N/A	893	1	1	11	2	0	6	1	1	1	917
			Rainwater collection/roof catchment	1	0	0	0	0	0	0	0	0	0	1
			Unprotected dug well	20	0	0	0	4	0	1	0	0	0	25
			Unprotected spring	0	1	0	0	1	0	0	0	0	0	2
		Improved Source	Borehole with pump	0	0	0	5	0	0	0	0	0	0	5
			Water kiosk	1	0	0	2	0	0	1	0	0	0	4
			Public tap	0	0	0	4	0	0	0	0	0	0	4
			Piped water into plot/yard	1	0	0	22	0	1	0	0	0	0	24
		Piped water into dwelling	0	0	0	2	0	0	1	0	0	0	3	
Total count		916	2	1	46	7	1	9	1	1	1	985		
Total Count		1315	2	1	104	16	1	34	11	3	5	1492		

Key:

Percentages and totals are based on respondents.

Enterprises access neither an improved source of water nor an improved mode of human waste disposal

Source: The Study

4.4.3. Access to Lighting Services

Among the enterprises that were operating at the time of collecting the data, their average number of working days in a week was six (as Table 4.20 illustrates). Very few opened for business for less than five days in a week. Majority (slightly over two thousand) opened for business for either six or seven days in a week.

Table 4.20: Number of Days in a Week an Enterprise is opened for Business

	Number of Days in a Week	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	2	4	.2	.2	.2
	3	6	.3	.3	.5
	4	6	.3	.3	.7
	5	29	1.2	1.3	2.1
	6	1097	47.0	50.2	52.3
	7	1043	44.7	47.7	100.0
	Total	2185	93.7	100.0	
Missing	N/A	62	2.7		
	System	85	3.6		
	Total	147	6.3		
Total		2332	100.0		
Statistics					
Mean	6.44				

Source: The Study

However, the enterprises working period in a day was generally restricted. As Table 4.21 below informs, the enterprises access to improved lighting services can by and large be described as wanting. According to majority of the enterprises, they considered it was not applicable (N/A) to enquire from them about their main mode of lighting, suggesting that they had none, thus did not operate when darkness fell. Among those that considered the query as applicable, only a handful ($\approx 17.3\%$) utilised some form of lighting fuel, namely: a) an estimated 4.3% used electricity supplied from the national grid; and, b) the rest mentioned either a pressure lamp, lantern or tin lamp. While collecting data for this study, it was observed, basing on hours of operation in a day, this approximately 17.3% MEs could generally be grouped into two: a) MEs whose hours of business was from around 3:00 a.m. to about 9:00 a.m.; and, b) MEs whose hours of business was from about daybreak to evening hours. MEs whose hours of business was from around 3:00 a.m. to about 9:00 a.m. were established to generally constitute the vegetable and/or fruit wholesalers mentioned under sub-section 4.3.2 above. Their about 9:00 a.m. closing hour was from the fact that they carried out their business from verandas of shops located adjacent to the project roads. Vis-à-vis, an agreement they had with the shop operators

was they vacate the verandas at about this time, which was essential to enable the shop operators clean up their surroundings in readiness for the day's business.

Taking all this information into account, inferred is that, generally, the micro-entrepreneurs were not keen to invest in proper lighting for their business premises. Additionally, the County Government had not invested in street lighting which, would encourage the micro-entrepreneurs to operate outside daylight hours.

Table 4.21: Main Type of Lighting Fuel

Main Type of Lighting Fuel		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	None	1	.0	.2	.2
	Electricity	101	4.3	24.8	25.0
	Pressure Lamp	16	.7	3.9	28.9
	Lantern	99	4.2	24.3	53.2
	Tin lamp	188	8.1	46.1	99.3
	Closing Early	2	.1	.5	99.8
	Other	1	.0	.2	100.0
	Total	408	17.5	100.0	
Missing	N/A	1914	82.1		
	System	10	.4		
	Total	1924	82.5		
Total		2332	100.0		

Source: The Study

4.4.4. Purpose of the Fee Charged by the County Government

Following, by these findings, it can be reasoned that the Ksh. 50 collected by the NCCG was regardless of whether an enterprise was accessing an improved mode of human waste disposal, an improved main source of water, an improved lighting fuel or operated from a premise that was open air or not. Consequently, inferred by this is that there was no relation between the Ksh. 50 fee the enterprises made to the County Government and services offered by the County Government. Then, if the enterprises were not receiving services from the County Government, what was the fee of Ksh. 50 for? According to the paying enterprises, this fee was toward access to operate their activities.

Noteworthy, from the literature reviewed, the amount and timing of this access fee can be negotiated. Additionally, it can be sealed under a Memorandum of Understanding (MoU) agreed to between the County Government and the welfare group the micro-entrepreneur is a member to (*see example presented in Box 4.1. below*). However, likely not to be involved is the road authority responsible for the public road reserve, which implies that the informal roadside enterprises would operate in contravention to the law, the disadvantages of which are

as discussed in the Sub-section 4.3.1 above (eKLR, 2014; Munandi, 2012; and, Macharia, 2015).

Box 4.1: Example of a MoU between a County Government and ME Welfare Group

On August 13th 2010 the Nakuru Municipal Council (now the Nakuru County Government) and Nakuru Street Traders and Hawkers Association (NASTHA) signed up a MoU. The main negotiation points of the MoU were as follows:

1. Revenue – market fees and compliance: The treasurer of the Municipal attached particular significance to the process because of the financial implication. With respect, ensuring the traders complied with payment of market fees had been a tall challenge for the Municipal. Up to the time of the negotiations, the Municipal had been levying the traders a blanket monthly fee of Ksh. 360. The mobile traders considered this fee to be steep. As a result, they worked hard to evade paying the fee, which implied loss of revenue for the Municipal. To facilitate this group of traders’ compliance with the Municipal’s by-laws, NASTHA proposed a reduction of the fee and negotiated for a lower fee of Ksh. 200. Additionally, NASTHA negotiated for the stationary traders’ monthly levy to be retained at Ksh. 360 – as the Municipal had considered increasing it to Ksh. 660.

2. Number of street traders: With respect, a census of street traders was to be undertaken. The significance of this was to create a database that would support the Municipal in revenue collection, issuance of identity cards that would put a stop to harassment from the Council Askaris, and allocation of stalls in the Wakulima Market on completion of its construction. On the allocation of stalls in the Wakulima Market, first priority would be given to traders in the database. Thus, existence of the database was to safeguard against irregular allocation to especially politically well-connected persons.

3. Cleanliness: The traders were to have containers for use to dispose of the waste generated from their activities. Additionally, they were to ensure they cleaned up their business premise at the end of a working day.

4. Decongestion of the CBD: This was in connection with easing movement of pedestrians on the streets. In regard, as Plate 4.2 illustrates, the length of a table used by a stationary street trader was to be reduced to 3ft off the wall.

5. Operation within the CBD: This was to be perceived as a temporary situation...being allowed as the traders had at the time of the negotiation nowhere else to operate from. Construction of the Wakulima Market was toward resolving this problem of workspace....

(Source: Munandi, 2012)

Plate 4.2: Decongestion of the CBD – Example illustrating how the Agreement Positively Facilitated Movement of Pedestrians on the Streets



4.4.5. Resultant Drawbacks

This discussion on services the MEs access from the NCCG brings out five key drawbacks. Four point to potentially disruptive and harmful concerns. And one to the missed revenue earning opportunity for the NCCG.

As to the potentially disruptive concern, this is in relation to congestion of the pedestrian walkways by the MEs, which forced pedestrians to walk on the main carriageway of the fourteen project roads (refer to Sub-Section 4.3.1). Besides disrupting the pedestrians movement, from field observations and supported by the literature reviewed (refer to Sub-section 2.2.3.3), this produced a potentially harmful concern. It compromised road safety for the pedestrians as well as both motorised and other non-motorised transportation.


More on the potentially harmful concerns is the fact that the larger percent ($\approx 55.1\%$) of the enterprises were in the foods industry (refer to Sub-section 4.3.2). A part of these enterprises was established to be handling cooked foods, while the other raw food products. Of these enterprises in the foods industry, it was established that the majority ($\approx 89.74\%$) used neither an improved mode of human waste disposal nor an improved main source of water (refer to Table 4.22 below). This makes the enterprises potentially harmful to human health. This is with regard to source and transmission of poor sanitation related diseases within and outside the Settlement which, besides being a public health concern, has the potential to adversely impact the enterprises profits, particularly on an outbreak.

Lastly on the potentially harmful concerns is with respect to working hours. Among the MEs were those operating from around 3:00 a.m. to about 9:00 a.m. as discussed in sub-section 4.4.3 above. The business hours these MEs kept, informs that half of their business was conducted during hours when it was dark. This, it was mentioned, makes them face one significant challenge - that of insecurity. These MEs were exposed to threats of theft and general well-being. Mentioned, this was particularly a challenge for the female micro-entrepreneurs who, in addition, were exposed to the threat of both rape and murder. So what these micro-entrepreneurs did, they hired persons from the Maasai community to provide security, in particular to and from the Public Service Vehicle terminuses. Failure to make this arrangement, to quote one of the respondents, "*Kama ulipi Maasai hakusindikishe stage, mungu wako hatakutokeshea stage*" (translated: *If you do not hire a Maasai to escort you to and from the stage, then only your God will keep you safe*).

Table 4.22: A Cross Tabulation of Main Mode of Human Waste Disposal, Main Source of Water and an Enterprise Handles a Food and /or Beverage Related Product

Enterprise Handles a Food and/or Beverage Related Product ^a	Main Source of Water for the Enterprise	Main Mode of Human Waste Disposal for the Enterprise								Total Count
		N/A	Bush/ flying toilet	Traditional pit latrine	VIP Latrine	Septic tank	Main sewer	Flash Toilet	Other	
Yes	N/A	919	1	19	0	5	1	1	0	946
	Unprotected dug well	215	0	1	12	0	2	1	5	236
	Water vendor	0	0	7	0	0	0	0	0	7
	Unprotected spring	0	0	0	1	0	0	0	0	1
	Borehole with pump	0	0	11	0	0	0	0	0	11
	Water kiosk	1	0	14	0	0	0	0	0	15
	Public tap	1	0	6	0	0	0	0	0	7
	Piped water into plot/yard	1	0	22	0	4	1	0	0	28
	Piped water into dwelling	0	0	26	0	5	5	0	0	36
	Total	1137	1	106	13	14	9	2	5	1287

Key

 Estimated count of enterprises in the foods industry using neither an improved main mode of human waste disposal nor an improved main source of water

The fifth key drawback relates to the missed revenue earning opportunity by the NCCG. As Plate 4.3 below illustrates, the MEs can be a significant contributor to the revenue of the NCCG.

Plate 4.3: An Example of Revenue Collection from Micro-Enterprises in the Informal Sector of Nairobi



Traders Count Losses after Wakulima Shutdown: ...

Supply of fresh produce in Nairobi was disrupted on Tuesday 15th April 2014 after traders were denied entry into Wakulima Market for failure to pay new cess charges imposed by the county government. The market supplies more than half of the fresh produce distributed

in Nairobi through a value chain that flows down to groceries in estates to homes.

....The county government increased the fees for goods entering the market last month. “Arising from County Executive Committee meeting held on March 27, 2014 ..., it was decided that all traders in the markets pay the new rates as per the Finance Act 2014 immediately,” ... Traders supplying onions, for instance, are required to pay Ksh. 42,000 from Ksh. 10,000 for every truck that enters the market.

Source: Andae, 2014.

4.5. Implications for the MEs on Implementation of the Development Projects

4.5.1. Impact on the Informal Roadside Micro-Enterprises

Taking into account the findings of the study as discussed so far, commencement of works associated with KISIP (and WaSSIP) would definitely have at least five adverse impacts on the informal roadside MEs. One, it would cause involuntary displacement. With respect, for the works under KISIP (and WaSSIP) to take place with much ease, the informal roadside MEs must get out of the right of way or out of the corridor of impact. This involuntary displacement may be in whole or partial. Either way, this has the potential to adversely impact on the revenue of the micro-entrepreneurs, which this study conceptualises as the second adverse impact. Whole displacement could force an enterprise to close shop, therefore result to complete loss of revenue. Whole displacement could also result to an enterprise relocating to an area with low human traffic or which implies re-establishing clientele, thus result to a reduction of

revenue. The project roads are key roads within the Informal Settlement. The human traffic on these roads is higher than in other roads of the Settlement.

Partial displacement, on the other hand, may result to a reduction of revenue. Partial displacement, as conceptualised in this report, is a situation where an entrepreneur opts to continue operating from a project road, but under altered conditions due to on-going construction works. The entrepreneur may opt for the partial displacement basing the decision on three factors. One is the fact that the ME's premise is temporary and easy to modify to respond to altered surroundings. Thus, for example, the ME could easily adjust to operate on the land adjacent to the corridor of impact or hours when works is not taking place. The second factor that would influence the micro-entrepreneur's decision is the loyal customers. With respect, the entrepreneur may not want to lose the loyal customers established while operating along a Project Road. This consideration by the entrepreneur may be encouraged by the loyal clientele who wishes to maintain the relationship. The third factor is that entrepreneurs at sites of the Informal Settlement that are unaffected by the Project may be hostile to newcomers. The hostility would be from the need to guard against competition.

The third adverse impact is that the MEs are not eligible for full but restricted compensation for the potential losses they would experience on involuntary displacement. This is because of an obligation of the GoK to comply with a policy prescription of the WB Group. The legal framework of Kenya discourages payment of compensation to encroachers (i.e. persons with no recognisable lawful rights to the land they occupy or utilise to earn a livelihood) as well as to persons that have been found to have unlawfully acquired the land they occupy or utilise (The Constitution of Kenya, 2010; The Land Act, 2012; The Land Registration Act, 2012; and, The Prevention, Protection and Assistance to Internally Displaced Persons and Affected Communities Act, 2012). Thus the roadside MEs are ineligible for any form of compensation within the Kenyan law.

The WB Group on the other hand has two ambitious goals: “end extreme poverty and promote shared prosperity in a sustainable way” (World Bank, 2017₃). What this means is that, it will only extend finance to implement an infrastructure project that does not impoverish any group, and particularly not a group it perceives as marginalised. Thus, on matters on involuntary displacement and development projects, its policy encourages inclusive identification and implementation of sustainably productive mitigation measures. Following, persons without

recognisable legal rights to the land they occupy or utilise to earn a livelihood, are entitled to some form of compensation (World Bank, 2017₁).

A review of KISIP and WaSSIP Resettlement Policy Frameworks (RPFs) inform that this gap between the legal framework of Kenya and WB Policy on involuntary displacement is to be resolved by the WB Policy prevailing (Repcon Associates, 2011; and, EMC Consultants, 2011). Therefore, the decision of the GoK to accept assistance from the WB obligates it to make some form of compensation to the roadside MEs, thus the MEs being eligible for restricted compensation for the potential losses they would experience on involuntary displacement. A question that follows then is, what is the “*some form of compensation*” that the MEs are entitled to?

According to the RPFs, the MEs are not eligible for compensation for the land they occupy or utilise to earn a livelihood. This is because they have no recognisable lawful rights to the land. The land is public land. The RPFs however tell that, should the projects cause a ME to move to and re-install in a different place which is unaffected by the Projects, the Projects have an obligation to, in lieu of compensation: a) compensate the ME for loss of physical assets and income (revenue/earnings) for the duration of work stoppage (due to relocation); and, b) assist the ME to move and re-install in the new place (*ibid*).

A RPF is an instrument developed by the implementer of a development project (in this case the GoK), when it is expected that implementation of the development project: a) may involve sub-projects; and, b) will result to disruption of production systems and ways of lives of a people. When a donor is involved, the instrument is developed to be consistent with the donor’s provisions; and is only implemented upon the donor’s approval. The RPF gives the objectives, principles, organisational arrangements and funding mechanisms for any resettlement that may be necessary during implementation of the development project. It also guides development of RAPs of individual sub-projects that constitute the larger project. The RPF is used throughout the implementation of the development project (EMC Consultants, 2011; Repcon Associates, 2011; and, WB OP/BP 4.12).

The fourth potential adverse impact on the MEs is intensified exposure to unsanitary conditions, thus likely increase of exposure to the resident of Kayole-Soweto to related morbidity. This is a most likely occurrence during construction phase owing to two key reasons. One is that existing within the road reserves of the project roads are water and

sanitation (i.e. septic tanks, sewer lines, and toilet) structures as Table 4.23 below presents. Damage of the existing sanitation structures due to the construction activities, and without application of adequate mitigation measures, would result to baring of raw sewage, and this sewage would likely be strewn around the Settlement. A potential effect would be contamination of the physical environment of the Informal Settlement. This then increases the likelihood of contamination of the foods sold by the large number of MEs observed in the foods industry, thus increasing the likelihood of the resident community of the Informal Settlement getting infected with related foodborne illnesses.

Table 4.23: Type of Water and Sanitation Structures that are likely to be affected on Implementation of the Projects

Affected Water & Sanitation Structures	Frequency (N)
Septic tank	171
Sewer line/Sewer Pipe	2
Manhole	31
Water pipeline/water distribution line	4
Water Tank	2
Toilet	1
Total	211

Source: The Study

The second reason is that households whose sanitation structures are damaged by the construction activities, and adequate mitigation measure are not applied, are likely to feel aggrieved, then seek to resolve their predicament by making illegal connections to installed sewer lines while construction is taking place, as well as prior to the sewer lines being tested for their effectiveness. The illegal connections may turn out to be defective. This then would expose the resident community of Kayole-Soweto Informal Settlement to poor sanitation related illnesses as discussed in the preceding paragraph.

Lastly, the fifth adverse potential impact on the enterprises is exposure to a variety of elements that would threaten the well-being of the entrepreneurs and their employees. The Projects shared preference and appeal may possibly be for all the MEs to shift at once from all the road reserves of interest. To ensure this, the Projects are likely to pool their resources, then cooperatively enter into a contract with each owner of a ME. A possible outcome though is that a micro-entrepreneur may sign the contract, so as to benefit from the award offered, but not fully abide by the contract, basing the decision on varied reasons some of which may be similar to those presented under an entrepreneur opting for partial displacement (*refer to paragraph "2" above*). The micro-entrepreneurs that disregard the contract terms of vacating the

construction site, then expose themselves, and their employees if any, to a variety of elements that threaten their well-being. Examples are accidents from the construction machines, and high levels of dust and probably smoke which would increase their chances of upper respiratory tract infections.

4.5.2. Suggested Mitigations

Taking into consideration the legal framework of Kenya and the WB policy on involuntary displacement, as Table 4.24 informs, less than 10% of the MEs thought it was unnecessary for the GoK, through the development projects, to compensate them. These variously cited three reasons to explain their line of thought: a) the premise was open air; b) they did not perceive the need for compensation because the structure was mobile, hence would easily move when the Projects commence; and, c) the business was not operational.

Table 4.24: Would the Enterprises want Compensation from the Projects

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	2131	91.3	93.1	93.1
	No	157	6.7	6.9	100.0
	Total	2288	98.0	100.0	
Missing	N/A	14	.6		
	System	32	1.4		
	Total	46	2.0		
Total		2334	100.0		

Percentages and totals area based on respondents | a. Group
Source: The Study

Slightly over 90% of the enterprises, thought differently; and, they made requests of the nature as summarised in Table 4.25 below. Their requests can generally be classified into two, namely: a) non-cash compensation; and, b) cash compensation. Of these two, few enterprises preferred cash mode of compensation. The majority preferred the non-cash mode of compensation, and the most favoured kind was *“relocation – the Projects to consider providing an alternative, official, permanent site within the Settlement, from which the entrepreneurs can carry on with their business”*.

Table 4.25: How Enterprises would like to be Compensated

How would you like to be Compensated ^a	Responses		Percent of Cases
	N	Percent	
Not stated	2	.1%	.1%
By being connected to the main sewer line (the Project to bear the cost of connection)	6	.3%	.3%
By reconstructing (rebuilding) the affected structure	20	.9%	.9%
As the Project recommends	32	1.5%	1.5%
Cash compensation	221	10.3%	10.4%
Relocation – the Projects to provide an alternative, official, permanent site within the Settlement, from which the entrepreneurs can carry on with their business	1856	86.9%	87.1%
Total	2137	100.0%	100.2%

Percentages and totals area based on respondents

a. Group

Source: The Study

In the assessment of this study, even though the non-cash compensation of relocation of the enterprises (*to an alternative, official, permanent site within the Settlement, from which the enterprises can carry on with their business*) is popular with the majority of MEs, this request is likely to be less appealing to the Projects. This request implies that the Projects have to construct market infrastructure, then resettle the enterprises. The Projects, therefore, may be unable to deliver within the projected timeframe and budget. I.e., to accommodate construction of the market infrastructure to resettle the MEs: a) the time taken to implement the Projects would have to be extended; and, b) the budget of the Projects would have to be increased.

With respect, deeper investigation revealed that during sub-division of the land on which located is Kayole-Soweto Informal Settlement, lands were allocated for development of public infrastructure, namely: a) a market; b) health centre; c) public school; d) children’s playing ground; e) public roads; and, f) police station. The lands allocated for the market, health centre, public school and children’s playing ground had, at the time of the study, been grabbed. Thus Kayole-Soweto Informal Settlement had no market place, and grabbing of the market land complicates the Projects access to adequate land to construct a market infrastructure within the Settlement. The process of recovering the grabbed market land would result to: a) a delay in implementing the Projects; and, b) an increase in the cost of the Projects, due to the requirement for “*some form of compensation*” to persons currently occupying or using the land (as is discussed in Sub-section 4.5.1 above).

Cash compensation, on the other hand, means the Projects simply make a cash offer to the enterprises to vacate the construction site. The cash compensation would at the very least be of

a value estimated to assist the enterprises to move and re-install in a new place (as explained in section 4.5.1 above). As regards, the Projects commitment will most likely end at making the cash payment – they would most probably not participate in identifying the new place.

But, considering the findings and the literature review, the reasoning of this study is that the non-cash compensation request of the MEs (*of an alternative, official, permanent site within the Settlement, from which the enterprises can carry on with their business*) is a request that holds more promise to a sustainably productive impact, namely:

i) **To the informal roadside enterprises:** From the findings presented in this Chapter 4, Kayole-Informal Settlement has a large number of informal roadside MEs, providing employment to a large number of persons. These MEs are vulnerable to:

- (a) Evictions because they have no legal rights to the space they occupy or use.
- (b) Manipulation by politicians, particularly during campaign periods, due to the knowledge between the operators and political aspirants of the operators' numerical supremacy to influence a win.
- (c) Costs associated with working from temporary premises that provide little or no shelter from harsh environmental elements such as dust, rain, cold and strong sun.
- (d) Accidents from moving vehicles, with a possibility of fatal consequences to the operators and their goods; and, the fatalities would be suffered without the guarantee of compensation, but prosecution should the matter be taken up legally.
- (e) Costs brought about by operating in conditions of poor water, sanitation and lighting services – e.g. restricting business to daylight hours, closure by Public Health Department, and boycott by potential customers on an outbreak of an illness related to poor sanitation.
- (f) Loss of property and physical harm to operators, which is caused by working from temporary premises that provide little or no protection from thugs.
- (g) Harassment from corrupt local government officials, who would take advantage of the illegal status of the micro-entrepreneurs to unreasonably intimidate and torture as well as extort money, hence: i) affect the MEs profitability and, ii) from time to time, trigger clashes between the micro-entrepreneurs and the officials, sometimes with fatal outcomes.

Thus, provision of an official and organised permanent trading site within the Settlement, which is a constructed organised market infrastructure with stands that are let, from where the enterprises can carry on with their business, is likely to considerably reduce these vulnerabilities.

ii) **To the Nairobi City County Government:** The findings also inform that a significant number of the informal road-side MEs in Kayole-Informal Settlement rented their business premise; and, majority of these MEs operated from temporary premises. The findings additionally inform that, the County Government was collecting payments from a fraction of the informal road-side MEs. Therefore, the non-cash compensation requested by the MEs has a high potential to appreciably enhance the NCCG's efforts of collecting payments from the enterprises, hence improve the revenue of the local authority.

iii) **To the residents of the informal settlement:** The findings further inform that the enterprises were oriented to serving the residents of Kayole-Soweto Informal Settlements. They in addition inform that a large number of the enumerated enterprises were in the foods industry, and of these, majority were established to use neither an improved mode of human waste disposal nor an improved main source of water. The potential risk of this is increased exposure of the resident community to foodborne illnesses related to poor sanitation. Thus, construction of an organised market infrastructure would considerably reduce this risk. It would make it easier for the NCCG to provide the entrepreneurs with improved water and sanitation services, as mandated by law. It would also make it easy for the Public Health Department of the County Government to regulate the enterprises, hence have more control in managing the risk of exposure to foodborne diseases related to poor sanitation.

What is more, the organised market infrastructure would decongest the road reserves thus, generally, reduce the various inconveniences and risks associated with the presence of a large of MEs on the road reserves e.g. disruption in the ease of movement of goods and people, and deterioration of the physical environment due to poor waste disposal.

iv) **To Kenya:** In Chapter 2, which is on literature review and theoretical framework, presented is the evidence on and recognition of the developmental value of the MSE sector in Kenya. For example, over the years, in Kenya, the informal sector has employed more persons than the formal sector. And, the growth in the informal sector is documented more in urban Kenya, and this is due to a high flow of migrants into the urban areas (KNBS, 2016; Ronge *et al*, 2002

quoting McCormick, 1988; Economic Surveys, 2004 to 2016; and, ILO, 1972). Among persons employed in the informal sector of Kenya are operators of roadside MEs.

Underscored by Lewis (1954), understanding the basic empirical reality of an economy's labour force is a significant step to providing solutions to problems observed of the economy's labour force. This knowledge aids in adoption of public policies or development strategies that fit. Also underscored, but by a 1972 ILO study publication (on employment, incomes and equality in Kenya), the informal sector of Kenya is a good deal more important than is usually assumed. Therefore *vigorous action must be taken to facilitate employment and raise incomes in the informal sector...* (ILO, 1972). Similarly, Kenya's development blueprint *Kenya Vision 2030* recognises that "Kenya's business environment is characterised by a large number of MSEs," to which the ME in the informal sector is a part. Furthermore, it identifies the MSE sector as having an important role in its realisation, and therefore advocates for the sector's suitable support, e.g. ...by, among others, providing it with secure business location and access to markets ...through creation of organised market outlets...and, for the lower category of market outlets, these facilities would be based in areas of high population density (NESC, 2007; and, Ministry of Devolution & Planning, 2013).

This then strongly appeals for the non-cash compensation requested by the MEs. Accordingly, it presents an opportunity for the GoK to appropriately support the enterprises, which would appreciably support Kenya's development strategy toward sustainably solving its employment problem, and hence contribute to Kenya's strategy of sustainably addressing its challenges of poverty and growth. All in all, it would be enabling realisation of *Kenya Vision 2030*.

CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1. Introduction

This Chapter presents a summary of the study's empirical findings and interpretation. It in addition presents the conclusion and recommendations of the study. The study is a descriptive research study, focussing on informal roadside MEs located on key roads in an informal settlement in Nairobi, the capital city of Kenya. Interest on the informal roadside MEs was from the facts that, existing in Kenya is a large number of this type of enterprises, and them operating from a public road reserve sets off a catch-22 situation. Observed in the recent past, in line with Kenya's development blueprint *Kenya Vision 2030*, the GoK has up-scaled for purposes of public good, implementation of infrastructure services that require use of public road reserves. Additionally, in financing the implementation, it has collaborated with international donors with a policy that condition their assistance to award of just compensation to all persons displaced by a Project funded by them. What's more, the number of the informal roadside MEs is likely to increase in the future. All these present an empirical reality that the Country has to take notice of. They appeal for review of existing policies and programmes for appropriateness. This is against the backdrop of: a) research producing sufficient evidence of the developmental value of the MSE sector; and, b) Kenya experiencing high levels of unemployment over the years and, the MSE sector being identified as having a role in addressing this challenge.

5.2. Study Findings

The specific objectives of the study were: to establish the typologies of the informal roadside MEs located on fourteen key public road reserves identified for upgrading and expansion of infrastructure services in Kayole-Soweto Informal Settlement; to ascertain the type of services these MEs received from the NCCG; to establish the implications for the MEs of commencement of works associated with implementation of the infrastructural services; and, to suggest how these MEs can be appropriately supported to be sustainably productive. Kayole-Soweto Informal Settlement is located in the Eastlands region of Nairobi.

1. Background

Through the development projects KISIP and WaSSIP, the GoK in partnership with international donors, one of which is the WB, is addressing the challenges of informal settlements through priority interventions that include improving security of land tenure and investing in infrastructure services basing on plans developed in consultations with the beneficiary community. At the time of the study, Kayole-Soweto Informal Settlement was one of the beneficiary settlements. Fourteen key public roads of this settlement had been identified for upgrading from gravel to bitumen standards. Other improvements identified for implementation on the fourteen key roads were provision of storm water drainage, and security and street lighting. Expansion of centralised piped water supply and sewerage services to the entire informal settlement was also in the pipeline. This too required the reserve land of the public road network within the Settlement (KISIP, 2012; and AWSB, 2015). The scope of this study, however, was the fourteen key public roads identified for upgrading under KISIP.

Findings of the study established that one type of asset occupying the reserve land of the fourteen key public roads of interest was enterprises that were generally informal and micro in scale. Additionally, these enterprises presented features related to the informal sector which, are appreciable as well as less appreciable as discussed in Chapter 2 of this report.

With respect, a large number of enterprises, employing a large number of persons, occupied the reserve land of the fourteen key public roads of interest. The number of enterprises was estimated at slightly over 2000, majority (i.e. $\approx 86.6\%$) of which had only one employee. Overall, the enterprises provided employment to more than 2800 individuals, an estimated 59% of which were females.

The micro-entrepreneurs were on average established to be within the category of low income earners in Nairobi. Slightly over 54% earned less than the legal basic minimum wage for the lowest paid occupation in Nairobi. Overall, an estimated 86.1% earned not more than Ksh. 1000 per day, which translates to an annual turnover not exceeding Ksh. 500,000. An annual turnover not exceeding Ksh. 500,000 constitutes part of the definition of a micro-enterprise.

As to the nature of the micro-entrepreneurs business premises, on average they were typically small, temporary, and inadequate as regards to provision of shelter from the harsh environmental conditions (e.g. sun, dust and rain). Specifically, an estimated 96.18% were not more than 16m²; and, nearly half were not more than 3m². Approximately 99.3% were

temporary. And, only slightly less than a quarter ($\approx 22.71\%$) were determined could provide the shelter necessary to protect from harsh environmental conditions. Also observed of the premises, they were on average of the nature that is easy to modify to respond to altered surroundings. What's more, a significant number ($\approx 44.97\%$) were let; and, the rent for nearly three quarters of the let premises did not exceed Ksh. 2000 per month. Noteworthy too, of these let premises, most (≈ 98.17) were temporary in nature.

2. Typology of the Roadside Micro-Enterprises

(a) Legality of the Micro-Enterprises Occupation of the Public Road Reserves: None of the enterprises had permission from the responsible road's authority to occupy and/or utilise the public road reserve located on, as is required by law. Thus, they contravened the law. This fact implied certain disadvantages for the MEs, namely:

- i. Strict enforcement of the law would be steep for the micro-entrepreneurs. This is because, considering the income earned, it is most likely that a convicted micro-entrepreneur would experience difficulties raising the fine meted for contravening the law, which implies imprisonment.
- ii. The business premise is of insecure tenure, implying that the MEs were in constant threat of eviction. This disadvantage was observed to influence the decision of the micro-entrepreneurs to prefer premises that were temporary and easy to modify to respond to altered surroundings.
- iii. The MEs do not qualify for compensation on displacement for a public purpose or in the public interest (Land Act, 2012; and Constitution of Kenya, 2010).
- iv. When the above three disadvantages are considered together, they serve as a disincentive to a service provider to use public funds to invest on infrastructure that encourages the informal roadside MEs to be more "comfortable" to continue operating unlawfully from a public road reserve. Additionally, they caution the informal roadside micro-entrepreneurs to think carefully when it comes to improving their formality status as well as business premise beyond the barest.

- v. Considered together, the abovementioned disadvantages expose the informal roadside micro-entrepreneurs to exploitation by corrupt local government officials as well as dishonest politicians. These persons would use the knowledge for personal gain.

Besides, by being in contravention of the law, implied is that the conditions on which the MEs occupied and/or utilised the business sites were not supported by any prescribed official specifications as is required by law (refer to Kenya Roads Act [Cap 408]). Indeed, findings of the study suggested this as highly likely. The informal roadside MEs were observed to congest pedestrian walkways, forcing pedestrians to walk on the main carriageways.

(b) Nature of activities undertaken: Generally, the activities of the informal roadside MEs were oriented to serving the Kayole-Soweto resident community. This was as a market and supply point. With respect, they were concentrated in the foods, clothing, footwear, household items, and hair grooming (hairdressing and/or barber services) industries respectively. This was across the trade, services and manufacturing sectors; and, the frequency was highest in the trade sector, followed by the service sector. Additionally, the activities were classifiable into wholesalers only, retailers' only, distributors only, and combination of wholesaler and retailer. And, estimated at slightly over 90%, retailers were the majority. As to the wholesalers and distributors identified, majority were found to be in the foods industry; and, in this industry, most were established to be a supply point for the raw vegetable and fruit retailers and few households from the informal settlement. Lastly, the activities were identified to be outside small-scale agriculture and pastoralist activities, which is consistent with urban area setting.

3. Services Received from the Nairobi City County Government

(a) The MEs Access to Water and Sanitation Services: This can by and large be described as wanting. Only a handful were observed utilising either an improved water source or sanitation mode – i.e. about 9.2% used an improved water source, and an estimated 3.2% used an improved mode of human waste disposal. What's more, of these MEs, a lower count had both improved services.

Among the MEs with neither an improved mode of human waste disposal nor an improved main source of water were MEs in the food industry. From the findings, a large percent ($\approx 55.1\%$) of the MEs were in the food industry. Some were established to handle cooked foods,

while the other raw food products. Of these MEs in the food industry, majority ($\approx 89.74\%$) accessed none of the improved water and sanitation services.

(b) The MEs Access to Improved Lighting Services: By and large this can be described as wanting. Majority, estimated at 82.7%, used daylight only for their lighting purposes, thus were restricted to working during daytime hours. The rest, estimated at 17.3%, using some form of lighting fuel, were able to work including dark hours. However, few ($\approx 4.3\%$) in this later group used electricity. Most ($\approx 95.7\%$) utilised kerosene powered lamps. Among these 17.3% MEs were those that operated from around 3:00 a.m. to about 9:00 a.m. All in all, inferred by this finding was that, generally, the informal roadside MEs were not keen to invest in proper lighting. Additionally, the County Government had not invested in street lighting which, would encourage the MEs to operate outside daylight hours.

(c) Did the County Government Earn Revenue from the informal Roadside MEs? Yes, but from only about a third of the enterprises. The payments were made under a flexible platform that provided a choice ranging from daily to yearly rate. Most paying enterprises, however, preferred the daily rate. The daily rate was Ksh. 50. Noteworthy too, observed was that there was no relation between the Ksh. 50 payment made to the County Government and services offered by the County Government. An enterprise made the payment regardless of whether it was accessing an improved mode of human waste disposal, an improved main source of water, an improved lighting fuel or operated from a premise that was open air or not. According to the paying enterprises, the purpose of the payment was toward access to operate.

From literature review, the amount and timing of this fee can be negotiated and sealed in a MoU entered between the County Government and the welfare association the micro-entrepreneur is a member. However, the road authority responsible for the public road reserve would likely not be involved, which implies that that the MEs would operate in contravention to the law, the disadvantages of which are as summarised in “2(a)” above.

(d) Resultant Drawbacks: Considering these findings, five key drawbacks are brought out. Four point to potentially disruptive and harmful concerns. With respect, by the enterprises congesting the pedestrian walkways, pedestrians were forced to walk on the main carriageway, which compromised road safety of the pedestrians, motorists and other non-motorised transportation. And, as majority of the food handling MEs were observed to use neither an improved water nor sanitation service, from a public health concern, they were potential

sources and transmitters, both within and outside the informal settlement, of foodborne diseases related to poor sanitation. Besides, these enterprises profit would be adversely affected on a related outbreak. Fourthly, micro-entrepreneurs that worked outside daylight hours were exposed to threats of theft and general well-being from thugs and rapists.

The fifth key drawback relates to the missed revenue earning opportunity for the NCCG. When well organised, the MEs could appreciably contribute to the revenue of the NCCG.

4. Implications for the MEs on Implementation of the Development Projects KISIP and WaSSIP

(a) Potential Adverse Impacts: At least five adverse impacts are likely on commencement of the works associated with KISIP (and WaSSIP). One is involuntary displacement. This then leads to the second and third potential adverse impacts. The second is likely loss and/or reduction of revenue. And the third is that the enterprises are not eligible for full but restricted compensation for the losses they may experience on involuntary displacement. This is because, the decision of the GoK to partner with the WB to implement KISIP (and WaSSIP), obligates the GoK to comply with the WB Group involuntary displacement policy (World Bank, 2017₁). Thus, the enterprises are entitled to: a) assistance to move and re-install in a new place; and, b) compensation for loss of physical assets and income (revenue/earnings) for the duration of work stoppage (due to relocation). They are however not entitled for compensation for the land they occupy or utilise.

The fourth potential adverse impact is intensified exposure to unsanitary conditions, thus likely increase of exposure to the resident of Kayole-Soweto to related morbidity. This would be likely on the construction activities damaging without application of adequate mitigation measures, the existing sanitation structures located on a reserve land of a Project Road. Additionally, the institutions whose sanitation structures are affected in this manner, would likely seek to redress this through illegal connections to the laid, but not tested, sewer lines. The illegal connections may be defective. All these would result to release of raw sewage to, thus contamination of, the physical environment. This raw sewage then becomes a source of contamination for the foods sold by the large number of MEs, thus transmission of poor sanitation related foodborne illnesses within and outside the informal settlement.

The fifth adverse potential impact is exposure to a variety of elements that threaten the well-being of the micro-entrepreneurs and their employees (e.g. accidents from construction machines). This would result on a micro-entrepreneur taking the decision to disregard the safety measures taken by the Projects, which include vacating either the right of way or corridor of impact as may be prescribed.

(b) Suggested Mitigations: Considering the Kenyan legal framework and the WB policy on involuntary displacement due to a development project, slightly over 90% of the MEs requested for the GoK, through the development projects, to consider compensating them. Majority of these MEs requested for a non-cash mode of compensation, namely: the projects to provide an alternative, official, permanent site within the Settlement, from which the entrepreneurs would carry on with their business. Few requested for cash mode of compensation. The next question then is, which of these requested compensation modes would most likely appeal to the development projects? In the assessment of this study, it would most likely be the cash compensation, even though it was unpopular with the majority of the MEs. This would be from the need of the Project implementers to present results within the projected timeframe and cost. With respect, the non-cash compensation implies recovering the land allocated for development of an organised market infrastructure, which was at the time of the study grabbed, then constructing the market and thereafter resettling the enterprises. This, besides delaying implementation of the projects, would obligate the GoK to make some form of compensation to persons occupying the land, hence substantially increase the cost of implementing the projects.

However, taking into account the acknowledged developmental value of the MSE sector, the existing GoK policy on the MSE sector, and the large number of MEs on the project roads, the non-cash compensation mode holds more promise. It would moderate on the disadvantages and drawbacks as summarised in “2(a)” and “3(d)” above. It would also considerably mitigate against the potential adverse impacts as summarised in “4(a)” above. Overall, it presents an opportunity for the GoK to, among others, promote sustainable and productive development of the enterprises, which would appreciably support Kenya’s development strategy toward sustainably solving its employment problem, and hence contribute to Kenya’s strategy of sustainably addressing its challenges of poverty and growth. Thus, it would be enabling realisation of *Kenya Vision 2030*.

5.3. Conclusion

The informal enterprises that are illegally occupying or utilising the public road reserves in Kayole-Soweto Informal Settlement have features which, makes them appreciable as well as less appreciable. The features that make them appreciable relate to their developmental value (e.g. generating incomes, employing a large number of persons, supplying products to the resident community and, due to their structure and ownership, they are flexible and can adapt quickly to market changes). While the features that make them less appreciable are in connection to their non-formal registration status as well as unauthorised occupation or utilisation of a public road reserve. When considered together, these features present a challenge for an effective development strategy.

With respect, a review of secondary sources of data for the effective development strategy in use in Kenya, informs of a gap. Instead, established is that, what is recommended and provided for is a MSE development strategy that is not clear on the appropriate support for informal roadside MEs that are illegally occupying or utilising a public road reserve, particularly when they are faced with immediate displacement for purposes of implementation of an infrastructural service for public purposes. What then follows is that the informal roadside MEs are exposed to inappropriate support from their local government and the road authority responsible for the public road reserve they occupy or utilise. The ray of hope however, in recognition that gaps of this nature will be identified, the MSE Act presently in operation in Kenya provides that: a) it is advisable that the existing MSE policies and programmes are regularly reviewed for appropriateness and, b) it is advisable that the GoK receives regular advice on the appropriate policies and course of action to be taken (MSE Act, 2012).

Following, taking into account the findings, the conclusion of this study is that the GoK should view the action of implementing infrastructure services that require a public road reserve, as an opportunity to allocate resources for use to appropriately address the challenge presented by the roadside MEs that are illegally occupying or utilising the public road reserve of interest and, are due for immediate displacement. This could be through development of an organised market infrastructure in line with *Kenya Vision 2030*. The location of the infrastructure should be appropriate. For example, it should be easily accessed by a high number of road users as this is the target clientele of the roadside MEs. For the appropriate location, this should be identified in collaboration with the roadside establishments. The design, which includes access, of the market infrastructure matters too. This also should be identified in close consultation

with the roadside establishments. Overall, it is time the national and county governments, in collaboration with the road authorities, gave more thought to the development strategy to adopt about roadside MEs. Discouraging them from occupying public road reserves due to the features which make them less appreciable is commendable. However, this should be accompanied with a plan. This plan should be guided by the principle of sustainable development. Additionally, it should be developed in collaboration with the roadside establishments.

5.4. Recommendations

Following are the recommendations of this study:

(1) In the formalisation process of Kayole-Soweto Informal Settlement, the GoK (through KISIP and WaSSIP) should consider developing a market infrastructure within the Settlement, into which to resettle informal roadside MEs. Toward design of the appropriate infrastructure, findings of this study could be considered. Additionally, development of this infrastructure should be in collaboration with the NCCG. And, on its development, in line with the legal framework of Kenya, the facility should be run by the NCCG.

(2) Implementation of infrastructural services development projects, which require public road reserves, should be viewed as presenting an opportunity to appropriately support the informal roadside MEs located on the road reserves. The establishments therefore should be part of the design process, their challenge being addressed through a RAP study of the respective project.

(3) A RAP study is a relatively new field in Kenya. From the industry players consulted, minimum guidelines on it are required. The Department of Sociology and Social Work (University of Nairobi) could, in collaboration with relevant industry players, further develop this field in Kenya. At present, among agencies that support development projects, it is acknowledged that social development experts are significant in development and implementation of RAPs.

(4) It is time the national and county governments, in collaboration with the road authorities, developed an appropriate development strategy about roadside MEs. This strategy should at the very least provide development control guidelines and investment decisions. And this should be with the specific objectives of, among others that would be considered as appropriate: a) managing and controlling roadside MEs, b) promoting road safety and security, c) managing

adverse environmental issues/concerns, d) enhancing revenue collection by the County Government, e) improving the working environment of the MEs, f) enforcing quality control standards (e.g. how food products are handled hence promoting public health), g) controlling the cost of implementing infrastructure services that require use of a public road reserve for their effective implementation, h) avoiding delays in implementation of the infrastructure services (e.g. due to protracted disputes between the responsible road authority and roadside MEs that are required to immediately vacate a public road reserve of interest) and, i) standardising development control guidelines and investment decisions about roadside MEs.

5.5. Recommendations for Further Studies

A post evaluation of the impact of implementation of KISIP and WaSSIP on the roadside enterprises in Kayole-Soweto Informal Settlement is what this study recommends for further study.

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APPENDICES

APPENDIX 1. LETTER REQUESTING FOR PERMISSION TO UTILISE KISIP DATA

REQUEST FOR PERMISSION TO USE PART OF DATA COLLECTED UNDER
CONTRACT NO. MH/KISIP/CS/004/2011-2012

28th January 2013

To
The Programme Coordinator
Kenya Informal Settlement Improvement Project (KISIP)
Ministry of Land, Housing and Urban Development
6th Floor, Ardhi House
1st Ngong Avenue
Nairobi

Dear Madam,

Ref: Permission to Use Part of the Data Collected Toward Development of a Resettlement Action Plan Report for Kayole Soweto Informal Settlement under Contract No. MH/KISIP/CS/004/2011-2012

My name is Isabella Kambua Munandi. I am part of CAS Consultants Ltd. team, but responsible for development of Resettlement Action Plan (RAP) Reports under Contract No. MH/KISIP/CS/004/2011-2012.

I am doing a MA in Entrepreneurship Development at the Sociology Department, University of Nairobi. I have successfully completed my course work, and now I am at the Project level. For my Project, I am very interested in utilising part of the data collected toward development of the Kayole Soweto Informal Settlement RAP Report under Contract No. MH/KISIP/CS/004/2011-2012. The part of the collected data I am interested in is that on micro-enterprises.

I would like for your office to grant me permission to use this data in my MA Project. I will acknowledge the source as is required professionally.

My registration number as a post graduate student, under the Faculty of Arts, Department of Sociology, University of Nairobi, is C50/62166/10.

I would appreciate your response.

Yours Sincerely



Isabella Kambua Munandi

Approved. Pls
Submit copy to
KISIP.
Phel
12/02/2014

Isabella K Munandi |
P.O Box 30713, 00100 Nairobi, Kenya |
Telephone: Landline (020) 2712707; Mobile 0722 337170 |
E-mail: ikmunandi@swiftkenya.com

Note: The date the letter was written was 28th January 2014, and not 28th January 2013

**APPENDIX 2. LETTER FROM KISIP APPROVING UTILISATION OF ITS
DATA**



MINISTRY OF LAND, HOUSING AND URBAN DEVELOPMENT
Kenya Informal Settlements Improvement Project

Telephone: (02) 2718050
Fax No. (20) 734886

ARDHI HOUSE
1ST NGONG AVENUE
OFF NGONG ROAD
P.O. BOX 30450-00100
NAIROBI

When replying please quote

REF: MH/SUD/8/21/Vol. 9 (36)

DATE: 21st February 2014

Isabella Kambua Munandi
P.O Box 30713-00100
NAIROBI

**RE: PERMISSION TO USE PART OF THE DATA COLLECTED TOWARD DEVELOPMENT OF A
RESETTLEMENT ACTION PLAN REPORT FOR KAYOLE SOWETO INFORMAL SETTLEMENT UNDER
CONTRACT No. MH/KISIP/CS/004/2011-2012**

Refer to your letter dated 28th January 2013. We are glad to inform you that you have been granted permission to use part of the data collected in Kayole Soweto on condition that you acknowledge the source and provide us with a copy of the final research document. We apologise for not responding in good time.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Peris Mang'ira', with a long horizontal line extending to the right.

Peris Mang'ira
KISIP Coordinator

APPENDIX 3. INTERVIEW GUIDE

The Dynamics of Roadside Micro-Enterprises A Case Study of Kayole-Soweto Informal Settlement

Primary Data Collection Tool

ROADSIDE MICRO-ENTERPRISES

Summary

Over the years Kenya has increasingly recognised the contribution of the informal sector to its economy's development. Subsequently, witnessed is improved attitude towards the informal sector. The evidence supporting this is: a) local authorities displaying more tolerance to the informal sector, b) mobilisation of local and donor resources that support development of the informal sector, and d) development of legislation and policies that offer support to the informal sector - .e.g. the MSE Act.

Despite the progressive attitude toward the informal sector in Kenya, the acknowledged benefits of the sector are yet to be fully exploited. Part of the evidence on this is the existence of roadside micro-enterprises in Kayole Informal Settlement. These roadside micro-enterprises from Kayole Informal Settlement possess the potential that is yet to be fully exploited, namely: a) To improve the livelihoods of the owners and their employees; and b) They are likely to be a significant source of revenue for the local authority.

This study seeks to assess the dynamics of the roadside micro-enterprises in Kayole Informal Settlement, with an objective of understanding their dynamics, and recommending how better they can be supported to fully exploit their potential. The overall objective of the study is to assess the dynamics of roadside micro-enterprises in Kayole-Soweto Informal Settlement, Nairobi. Its specific objectives are:

- a) To establish the typologies and socio-economic characteristics of the roadside micro-enterprises in Kayole-Soweto Informal Settlement, Nairobi City County
- b) To assess the type of services rendered by the Nairobi City County Government and level of satisfaction by the entrepreneurs
- c) To identify problems encountered by the roadside micro-enterprises
- d) To elicit suggestions on how to promote the roadside micro-enterprises.

Your cooperation in the study would be greatly appreciated.

Full Names of Respondent: _____

Phone Number(s) of Respondent: _____

I.D. Number of Respondent: _____

Full Names of Interviewer: _____

Phone Number(s) of Interviewer: _____

Date of Interview (dd/mm/yyyy): _____

A. BACKGROUND INFORMATION

1. Physical location of the Business:
 1. Name of County: _____
 2. Name of Constituency: _____
 3. Name of Administrative Location: _____
 4. Name of Administrative Sub-Location: _____
 5. Name of Settlement: _____
 6. Road Label (*For Road label, use what is provided from the layout map*): _____
2. Category of Business (*circle or tick the appropriate category*)
 1. Property owner
 2. Business tenant
3. Is the Business located on encroached land?
 1. Yes 2. No
4. Full names, identification and contact details of the Business
 1. Full Names: _____
 2. I.D. Number: _____
 3. Phone Number(s): _____
5. Highest education level Contact Person of Business has attained:
 1. None
 2. Primary incomplete
 3. Primary complete
 4. Secondary incomplete
 5. Secondary complete
 6. College
 7. University
 8. Other (*specify*) _____
6. Full names of the **ACTUAL OWNER** of the parcel of land Business is located are:
 - a) Private person's name b) Government of Kenya
 - c) Other (*specify*) _____

B. ACTUAL LAND OWNERSHIP

- 8 What type of **OFFICIAL RECORD** does the owner of this parcel of land (where the business is located) have to prove ownership of the parcel of land
1. None
 2. Title deed (LR. Number: _____)
 3. Sale agreement
 4. Allotment letter (Allotment Number: _____)
 5. Other (*specify*) _____
- 9 If there is **NO OFFICIAL RECORD**, what method does the owner of this parcel of land use to claim legitimate ownership of the parcel of land?
- _____
- _____

Land Tenure System and Use

- 10 What land tenure system does the parcel of land the business is located fall under [*tick or circle appropriate answer(s)*]
1. Customary land tenure (*where ownership practices of the parcel of land fall under customary law*)
 2. Freehold tenure (*where absolute right of ownership or possession of land is conferred to the owner of the parcel of land for an indefinite period of time.*)
 3. Leasehold tenure (*where right of ownership is conferred to the owner of the parcel of land for a definite period (or term) of years. The right of ownership may have been granted by the government, local authority or freeholder, and is likely subject to the payment of a fee or rent*)
 4. Public tenure (*land is owned by the government for her own purpose*)
 5. Other (*specify*) _____
- 11 What is the actual predominant land use of the parcel of land on which the business is located?
1. Agriculture
 2. Ranching
 3. Residential
 4. Commercial
 5. Other (*specify*) _____

Details of Structures on the Land

12 Describe the type of structures on the parcel of land the business is located:

Element – Type of Structure on the parcel of land the business is located	Classification of structure: 1. Temporary 2. Semi-permanent 3. Permanent	Description of type of construction/building material used to make the structure (STATE FOR WALL, ROOF AND FLOOR) 1. Iron Sheets 2. Grass/reeds 3. Mud/Earth/Clay 4. Wood 5. Tiles 6. Concrete/Stone 7. Cement 8. Plastic paper/bags 9. Other (specify)				Size of affected structure (please indicate measurement)		Height (where affected)
		WALL	ROOF	FLOOR	OTHER (specify)	Floor size (please indicate measurement)		
						Length	Width	
1.								
2.								
3.								
4.								
5.								
6.								
7.								
TOTALS								

[Question 13 preferably to be administered to STRUCTURE OWNER]

13 Full names, identification and contact details of the **ACTUAL OWNER OF THE STRUCTURE(S)** on the land the business is located

Description		Any Comments on the information given
1.	Full Names:	
2.	Phone Number (s):	
3.	Plot Number:	
4.	Ballot Number:	
5.	Land Registration (LR) Number:	
6.	House Number:	

14 What is the main source of water for the business while on this land?

- | | |
|--|------------------------------------|
| 1. Rainwater collection/roof catchment | 10. Borehole without pump |
| 2. Seasonal river/stream | 11. Water vendor |
| 3. Permanent river | 12. Water kiosk |
| 4. Pond/pan/dam | 13. Public tap |
| 5. Protected spring | 14. Piped water into plot/yard |
| 6. Unprotected spring | 15. Piped water into dwelling |
| 7. Protected dug well | 16. Bottled water |
| 8. Unprotected dug well | 17. Other (<i>specify</i>) _____ |
| 9. Borehole with pump | 999. N/A |

15 What is the main mode of human waste disposal for the business while on this land?

1. Bush/flying toilet
2. Bucket
3. Traditional Pit latrine
4. Ventilated Improve Pit (VIP) Latrine
5. Cess Pool
6. Septic Tank
7. Main Sewer
8. Other (*specify*) _____
999. N/A

16 What is the main type of lighting fuel for the business while on this land? (*Tick or circle as appropriate*)

1. Electricity
2. Pressure Lamp
3. Lantern
4. Tin Lamp
5. Gas Lamp
6. Solar
7. Other (*specify*) _____
999. N/A

C. FULL DETAILS OF BUSINESS OWNER(S)/TENANT(S)

[Questions 17 & 28 to be administered ONLY to Business Owners or Tenants]

17 Business Address

i. Name of company/business: _____

ii. Personal Identification Number (PIN): _____

iii. Telephone number: _____

18 Contact Person (s):

	Full Names of Contact Person(s)	Designation/Title
1.		
2.		

19 Business type: _____

20 Year business was started: _____

21 Number of persons that are owners of the business: _____

22 Is the business registered? 1. Yes 2. No

23 If **REGISTERED**, what is the legal status of the firm?

1. Sole proprietorship
2. Partnership
3. Private limited company
4. Public limited company
5. Other (*specify*) _____

999. N/A

24 How many persons are employed in the business?

Status	Total number of employees by sex		
	Male	Female	Total
Permanent			
Temporary			
Total			

25 On average, how much is your net business income (profit) per day? Ksh. _____

26 How many days in a week do you open the business? _____

27 Do you rent the business premise? (*Circle the appropriate answer*) 1. Yes 2. No

28 If **YES**, how much is the rent per month in Kenyan Shillings? _____

29 Do you pay to the County Government (Council) a fee? 1. Yes 2. No

30 If **YES**, how often do you pay the County Government (Council) fee?

1. Daily 2. Weekly 3. Monthly 4. Other (*specify*) _____

31 If **YES**, what is the amount of “council” fee you pay Kenyan Shillings? _____

APPENDIX 4. LETTER FROM DEPARTMENT TO FACILITATE FIELD WORK



UNIVERSITY OF NAIROBI
DEPARTMENT OF SOCIOLOGY & SOCIAL WORK

Fax 254-2-245566
Telex 22095 Varsity Nairobi Kenya
Tel. 318262/5 Ext. 28167

P.O. Box 30197
Nairobi
Kenya

October 13, 2015

TO WHOM IT MAY CONCERN

ISABELLA KAMBUA MUNANDI –C50/62166/2010

Through this letter, I wish to confirm that the above named is a bonafide postgraduate student in the Department of Sociology & Social Work, University of Nairobi. She/He has presented his project proposal entitled; **“The dynamics of roadside micro-enterprises: a case study of Kayole Soweto informal settlement.**

Munandi is required to collect data pertaining to the research problem from the selected organization to enable him complete his project paper which is a requirement of the Masters degree.

Kindly give her/him any assistance she/he may need.

Thank you.

Dr. Robinson Ocharo
Chair, Dept. of Sociology & Social Work



Copy to: Dr. Chepkonga

APPENDIX 5. INFORMAL SETTLEMENTS IN NAIROBI BY LAND TENURE STATUS

Table 0.1: List of Informal Settlements in Nairobi by Region and, Land Tenure Status

	Name of settlement	Land tenure status	Size (ha)	Population	Density (people/ha)	Trunk proximity	PDP
KAMUKUNJI							
1.	Biafra City Cotton	CNN	0.2	800	4,000	Piped water, no access to electricity	None
2.	Blue Estate - B.A.T. House	Private land	0.8	500	625	Near trunk infrastructure	N/A
3.	Buru Buru City Cotton	CCN (alleged allocations)	12	6,000	500	Piped water, sewer, electricity mains near but no individual connection	Done
4.	Eastleigh Muungani	Private land	1	700	700	Electricity, piped water, electricity	
5.	Galole	Government	1.2	3,000	2,500	Sewer, piped water, electricity	None
6.	Gatanga Base - Pumwani	Private land	0.2	300	1,500	Near trunk infrastructure	N/A
7.	Giciriri Slum 3rd street	Private land	0.2	300	1,500	Near trunk infrastructure	N/A
8.	Kiambu	CCN and AIRFORCE	6	17,000	2,833	Near trunk sewer, no electricity, piped water	None
9.	Kinyago Kanuku	CCN	1.7	20,000	11,765	Near water, electricity, road, sewer	Done
10.	Kitui	CCN	6	12,000	2,000	Near water, electricity, road, sewer	None
11.	Majengo	Private land	10	25,000	2,500	Electricity, piped water, fairly good access	None
12.	Motherland	Private land	0.8	5,000	6,250	Near trunk infrastructure	None
13.	Muganda					Near trunk infrastructure	
14.	New Akamba Dancers	Private land	0.2	400	2,000	Electricity, piped water, fairly good access	N/A
15.	Nyambura Slum - 12th street	0	0.4	1,000	2,500	Near trunk infrastructure	N/A
16.	PLOT 30	Private land	0.8	500	625	Near trunk infrastructure	N/A
17.	Sewer slum	Private land	0.4	400	1,000	Near trunk infrastructure	N/A
18.	Sophia - Pumwani	Private land	0.1	700	7,000	Near trunk infrastructure	N/A
19.	Upendo Slum - Eastleigh Airbase	Private land	0.4	800	2,000	Near trunk infrastructure	N/A
20.	Zawadi	Alleged as a private?	4	9,000	2,250	Piped water, sewer, electricity mains near but no individual connection	N/A
Total - Kamukunji			46	103,350			
MAKADARA							

	Name of settlement	Land tenure status	Size (ha)	Population	Density (people/ha)	Trunk proximity	PDP
1.	Barclays Village	Road reserve, power way leave	1.2	2,000	1,667	Piped water, electricity, sewer	None
2.	Commercial	Private	0.5	6,000	12,000		N/A
3.	Donholm	Government	0.4			Latrines, proximity of sewer TBC, piped water with private water points access fairly good	None
4.	Fuata Nyayo	Alleged private ownership (TBC)/CCN	1.2	9,000	7,500	Near trunk infrastructure	None
5.	Hazina Sokoni	Kenya Railways	2.4	13,000	5,417	Piped water, toilets, earth road runs across the settlement, electricity	None
6.	Jamaica	Government	4				None
7.	Kabiria	Government	0.8	3,500	4,375	Piped water with private water points, private exhaust toilets, electricity, poor access	?
8.	Kaloleni - Agare Village	Railways/CCN?	1.6	10,000	6,250	Sewer, piped water, no individual connection for electricity, Agare Village self-help group	None
9.	Kanaro	Government	1.2	10,000	8,333	No toilets, no electricity, very poor access, piped water with private water points	?
10.	Kenya Wine	Kenya Railways, power way leave and riparian way leave	2.8	10,000	3,571	Piped water, exhaust latrines, proximity of trunk sewer, TBC, electricity	N/A
11.	Kingston	Power way leave, private (TBC)	0.8	4,500	5,625	Piped water, no electricity, all weather road serve the area, access fairly good	N/A
12.	Kisii Village	Government	1.6	10,000	6,250	Piped water points, sewer, electricity	None
13.	Lunga Lunga	Power way leave	3.6	15,000	4,167	Latrines, proximity of sewer TBC, piped water with private water points, access fairly good	N/A
14.	Mariguini	NHC-Government	2.7	3,500	1,296		None
15.	Maasai Village	Power way leave	0.8	3,000	3,750	Piped water, with few private exhaust latrine	N/A
16.	Maziwa	Road reserve/alleged private ownership	1.2	15,000	12,500	Residents get water from Kaloleni and Makongeni, no toilets- residents go to Makongeni and Kaloleni, no electricity, few CBO's exist	N/A
17.	Mbotela	Government					
18.	Mukuru Kayaba	Kenya Railways, power way leave	8	20,000	2,500	Piped water, electricity, access fairly good	N/A
19.	Paradise	Private	4			Piped water, toilets, earth road runs across the settlement, electricity	?

	Name of settlement	Land tenure status	Size (ha)	Population	Density (people/ha)	Trunk proximity	PDP
20.	Paradise	TBC-Government	6			Piped water with private water points, pit latrines, electricity, poor internal access	None
21.	Shimo La Tewa	Road reserve, power way leave	1.2	3,000	2,500	Piped water with private water points, pit latrines, electricity, poor internal access	None
22.	Sinai	Kenya Railways, Kenya pipeline, Power way leave	6	30,000	5,000	Piped water with private water points, few private latrines, electricity, poor internal access	N/A
23.	Site Village (off Aoko Rd South B)	Government	2.8	15,000	5,357	Near trunk sewer, electricity, piped water with water points	?
24.	South B	Government	6				
	Total - Makadara		61	182,500			
EMBAKASI							
1.	48 Zone - Imara Daima	Private	1.2	1,000	833	No sewer	N/A
2.	Bins - Imara Daima	Private	1	600	600	No sewer	N/A
3.	Canan - Dandora	CCN/private	8	15,000	1,875	Near trunk infrastructure	None
4.	Embakasi Village	CCN	1.2	3,000	2,500	Near water, electricity, road, sewer	Done
5.	Gatope Zone - Imara Daima	Kenya railways / private	2	1,000	500	No sewer	N/A
6.	Gitari Marigo	Riparian/CCN	4		0	No sewer, there is electricity, piped water	None
7.	Kamulu	Private	1	200	200	no sewer	N/A
8.	Kangurue-Komarock	Power way leave	1	1,000	1,000	Near trunk infrastructure	N/A
9.	Kayole-Soweto	CCN	8	10,000	1,250	Trunk sewer connection, there is electricity but few individual connection, access is good but requires opening up, there are CBO, NGO and CDF projects	None
10.	KCC	CCN - alleged allocations	3.6	10,000	2,778	Trunk sewer, electricity & water	None
11.	Kwa Gitau	Private	1.2	1,000	833	No sewer, there is electricity, piped water	N/A
12.	Kware Village	Government	4	10,000	2,500	Near trunk infrastructure	None
13.	Kyangombe	Private	2	10,000	5,000	Piped water, electricity, poor sanitation proximity to sewer to be confirmed	N/A
14.	Maili Saba	Government	12	27,000	2,250	No sewer, there is electricity, piped water	None
15.	Mihango	Private	0.8	500	625	No Sewer	N/A
16.	Milimani - Imara	Private	1	2,000	2,000	No sewer	N/A

	Name of settlement	Land tenure status	Size (ha)	Population	Density (people/ha)	Trunk proximity	PDP
17.	Mohlaa Moidada	Disputed (private)	2	1,000	500	No piped water, no sewer, no electricity, poor access, no organised community	N/A
18.	Mowlem Village	Private	25	20,000	800	Near trunk infrastructure	N/A
19.	Muigi Inn - Njiru	Private	0.8	3,000	3,750	No sewer	N/A
20.	Mukuru kwa Reuben	Private	8		o	Piped water, no electricity connection, poor accessibility	
21.	Mukuru Sinai	CCN & Private	2	10,000	5,000	Piped water, no electricity connection, poor accessibility	None
22.	Mwengenyie	Private	2.5	700	280	No sewer	N/A
23.	Mworoto - Dandora	Private	4	10,000	2,500	Near trunk infrastructure	N/A
24.	Pipeline	Private	5	20,000	4,000	Piped water, electricity, no CBO or NGO ,proximity to sewer to be confirmed	N/A
25.	Railway Zone - Imara Daima	Kenya railways	2.8	5,000	1,786	No sewer	N/A
26.	Riruta - Imara Daima	Private	0.8	700	875	No sewer	N/A
27.	Rurii - Imara Daima	Private	2	5,000	2,500	No sewer	N/A
28.	Tasia Village	Private	6	10,000	1,667	No sewer	N/A
29.	Waisige - Imara Daima	Private	1.2	2,500	2,083	No sewer	N/A
30.	Vietnam	Private	3	10,000	3,333	Near trunk infrastructure	None
	Total – Embakasi		117	190,200			
LANG'ATA							
1.	Bangladesh - Mugumoini	Private	2	1,000	500	Near trunk infrastructure	N/A
2.	City cotton - Wilson	Government	1	1,600	1,600	Piped water, electricity, near trunk sewer	None
3.	DC slum	Government				Piped water, electricity, near trunk sewer	None
4.	Gatwikira	Government	40	70,000	1,750	Piped water, electricity, near trunk sewer	None
5.	Kambi Kisii	Government				Piped water, electricity, near trunk sewer	None
6.	Kambi Lamu	Government				Piped water, electricity, near trunk sewer	None
7.	Kambi Muru	Government	8	7,000	875	Piped water, electricity, near trunk sewer	None
8.	Karanja Village	Government				Piped water, electricity, near trunk sewer	None
9.	Kianda	Government	4	15,000	3,750	Piped water, electricity, near trunk sewer	None
10.	Kiangombe	Government				Piped water, electricity, near trunk sewer	None
11.	Kichinjo	Government	20	50,000	2,500	Piped water, electricity, near trunk sewer	None
12.	Kisumu Ndogo	Government	30	35,000	1,167	Piped water, electricity, near trunk sewer	None
13.	Kariobangi-Karen	Private				Piped water, electricity, near trunk sewer	N/A
14.	Kuwindia	Government	5	7,000	1,400	Piped water, electricity, near trunk sewer	None

	Name of settlement	Land tenure status	Size (ha)	Population	Density (people/ha)	Trunk proximity	PDP
15.	Kwa Gathoni slums	Government				Piped water, electricity, near trunk sewer	None
16.	Laini Saba	Government	50	60,000	1,200	Piped water, electricity, near trunk sewer	None
17.	Lindi	Government	20	50,000	2,500	Piped water, electricity, near trunk sewer	None
18.	Makina	Government	20	50,000	2,500	Piped water, electricity, near trunk sewer	None
19.	Makina slums	Government	20	50,000	2,500	Piped water, electricity, near trunk sewer	None
20.	Mashimoni	Government	7	25,000	3,571	Piped water, electricity, proximity to sewer to be confirmed	None
21.	Mitumba	Government	14	6,000	429	Piped water, electricity, proximity to sewer to be confirmed	None
22.	PLOT 30	Government	1.5	650	433	Near trunk infrastructure - water, sewer, electricity	None
23.	Quarry/Raila Estate	Government	8	9,000	1,125	Piped water, electricity, near trunk sewer	None
24.	Riverside Mbagathi	Government	13	18,000	1,385	Piped water, electricity, near trunk sewer	None
25.	Sara Ng'ombe	Government				Piped water, electricity, near trunk sewer	None
26.	Silanga	Government	6	35,000	5,833	Piped water, electricity, near trunk sewer	None
27.	Songa Mbele slums	Government				Piped water, electricity, near trunk sewer	None
28.	Southlands - Mugumoini	Government/ private	5	5,000	1,000	Near trunk infrastructure	None
29.	Soweto East	Government	15	50,000	3,333	Near trunk infrastructure - water, sewer, electricity	None
30.	Soweto West Kianda	Government	40	40,000	1,000	Piped water, electricity, near trunk sewer	None
31.	Wangombe- Nairobi West					Piped water, electricity, near trunk sewer	None
	Total –Lang'ata		329.5	585,250			
STAREHE							
1.	Ghetto	CCN	1.4	1,000	714	Near trunk infrastructure: water, sewer, electricity	None
2.	Gitathuru	CCN	0.8	1,000	1,250	Near water, electricity, road, sewer	None
3.	Gorofani/Pipeline	Private	1.2	3,000	2,500	Near trunk infrastructure	N/A
4.	Kahonoki	Private	8	6,000	750	Near trunk infrastructure	
5.	Kambi Moto	CCN	0.4	1,241	3,103	Near trunk infrastructure: water, sewer, electricity	None
6.	Kiamutisya	Government/ Alleged allocations	5	1,700	340		
7.	Kosovo	CCN				Near trunk infrastructure: water, sewer, electricity	None
8.	Kwa Kariuki	Private	1.6	1,000	625	Near trunk infrastructure	N/A
9.	Mabatini	CCN	1.4	1,200	857	Near water, electricity, road, sewer. Have previous intervention. Have organised community groups	None
10.	Madoya village	Private	1.6	3,000	1,875	Near trunk infrastructure	N/A
11.	Mahira	CCN	1.2	1,174	978	Near trunk infrastructure: water, sewer, electricity	None

	Name of settlement	Land tenure status	Size (ha)	Population	Density (people/ha)	Trunk proximity	PDP
12.	Mathare 3C	Private	6	3,000	500	Near trunk infrastructure	N/A
13.	Mathare 4B	Government	4	12,000	3,000	Near water, electricity, road, sewer. Have no previous intervention. Have organised community groups	None
14.	Mathare Mashimoni	Government	2	4,000	2,000	Near water, electricity, road, sewer. Have previous intervention. Have organised community groups	None
15.	Mathare no. 10	Private	2.8	4,000	1,429	Near trunk infrastructure	N/A
16.	Mathare 3B	Private	2	3,000	1,500	Near trunk infrastructure	N/A
17.	Mathare 4A	Private	4	10,000	2,500	Near trunk infrastructure	N/A
18.	Redeemed	CCN	0.8	1,000	1,250	Near trunk infrastructure: water, sewer, electricity	None
19.	Thayo	Private	1.2	3,000	2,500	Near trunk infrastructure	N/A
20.	Tsunami	Private	1.2	2,000	1,667	Near trunk infrastructure	N/A
21.	Village two	Private	8	20,000	2,500	Near trunk infrastructure	N/A
	Total – Starehe		55	82,315			
DAGORETTI							
1.	Catholic area - Ngando	Private	0.8	2,000	2,500	No sewer	N/A
2.	Dagoretti Centre	Private	0.4	300	750	No sewer	N/A
3.	Gachui	Private	0.2	400	2,000		
4.	Gatina	Private	8	20,000	2,500	Near trunk infrastructure	N/A
5.	Githarani	Private	0.2	400	2,000		N/A
6.	Kabiria	Private	0.8	1,000	1,250	No sewer	
7.	Kabiro	Private	4	5,000	1,250	No sewer	N/A
8.	Kaburi	Government	0.3	300	1,000	No sewer	N/A
9.	Kamwaya	Government		1,500		Near water mains, electricity, road, sewer	None
10.	Kandutu	Private	0.4	1,000	2,500	No sewer	
11.	Kanguku	CCN/Private	0.4	500	1,250	No sewer	None
12.	Kanunganga	Private	2	3,000	1,500	Near trunk infrastructure, no sewer	
13.	Kareru	CCN	0.2	300	1,500	No sewer	None
14.	Kareru	CCN	0.2	200	1,000	No sewer	N/A
15.	Kawangware - coast	CCN	0.1	100	1,000	No sewer	
16.	Kawangware - Kiambooni	CCN-road reserve	0.8	50	63	No trunk infrastructure	
17.	Kawangware - Sokoni	Private	0.05	100	2,000	No sewer	N/A
18.	Kimbo	Private	0.4	800	2,000	No sewer	N/A
19.	Kinyanjui	Private	4.9	3,000	612	No sewer	N/A

	Name of settlement	Land tenure status	Size (ha)	Population	Density (people/ha)	Trunk proximity	PDP
20.	Kirigu	Private	0.1	200	2,000	No sewer	N/A
21.	Ki-West Ngando	Private	0.2	800	4,000	No sewer	N/A
22.	Kongo	Private	2.8	8,000	2,857	Near trunk infrastructure	N/A
23.	Kwa Nganga	Private	2	3,000	1,500	No sewer	N/A
24.	Lenana	Private	1	2,000	2,000	No sewer	N/A
25.	Magithondia	Private	0.4	500	1,250	No sewer	
26.	Muria Mbogo	CCN	0.2	200	1,000	No sewer	
27.	Musamba	Private	0.4	1,000	2,500	No sewer	N/A
28.	Muslim	Private	0.8	3,000	3,750	No sewer	
29.	Mutego	Kenya Railways	0.2	200	1,000	No sewer	
30.	Njiku	Government	1	1,300	1,300	Far from water, electricity, road, sewer	None
31.	Pipeline	CCN	0.3	200	667	Near trunk infrastructure	
32.	Riruta East	Private	0.8	500	625	No sewer	
33.	Riruta Githembe	Private	0.4	300	750	No sewer	N/A
34.	Soko Mujinga	Government/CCN	0.8	1,000	1,250	No sewer	
35.	Stage Waria	CCN	0.2	400	2,000	No sewer	
36.	Stage 2	CCN	0.2	500	2,500	No sewer	
37.	Wanyee	Private (pockets in Githembe)				No sewer	
Total - Dagoretti			36	63,050			
KASARANI							
1.	Beth Village	Government	2	15,000	7,500	No sewer, there is electricity, piped water	None
2.	Clay Village						
3.	Dam Side	CCN/Private	12	10,000	833	Near trunk infrastructure	None
4.	Dampsite	Government	1.2	700	583	Near trunk infrastructure	None
5.	Gatheca	Private	5.7	15,000	2,632	Near trunk infrastructure	None
6.	Githurai	Private	5	3,000	600	No sewer	N/A
7.	Githurai-Majengo	Private	0.02	170	8,500	No sewer	N/A
8.	Gituamba-Mwiki	Private	5	3,000	600	No sewer	N/A
9.	Gituamba	Private	10	4,000	400	No sewer, there is electricity, piped water	N/A
10.	Jangwani	Government/ Church claim ownership	4	5,000	1,250	Near trunk infrastructure	N/A
11.	Kahawa Soweto	CCN	1.2	3,000	2,500	Near water, electricity, road, sewer	Done
12.	Kamae	Private-KU	421	6,000	14	No sewer	None

	Name of settlement	Land tenure status	Size (ha)	Population	Density (people/ha)	Trunk proximity	PDP
13.	Kariadudu-Baba Dogo	Private	3	3,000	1,000	Near trunk infrastructure	N/A
14.	Kariobangi Light Industry	CCN/Alleged private ownership (GRABBED)	1.2	800	667	Near trunk infrastructure	None
15.	Korogocho Grogon A	Government	8	7,000	875	Near trunk infrastructure	None
16.	Korogocho Grogon B	Government	2.8	9,000	3,214	Near trunk infrastructure	None
17.	Korogocho A	Government	7.5	5,000	667	Near trunk infrastructure	None
18.	Korogocho B	Government	5	5,000	1,000	Near trunk infrastructure	None
19.	Kwa Njoroge	Private	2	1,000	500	No sewer	N/A
20.	Kware Village	CCN/GSU - no clear ownership	1.2	3,000	2,500	No sewer	None
21.	Marurui	Private	0.8	3,500	4,375	No sewer, there is electricity, piped water	N/A
22.	Mugure - Baba Dogo	Private	1	300	300	No sewer	N/A
23.	Muthokinjo	Government, Road reserve	1	600	600	No sewer	N/A
24.	Ngomongo	Private	3.2	6,000	1,875	Near trunk infrastructure - water, electricity - no sewer	N/A
25.	Ngunyumu	Government	4	10,000	2,500	Near trunk infrastructure	None
26.	Quarry Squatters	Private	12	10,000	833	No sewer	
27.	Ruaraka Akamba Dancers	CCN	0.4	400	1,000	Near trunk infrastructure	
28.	Sharp Corner	Government	4	2,500	625	No sewer	None
29.	Tusker	Road reserve					N/A
30.	Zimmerman B	KPLC	1.2	800	667	No sewer	N/A
	Total - Kasarani		525	132,770			
WESTLANDS							
1.	Dam	Vet lab & Kenya Railways		5,000			N/A
2.	Deep Sea	Government-bypass road reserve, Private		7,500			
3.	Githogoro	Road reserve	6.9	17,000	2,464	Piped water & communal water points, electricity, no sewer	N/A
4.	Kaptagat	Road reserve		1,600			
5.	Kariua	Private	1.2	1,000	833		

	Name of settlement	Land tenure status	Size (ha)	Population	Density (people/ha)	Trunk proximity	PDP
6.	Kibarage	CCK, Nairobi School	1.6	2,000	1,250	Piped water, no sewer-private and communal latrines, no electricity, access through an all-weather road but internal circulation through an earth road	N/A
7.	Kwa Njoroge	Private		500			N/A
8.	Matopeni	Alleged private		750			N/A
9.	Mji wa Huruma	Government	2	2,500	1,250	Piped water, only 1 tap, no electricity, no sewer-use latrines	
10.	Ndumbuini	Road reserve, alleged private ownership	1.2	800	667	Water is inadequate, no sewer, no electricity, access fairly good	N/A
11.	NITD	Government	1	1,800	1,800	Piped water but inadequate water points, electricity, poor sanitation due to use of pit latrines	N/A
12.	Suswa	CCN(TBC)-road reserve	0.25	1,820	7,280	Piped water & a communal water point, no electricity, no sewer	No
13.	Waruku	CCN	0.2	500	2,500	No sewer, no electricity, water point	N/A
	Total - Westlands		14	42,770			
	GRAND TOTAL		1184	1,382,205			

Source: CAS Consultants *et al*, 2014; and Runji & Partners, 2013 – quoting KNBS Director, 2011 (based on the 2009 national population census results)

Key:

CCK: Communication Commission of Kenya (now Communication Authority of Kenya [CA])

CCN: City Council of Nairobi (now Nairobi City County)

GSU: General Service Unit

KPLC: Kenya Power and Lighting Company

KU: Kenyatta University

NHC: National Housing Corporation

PDP: Part Development Plan

**APPENDIX 6. LETTER TO KENYA NATIONAL BUREAU OF STATISTICS
TO PROVIDE SPECIFIC INFORMATION FOR USE IN THE STUDY**

**REQUEST FOR STATISTICAL DATA ON KAYOLE SOWETO INFORMAL
SETTLEMENT LOCATED IN NAIROBI**

31st March 2015

To
The Director
Kenya National Bureau of Statistics (KNBS)
Herufi House
Nairobi

Dear Sir/Madam,

**Ref: Request for Population Data on Kayole Soweto Informal Settlement which is
Located in Nairobi**

My name is Isabella Kambua Munandi. I am doing a MA in Entrepreneurship Development at the Sociology Department, University of Nairobi. I have successfully completed my course work, and now I am at the Project level. For my Project, I am very interested in understanding the dynamics of roadside micro-enterprises in Kayole Soweto Informal Settlement, which is located in Nairobi County.

Toward satisfactorily undertaking my MA Project, I require two types of statistics on Kayole Soweto, namely:

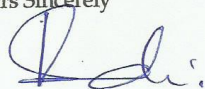
- a) Population distribution of persons in Kayole Soweto by single years of age and sex for the census years 1979, 1989, 1999, and 2009; and,
- b) Population of persons in Kayole Soweto aged five (5) years and above by sex and activity status for the census years 1979, 1989, 1999 and 2009.

I would very much appreciate for your Bureau to provide me with this information to use in my MA Project. I will acknowledge the source as is required professionally.

My registration number as a post graduate student, under the Faculty of Arts, Department of Sociology, University of Nairobi, is C50/62166/10.

I would appreciate your response.

Yours Sincerely



Isabella Kambua Munandi

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